



Meeting Date: December 14, 2023 **Agenda Type:** Action Items

From: John Warren **Reviewed by:** Ashley Van Booven
Finance Manager Director of Finance

Submitted by: Dawn Schriever **Approved by:** Ryan Kelso
Chief Financial Officer Interim Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Approval and Authorization to Select the Underwriting Team for the City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2024

BACKGROUND

New Braunfels Utilities (“NBU”) staff requests that the NBU Board approve HilltopSecurities, Piper Sandler & Co., and Frost Bank (the “Underwriting Team”) as underwriters for the proposed City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2024 (the “Series 2024 Bonds”). NBU’s staff further recommends that HilltopSecurities serve as the lead underwriter and the remaining two firms serve as co-managers.

HilltopSecurities is a large, major regional investment banking firm based in Texas. The firm maintains twelve sales and underwriting offices in twelve states and employs a total of 191 sales, trading, underwriting, and retail sales professionals across the United States. HilltopSecurities covers all levels of investors, from Tier 1 institutional investors to individual retail investors, and is regularly included in the list of top underwriters in the State of Texas. The lead banker for Hilltop Securities, to be assigned to the Series 2024 Bonds transaction, is a local New Braunfels resident and an active participant in the New Braunfels community.

Piper Sandler & Co. was founded in 1895 and is a client-focused, full-service investment banking firm. It is a super-regional firm, headquartered in Minneapolis, Minnesota, with over 60 offices across the United States including 40 public finance offices, 24 sales offices, and 11 trading desks. Piper Sandler is focused on providing bond underwriting services to communities across the State of Texas and has nine bankers in Texas, including a local office in San Antonio. Its public finance banking team is supported by one of the largest municipal institutional sales forces in the country. Piper Sandler consistently ranks as one of the top municipal bond underwriters in the State of Texas.

Frost Bank, established in 1868 in San Antonio, Texas is a major regional firm and has continued to grow its municipal underwriting portfolio. Over the past five years, Frost Bank has been a very active participant in the Texas negotiated underwriting marketplace. It also maintains one of the largest municipal bond portfolios in the country. Frost Bank has been active in the New Braunfels and Comal County area, participating in underwritings for the City of New Braunfels, New Braunfels ISD, Comal ISD, and Comal County.

FINANCIAL IMPACT

The underwriting team will be paid from the proceeds from the sale of the Series 2024 Bonds.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

None