

**Indian River County
Inter-Office Memorandum
Office of Management and Budget**

TO: Members of the Board of County Commissioners

DATE: September 23, 2019

SUBJECT: Municipal Advisory Agreement – Termination of Masterson Advisors LLC and Request to Approve Agreement with Hilltop Securities Inc.

FROM: Kristin Daniels - Director, Management & Budget

Description and Conditions

On December 18, 2018, the Board of County Commissioners approved an agreement with Masterson Advisors LLC to provide financial advisory services for the County. This agreement was for an initial term of five (5) years, with ten (10) one-year renewals. Per Section 6 of the agreement, if for any reason, personnel assigned is changed or replaced, the County has the right to immediately terminate the agreement. Due to the unfortunate passing of Managing Director Edward D. Stull, Jr., it is requested that the current agreement with Masterson Advisors LLC be terminated, and a new agreement with Hilltop Securities Inc. be awarded. Staff has worked with Director Joel Tindal of Hilltop Securities on past debt issuances, as Hilltop Securities is the successor to First Southwest, the County's Municipal Advisor at that time. Staff recommends that the Board of County Commissioners approve a new agreement with Hilltop Securities Inc. Following the same terms as the prior agreement, the initial term would be five (5) years, with ten (10) one-year renewals.

Funding

The cost of services under the proposed agreement is unchanged from the prior agreement. Transaction fees under the agreement are shown in the table below. These costs are typically paid from the proceeds of the bond issue upon closing of the transaction. The contract also provides for additional services on an as-needed basis at an hourly rate. It should be noted that the County has not been charged these fees during the term of the prior agreement.

Debt Transaction Fee		
\$1.20 per \$1,000	for the first	\$20,000,000 of debt instruments, plus
\$0.75 per \$1,000	for amounts	greater than \$20,000,000 of debt instruments
Minimum \$15,000 per transaction		

Recommendation

Staff recommends that the Board of County Commissioners terminate the agreement with Masterson Advisors LLC and approve the agreement with Hilltop Securities Inc.

Attachment

Municipal Advisory Agreement