

Memorandum



CITY OF DALLAS

DATE October 22, 2010

TO Members of the Budget, Finance & Audit Committee:
Chair Jerry R. Allen, Vice-Chair Ann Margolin, Vonciel Jones Hill, Angela Hunt,
Delia D. Jasso, Ron Natinsky, David A. Neumann

SUBJECT Extension of Financial Advisory Services Contracts

The City of Dallas' contracts with First Southwest Company and Estrada Hinojosa for financial advisory services expire on December 31, 2010. Several complex financings are currently underway that may extend beyond this date and, in the case of the General Obligation Commercial Paper program, will also require the financial advisors' expertise to assist staff in implementation. Staff recommends extending the existing contracts on the same terms and conditions for an additional nine months through September 30, 2011. Both companies have agreed to the extension of their contracts.

Current financings requiring ongoing involvement and assistance from the Co-Financial Advisors include:

- Issuance of General Obligation Refunding Bonds and Equipment Acquisition Notes
- Issuance of Love Field Airport Modernization Corporation Special Facilities Revenue Bonds (Southwest Airlines – Love Field Modernization Program Project)
- Implementation and initial start-up of the General Obligation Commercial Paper program

Assistance with implementation of the commercial paper program is expected to be completed by the end of March 2011. At that time, a Request for Proposals for Financial Advisory Services would be released with award anticipated in August. A resolution extending the existing contract through September 30, 2011, will be presented for approval to City Council on the November 10th addendum.

Please let me know if you need additional information.


For: Jeanne Chipperfield
Chief Financial Officer

c: Honorable Mayor & Members of the City Council
Mary K. Suhm, City Manager
Deborah A. Watkins, City Secretary
Tom P. Perkins, City Attorney
Craig D. Kinton, City Auditor
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Frank Libro, Public Information Office
Helena Stevens-Thompson, Assistant to the City Manager