

Bond Underwriting Services

May 13, 2025

SUMMARY:

This item requests approval of a recommended bond underwriting pool until it becomes prudent to issue a new Request for Qualifications to evaluate the universe of potential bond underwriters in the future.

BOARD GOAL:

In pursuit of excellence, we will:

- Demonstrate effective and efficient management of district resources
- Provide leadership and/or oversight to ensure district meets all fiscal, legal and regulatory requirements

PREVIOUS BOARD ACTION:

A recommended bond underwriting pool was approved by the Board of Trustees on June 12, 2018, pursuant to a Request for Qualifications (RFQ) for Bond Underwriting Services that was issued in April of 2018. Per the RFQ, Denton ISD may add or remove firms from the underwriting pool at any time, at its own discretion. Subsequently, the underwriting pool was updated shortly after the District's successful May 2023 bond election with Board approval occurring on May 16, 2023.

BACKGROUND INFORMATION:

The District selects certain firms to serve as underwriters on future negotiated financings. The number of firms used for a particular financing depends on the size of the bond sale, prior underwriting performance and ongoing support of DISD's financing needs. The District is not required to utilize the services of any firm within its approved pool of bond underwriters and DISD retains the flexibility to add and/or delete firms to its underwriting pool at any point in time it is deemed in the best interest of the District.

SIGNIFICANT ISSUES:

Since the bond underwriting pool was last updated, there have been numerous financial institutions entering into the Texas public school district bond underwriting arena, coupled with key changes in personnel among various firms already pursuing Texas school district bond underwriting business, necessitating a review and updating of the District's current pool.

FISCAL IMPLICATIONS:

Pursuant to Section 2254.003 of the Texas Government Code, the selection of underwriters may not be made based upon competitive bids, but rather determined on the basis of "demonstrated competence" and "qualifications to perform the services."

BENEFIT OF ACTION:

Approval of an updated underwriting pool will allow the District to move forward with the planning and implementation of the remaining \$381,996,928 of bond authorization from the 2023 Bond Program.

PROCEDURAL AND REPORTING IMPLICATIONS:

None

ALTERNATIVES:

A new Request for Qualifications for Bond Underwriting Services could be issued.

SUPERINTENDENT’S RECOMMENDATION:

Recommend approval of the following financial institutions as the bond underwriting pool:

Cabrera Capital Markets (Minority Owned)
FHN Financial Capital Markets
Hilltop Securities Inc.
Jefferies LLC
Mesirow Financial Inc.
PNC Capital Markets LLC
RBC Capital Markets, LLC
Siebert Williams Shank & Co. (Minority Owned)
Wells Fargo Securities

Estrada Hinojosa & Company
Frost Bank
Huntington Capital Markets
J.P. Morgan Securities LLC
Piper Sandler & Co
Raymond James & Associates Inc.
Robert W. Baird & Co.
Stephens Inc.

STAFF PERSONS RESPONSIBLE:

Dr. Jeremy Thompson, Deputy Superintendent
Jennifer Stewart, Executive Director of Budget
Cindy Willis, Director of Purchasing

ATTACHMENT:

Letter of recommendation dated May 13, 2025 – BOK Financial Securities, Inc.

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Signature of Divisional Assistant Superintendent: _____

Signature of Superintendent: _____