



## Legislation Text

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**File #:** 20-34, **Version:** 1

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**STRATEGIC PRIORITY:** Government Performance and Financial Management

**AGENDA DATE:** January 22, 2020

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** City Attorney's Office

**EXECUTIVE:** Christopher J. Caso

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### **SUBJECT**

Authorize an amendment to the bond counsel contract with Norton Rose Fulbright US LLP, to add disclosure counsel services, in accordance with the hourly rates and opinion fees as set forth in Attachment A of the resolution - Financing: Disclosure Counsel fees to be paid from bond proceeds, General Fund, Aviation Funds, Convention Center Funds, and/or Water Utilities Funds, contingent upon completion of each bond sale

### **BACKGROUND**

The scope of services for this contract includes assisting City staff together with the financial advisor and bond counsel with disclosure services in connection with the issuance, sale and delivery of City obligations. One of the obligations that the City has as a municipal securities issuer is compliance with disclosure requirements under federal security laws and Securities and Exchange Commission (SEC) rules. Issuers of municipal bonds are obligated to ensure that the offering documents used in the offering of municipal bonds meet those requirements and are required to report annual financial information as well as notices of certain events that may affect their ability to repay the bonds. The City must file disclosure filings for all outstanding bond issues with the Municipal Securities Rulemaking Board (MSRB) through Electronic Municipal Market Access (EMMA). Substantially, all of the responsibilities under this contract will be performed by attorneys.

In 2014, through a competitive procurement process, the City of Dallas hired the Andrews Kurth Kenyon law firm to represent the City as disclosure counsel. In 2018, Orrick Herrington & Sutcliffe LLP ("Orrick Herrington"), was hired to serve as the City's interim disclosure counsel after all of the Andrews Kurth Kenyon LLP attorneys who were working on the City of Dallas matters were all included in the group of attorneys who left Andrews Kurth for Orrick Herrington. By its terms, the Orrick Herrington interim disclosure counsel contract expired on November 19, 2019.

In 2015, the City, through a competitive procurement process, hired Norton Rose Fulbright US LLP (“Norton Rose”) as one of its bond counsels. In 2018-2019, Norton Rose served as the City’s bond counsel on the sale of City bonds to resolve the City’s pay referendum litigation. The Norton Rose bond counsel contract expires on August 31, 2020.

At the December 10, 2019, meeting of the Government Performance & Financial Management Committee, the City Attorney recommended that the City amend the Norton Rose bond counsel contract in order to have the firm serve as the City’s interim disclosure counsel until August 31, 2020; said expiration date to coincide with the City’s current bond counsel contracts. In the second quarter of 2020, the City, seeing efficiencies in the procurement solicitation process, will begin the procurement process of seeking proposals for both bond counsel and disclosure counsel for a new five-year period. If approved by the City Council to be the City’s interim disclosure counsel, Norton Rose will not perform any further bond counsel work during the remaining term of its bond counsel contract with the City.

Pursuant to House Bill 2826, effective September 1, 2019, a special public notice needs to be added to the council agenda that contains City Council consideration of a contingency fee contract.

#### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On August 26, 2015, City Council authorized a co-bond counsel contract with Norton Rose Fulbright, LLP and Mahomes Bolden, PC, by Resolution No. 15-1610.

The Government Performance and Financial Management Committee was briefed regarding this item on December 10, 2019.

#### **FISCAL INFORMATION**

The fees for legal services provided by the disclosure counsel firm in connection with the issuance, sale and delivery of the City’s bonds are contingent upon the sale and delivery of the bonds and are payable from bond proceeds, General Fund, Aviation Funds, Convention Center Funds, and/or Water Utilities Funds, as applicable as follows:

##### **FIRM**

Norton Rose Fulbright US LLP  
Disclosure Counsel

##### **FEE**

Hourly rate fee for services rendered, plus  
an opinion fee of \$0.20 per \$1,000.00 of  
increment of bonds issued. See Attachment A  
to council resolution.

##### **OWNER**

**Norton Rose Fulbright US LLP**

Daryl Lansdale, Managing Partner