



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

PAGE 1 OF 28

DATE: 10/17/2023

**SUBJECT: APPROVAL AND ACKNOWLEDGMENT OF A CO-MUNICIPAL
ADVISOR AGREEMENT BETWEEN HILLTOP SECURITIES INC.
AND THE RSI GROUP, LLC**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve and acknowledge a Co-Municipal Advisor Agreement between Hilltop Securities Inc., previously First Southwest, and The RSI Group, LLC.

BACKGROUND

On June 2, 1992, the Commissioners Court, through Court Order #67217, approved a five-year agreement with First Southwest for arbitrage rebate compliance services. The most recent contract was approved on May 2, 2023, through Court Order #140775. This agreement provides annual arbitrage calculations on each of the County's outstanding bond issues and automatically extends to any additional financing bonds (including financing lease obligations) issued during the term of this contract if such bonds are subject to the rebate requirements under Section 148(f)(2) of the Internal Revenue Code of 1986, as amended. Additionally, Hilltop completes the required Internal Revenue Service forms and provides a report to the County specifying the arbitrage amount based on calculations and other information deemed relevant.

Arbitrage, as defined by Treasury regulations, is the ability to obtain tax-exempt funds and invest those funds in higher yielding taxable securities, resulting in a profit to the issuer. Arbitrage is the profit earned from investing low yielding tax-exempt bond proceeds in higher yielding taxable securities.

Hilltop is requesting to replace Estrada Hinojosa with The RSI Group, LLC to assist with the provision of the municipal advisory services provided to Tarrant County through the above mentioned agreement.

The Criminal District Attorney's Office has reviewed the agreement.

FISCAL IMPACT

Tarrant County will not be responsible for paying any additional fees related to the Co-Municipal Advisor Agreement between Hilltop Securities Inc. and The RSI Group, LLC.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Vanessa A. Perez
---------------	------------------------	------------------------------	------------------