



## Staff Report

**TO:** City Council  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** September 5, 2023  
**SUBJECT:** Authorize City Manager to Proceed with the Execution and Delivery of Agreement of Replacement, Appointment and Acceptance for the Purpose of Transferring Bond Trustee Powers from Wilmington Trust, National Association to Zions Bank Corporate Trust

---

**Description** This item will allow the City Manager to proceed with the process for removal, appointment and acceptance of the current Trustee, Wilmington Trust, National Association to Zions Bank Corporate Trust.

### **Background and Analysis:**

A bond trust performs specific financial functions including the acceptance and disbursement of bond funds, the maintenance of Reserve Funds, and the custody of investments. The City has 35 (thirty-five) outstanding bond issuances which require trustee services to ensure compliance with the trust agreements established at time of each bond issuance.

The City's current trustee was appointed on January 6, 2017, taking over trustee services from Union Bank. At that time, a Request for Proposal process had been completed with only the current trustee as the respondent. To ensure that the City is receiving the necessary expertise to represent current and future holdings and to monitor service delivery, the City issued an RFP for bond trustee services on June 21, 2023. The City received four (4) proposals by the following banking institutions:

Computershare Corporate Trust  
UMB Bank  
Zions Bank  
Wilmington Trust

The evaluation team interviewed two (2) proposers and presented the recommendation of Zions Bank to the RFP Sub-Committee who agreed with the City staff recommendation. Included below is the scoring from the evaluation team.

RESPONDING FIRMS	LOCATION	BEST POSSIBLE RANKING	Rater No. 1	Rater No. 2	Rater No. 3	Total Ranking Score	Final Rank
Computershare Corporate Trust	St. Paul, Mn.	1	92	94	80	89	2
UMB Bank	Denver, CO	1	80	61	70	70	3
Zions Bank	Los Angeles, CA	1	95	97	90	94	1
Wilmington Trust	Costa Mesa, CA	1	90	61	60	70	3

Zions Bank rated highest in familiarity with City procedures, related experience, and demonstrated professional skills and credentials.

If authorized to move forward with the replacement and appointment of a new trustee, a tri-party agreement will need to be completed and brought back for approval to transfer the services from Wilmington Trust to Zions Bank.

**Fiscal Impact:**

There is no fiscal impact to the General Fund. Trustee costs are budgeted and paid from the CFD Administration Fund for CFD bonds and the Wastewater Fund for the 2018 Wastewater Revenue Bonds. Legal fees estimated at \$2,500 will be required to complete the transfer of trustee document and will be paid from its respective funds.

**Recommended Action:**

Authorize City Manager to proceed with execution and delivery of agreement of replacement, appointment, and acceptance for the purpose of transferring bond trustee powers from Wilmington Trust, National Association to Zions Bank Corporate Trust.

**Attachments:**

- A. RFP for Bond Trustee Services
- B. Zions Bank Corporate Trust Proposal