

Mayor and Council Communication

DATE: 06/25/24

M&C FILE NUMBER: M&C 24-0537

LOG NAME: 12BOND AND DISCLOSURE EXTEND

SUBJECT

(ALL) Adopt Resolution Authorizing Continued Employment of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP to Serve as the City's Co-Bond Counsel and of West & Associates L.L.P. as the City's Disclosure Counsel with such Firms to Represent the City in Matters Related to the Issuance of Bonds and Other Debt Instruments

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the continued employment of McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP as the City's co-bond counsel and of West & Associates L.L.P. as the City's disclosure counsel with the firms to represent the City in matters related to the issuance of municipal bonds and other debt instruments.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize the continued engagement of bond counsel and disclosure counsel to provide specialized legal expertise in matters related to the issuance of bonds and other debt instruments in accordance with Chapter 2254 of the Texas Government Code.

Bond Counsel

McCall, Parkhurst & Horton L.L.P. and Kelly Hart & Hallman LLP have served the City as bond co-counsel since 1991 (M&Cs C-12784, C-15245, C-16321, C-19295, C-26308, and C-28927).

Issuance of City debt instruments requires highly specialized legal services, including providing opinions that bonds and other debt are being issued in accordance with the Constitution and laws of the State of Texas, that the bonds constitute valid and legally binding obligations of the City, and that the interest on the bonds is exempt from federal income taxes under existing statutes, regulations, rulings and court decisions.

The two firms have performed satisfactorily and cooperatively throughout the term of their retention by the City. The City Attorney's Office has reviewed options for bond counsel services and recommends continued engagement of these firms based on demonstrated competence and qualifications. Given the two firms' subject matter expertise, familiarity with City operations, and successful past performance, the City Manager's Office recommends that the City Attorney continue to engage the two firms to serve as co-counsel for issues related to bonds and other debt instruments.

The extension would run through the end of 2025 with one, two-year renewal option. Fees in connection with bond issuance are based on a percentage of the dollar amount of debt being issued and would not be incurred unless bonds are actually sold. Payment for these services would come from the bond proceeds and would be approved on a case-by-case basis as part of the approval for each debt issuance.

Disclosure Counsel

West & Associates L.L.P. is based in North Texas and has served as disclosure counsel for the City of Fort Worth since 2018 (M&C C-28927). Other clients of its disclosure counsel services have included Dallas Area Rapid Transit (DART), the Dallas Independent School District, and the City of Arlington.

The provision of disclosure counsel services involves reviewing and conducting due diligence regarding offering statements and other disclosure documents and information as well as monitoring disclosure practice in the U.S. and Texas bond markets and advising the City of changes or trends in federal and state law, regulations, and practice.

The firm has performed satisfactorily throughout the term of its retention by the City. The City Attorney's Office has reviewed options for disclosure counsel services that meet the City's goals and recommends continued engagement of the firm based on demonstrated competence and qualifications. Given the firm's subject matter expertise, familiarity with City operations, and successful past performance, the City Manager's Office recommends that the City Attorney continue to engage the firm to serve as disclosure counsel for issues related to bonds and other debt instruments.

The extension would run through the end of 2025 with one, two-year renewal option. Payment for services would come from the proceeds of bonds or other debt instruments and would be approved on a case-by-case basis as part of the approval for each debt issuance.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds required to pay legal fees related to debt issuances will be available from the proceeds of bond sales

and/or appropriate debt service funds.

Submitted for City Manager's Office by: ALL ACMs 6122

Originating Business Unit Head: Leann Guzman 8973

Additional Information Contact: Denis McElroy 2758