



COUNTY OF EL PASO
OFFICE OF THE COUNTY AUDITOR

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05-48

May 30, 2012

The Honorable Delia Briones
County Clerk
Room 105, County Courthouse Building
500 East San Antonio
El Paso, Texas 79901

Dear Mrs. Briones:

It would be appreciated if you would place the following item on the agenda for the commissioners court special meeting to be conducted on Monday, June 4, 2012:

Discuss and take appropriate action for the selection of the underwriting team for the County of El Paso for the upcoming 2012 bond issuance.

Your assistance with this agenda item will be appreciated.

Very truly yours,

Edward A. Dion
County Auditor

EAD:ya

Attachment

cc: The Honorable Veronica Escobar, County Judge
The Honorable Anna Perez, County Commissioner
The Honorable Sergio Lewis, County Commissioner
The Honorable Daniel R. Haggerty, County Commissioner
The Honorable Tania M. Chozet, County Commissioner
Mrs. Lee Shapleigh, Assistant County Attorney



COMMISSIONERS COURT
COMMUNICATION

AGENDA DATE : June 4, 2012 _____

CONSENT OR REGULAR: Regular _____

CONTRACT REFERENCE NO
(IF APPLICABLE): _____

SUBJECT:

Discuss and take appropriate action for the selection of underwriting team for the County of El Paso for the upcoming 2012 bond issuance.

BACKGROUND/DISCUSSION OF TOPIC: ..

With the upcoming 2012 bond issuance the County of El Paso chose to go out for RFP for an underwriting team to meet the counties needs for the next bond issuance. This process began in May 2012 and the court chose to take this competitive approach.

FISCAL IMPACT:

All bond costs will be a component of the final closing costs related to the ultimate issuance of debt.

PRIOR COMMISSIONERS COURT ACTION (IF ANY):

May 3, 2012 and May 14,,2012

RECOMMENDATION: Approve

COUNTY ATTORNEY APPROVAL

The attached document has been given legal review by the El Paso County Attorney's Office on behalf of the County of El Paso, it officers, and employees. Said legal review should not be relied upon by any person or entity other than the County of El Paso, its officers, and employees.

COUNTY ATTORNEY:

LEGAL REVIEW:

LEGAL REVIEW NOTES (If Applicable):

SUBMITTED BY: Edward A. Dion. Countv Auditor. 915-546-2040



June 4, 2012

TO: Veronica Escobar, County Judge
County Commissioners Chozet, Perez, Lewis and Haggerty

THROUGH: Edward Dion, County Auditor, Wallace Hardgrove and James Utterback

FROM: Mark F. Valenzuela, Vice President of George K. Baum & Company
Financial Advisor to El Paso County, Texas

RE: Series 2012 Bond Issue: Recommendations for the Underwriter Team

El Paso County, TX received proposals from sixteen (16) bond underwriting firms for the Series 2012 bonds. Through a deliberative review and evaluation process, the Auditor's Office with assistance from the Financial Advising Team and County Attorney's office is able to make a recommendation to the Commissioner's Court for a slate of firms to sell the 2012 bonds. All firms were evaluated on the same series of factors requested in the RFP. The approach for the recommendation was to balance a firm's good ethical reputation with its ability to sell El Paso County's bonds in a way that will produce the most competitive price.

Firm Reputation - A key consideration for the recommendation is the proposer's ethical background as judged from the lack of, disclosure, type and amount of sanctions, fines or investigations with any federal agency or self-regulatory organization.

Strategy and Capacity to Sell Bonds - Another key consideration for the recommendation is the firm's understanding of the financial statements of El Paso County and the firm's demonstrated understanding of the financing goals for the transaction. In addition, the net capital before haircuts is an important threshold factor for identifying firms with sufficient cash to absorb and takedown the transaction, if required.

Mix of Regional & National Firms - The recommendation is sensitive to the use of firms with an active presence in the Texas and the Southwest. The recommendation ensures the use of firms who have an active presence with investors in key market centers around the country. This strategic selection will improve the County's opportunities to place bonds with as many investors as possible in an effort to push down pricing.

RECOMMENDATION

The recommendation is to select the following four underwriting firms to manage and underwrite the bonds for El Paso County, TX: (1) Ramirez & Company - Senior Manager, (2) Seibert Brandford Shank & Co., (3) Loop Capital Markets, and (4) Citigroup Global Markets.