

# ITEM 1



**Travis County Commissioners Court Agenda Request**  
TRAVIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION  
CAPITAL INDUSTRIAL DEVELOPMENT CORPORATION  
TRAVIS COUNTY DEVELOPMENT AUTHORITY  
TRAVIS COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION

**Meeting Date:** November 13, 2012

**Prepared By/Phone Number:** Andrea Shields, Manager/854-9116

**Elected/Appointed Official/Dept. Head:** Leslie Browder, County Executive, Planning and Budget/854-9106

**Commissioners Court Sponsor:** Samuel T. Biscoe, President

## **AGENDA LANGUAGE:**

Consider and take appropriate action to approve a successor trustee for the Travis County Health Facilities Development Corporation, the Travis County Cultural Education Facilities Finance Corporation, the Capital Industrial Development Corporation and the Travis County Development Authority.

**BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:** See attached backup.

**STAFF RECOMMENDATIONS:** Staff recommends approval.

**ISSUES AND OPPORTUNITIES:** None.

**FISCAL IMPACT AND SOURCE OF FUNDING:** None.

**REQUIRED AUTHORIZATIONS:** Andrea Shields, Manager/854-9116; Leroy Nellis, Budget Manager/854-9066

**AGENDA REQUEST DEADLINE:** All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, [Cheryl.Aker@co.travis.tx.us](mailto:Cheryl.Aker@co.travis.tx.us) by Tuesdays at 5:00 p.m. for the next week's meeting.

# **CORPORATE TRUST SERVICES**

**TRAVIS COUNTY HEALTH FACILITIES DEVELOPMENT CORPORATION; CAPITAL INDUSTRIAL**

**DEVELOPMENT CORPORATION; TRAVIS COUNTY DEVELOPMENT AUTHORITY ; TRAVIS COUNTY**

**CULTURAL EDUCATION FACILITIES FINANCE CORPORATION**

**SUCCESSOR TRUSTEE SERVICES**

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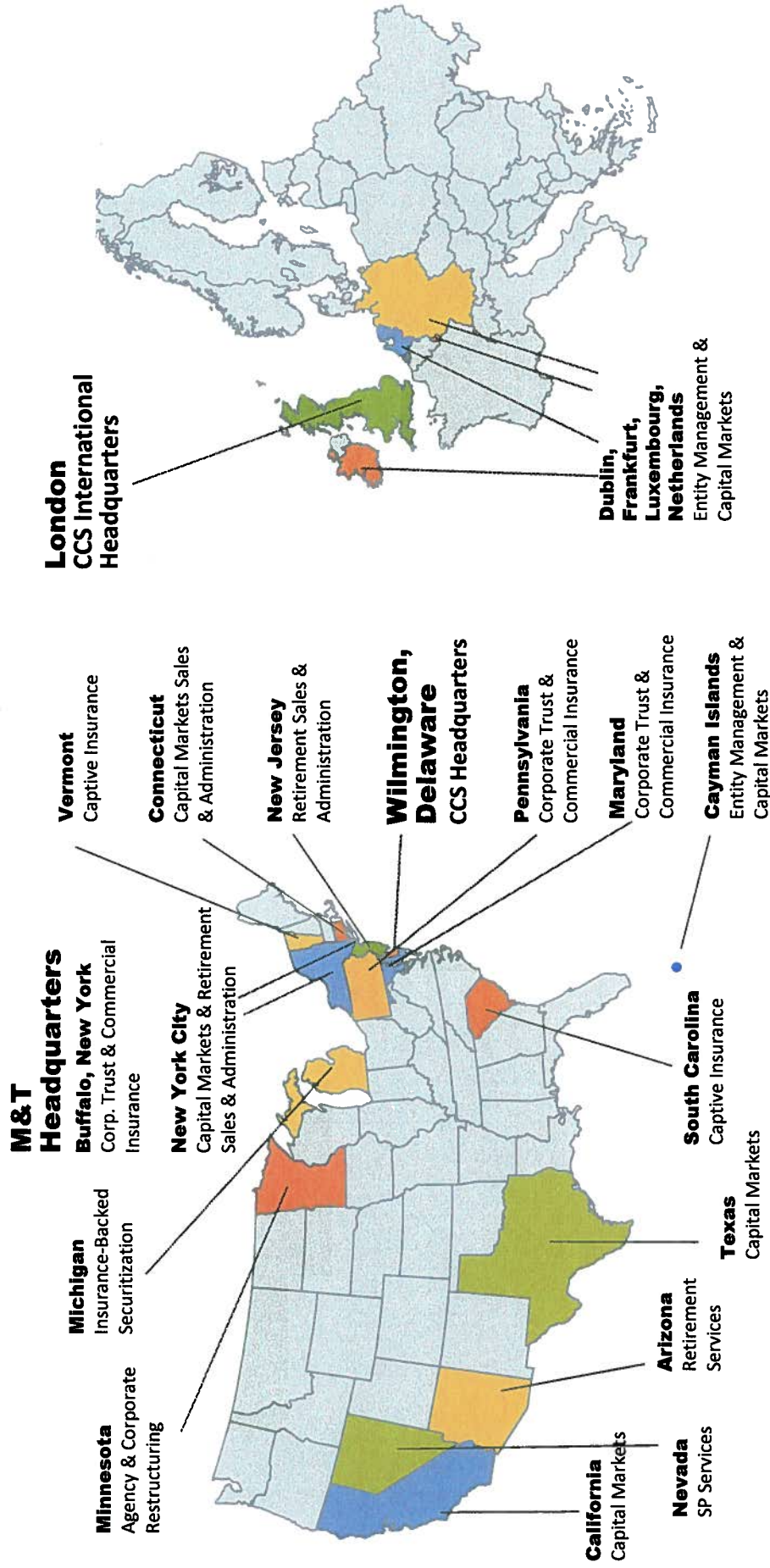
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# PRESENCE AND EXPERTISE IN KEY JURISDICTIONS



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## WILMINGTON TRUST-M&T BANK OVERVIEW

- ❑ 16<sup>th</sup> largest US-based Commercial Bank Holding Company
- ❑ \$78+ billion total assets
- ❑ Over 770 branches in eight states 16,000 employees
- ❑ Over 1,500 ATMs across footprint
- ❑ 2 million retail customers, 220,000 commercial customers
- ❑ \$80 billion in assets under management

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# M&T BANK OVERVIEW (PARENT OF WILMINGTON TRUST)

**A. Lowest percentage credit losses among top 20 commercial banks**

**B. Lowest TARP participation (1%) among largest 25 Bank Holding Companies**

**C. No quarterly losses since 1976...137 quarters**



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## CORPORATE TRUST OVERVIEW

- \$100 Billion Principal Amount Bonds O/S
- 5,000 Bond Issues
- 1,000 Escrow Accounts
- Ranked 4<sup>th</sup> for New Municipal Trusteeships by Thompson Financial
- National Leader in Successor Trustee appointments



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# WHAT MAKES WILMINGTON TRUST SERVICES BETTER?



- **Experience**
  - Average Experience Level 22 Years
  - We Have Seen How Problems Arise
  - Avoidance of Problems
  - Importance of Communication
  - How to Resolves Issues Quickly
  
- **Responsiveness**
  - Timing Standards For Call Backs
  - Lesser Account Loads Per Relationship Manager-
  - Better Capacity To Handle Incoming Successor Trustee Accounts
  - Availability to Meet in Person as Needed
  
- **Local Service**
  - We Administer Accounts Locally, Can Meet Face to Face Within Hours
  - Scheduled In-Person Client Meetings
  - Use of Local Counsel, Industry Specialists
  
- **Industry Reputation**
  - Wilmington Trust Is Known As One of the Best Service Providers
  - Wilmington Trust Is Sought After For Experience and Dedication To Business
  - Need to Uphold Reputation-It Is Our Obligation
  - Do Not Take Customer For Granted

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# WILMINGTON TRUST ON-LINE PORTFOLIO ACCESS

- Direct, on-line, access to trust accounts via the Internet for the client
- On-Line Portfolio access gives the client the ability to review account activity 24 hours per day, 7 days per week
- Clients may exercise a wide variety of inquiry functions

## Transaction Information Asset/Holdings Information Statements

INVESTMENT DETAIL										10/24/2012
										Reset Columns   Export   Subscribe
										(Pending activity may affect sum)
SMITH	#1401	Current	Date	Current	Quantity	Current	Date	Current	Total	
Asset	Asset	Rate	Price	Price		Price	Price	Value	Cost	
Type	Name									
CASH - INCOME		2.4%		1.0000	66,031.5500	1.0000		\$66,031.55	\$66,031.55	
CASH - PRINCIPAL		(2.9%)		1.0000	(66,031.5500)	1.0000		(66,031.55)	(66,031.55)	
CASH		9.2%			250,260.2700	100.0000%	3-1-Mar-2001	\$250,260.27	\$250,260.27	

- We Promote Environmental Awareness by providing on-line statements only

**GO GREEN!**

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# SUCCESSOR TRUSTEE QUALIFICATIONS

## Wilmington Trust Benefits:



- Provides Template Documents & Letters
- Organizes Process With Spreadsheets, Timetables and Checklists
- Professionals Have Experience Moving Significant Numbers of Accounts
- Scheduled Weekly Meetings to Coordinate Transition & Review Progress
- Wilmington Trust will already be Trustee on 2 of the Corporation's Issues
- Account Control Tickler System-Maintains Bond Details & Administrative Duties
- Wilmington Trust Paying Agent/Registrar services are not sub-contracted

Plus

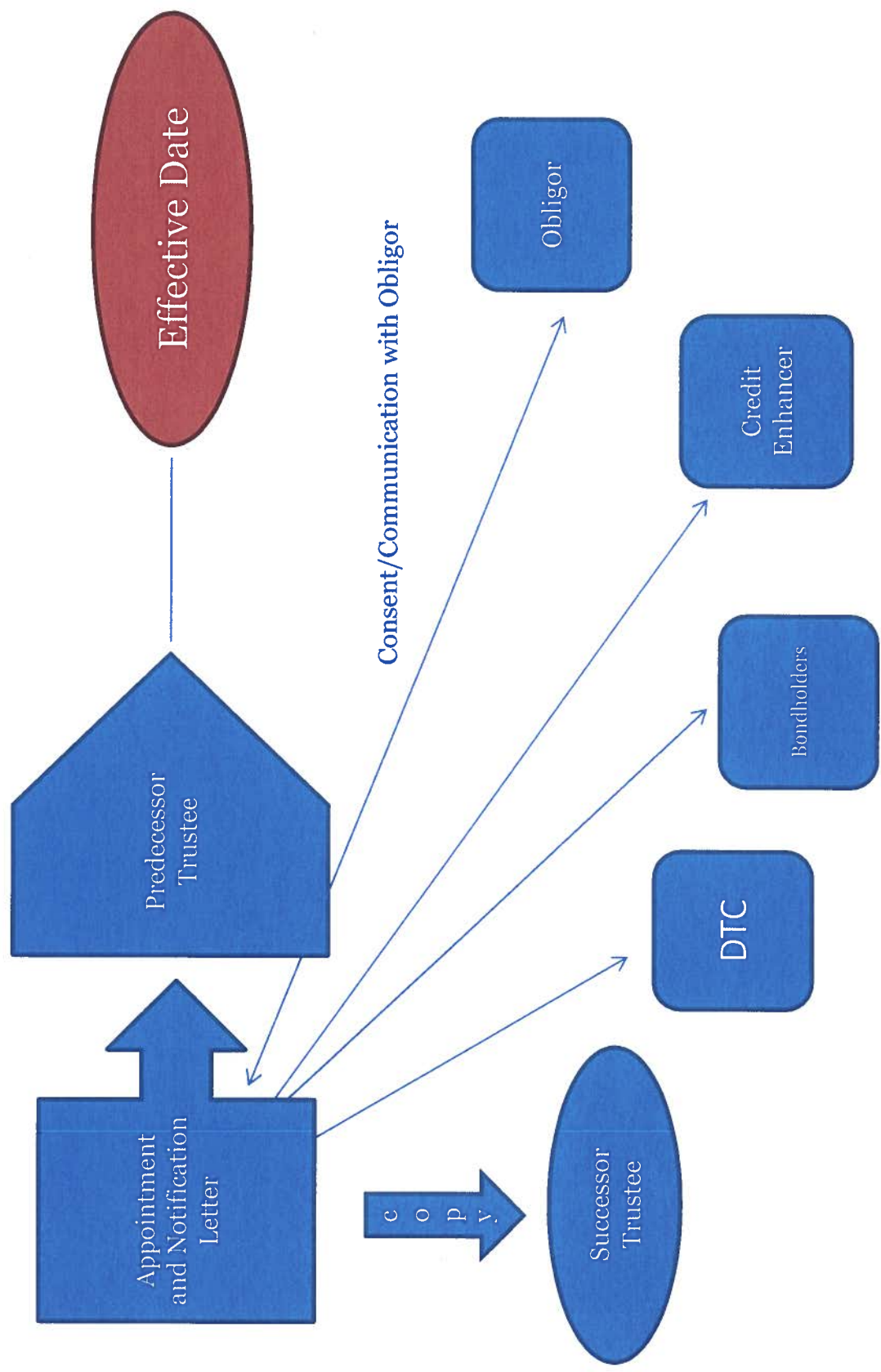
- Experienced Health Care, Charter School and IDB Trustee
- Recommended by Municipal Bond Professionals (see list of references)
- Staff are all Certified Corporate Trust Specialists (C.C.T.S.) by A.B.A.

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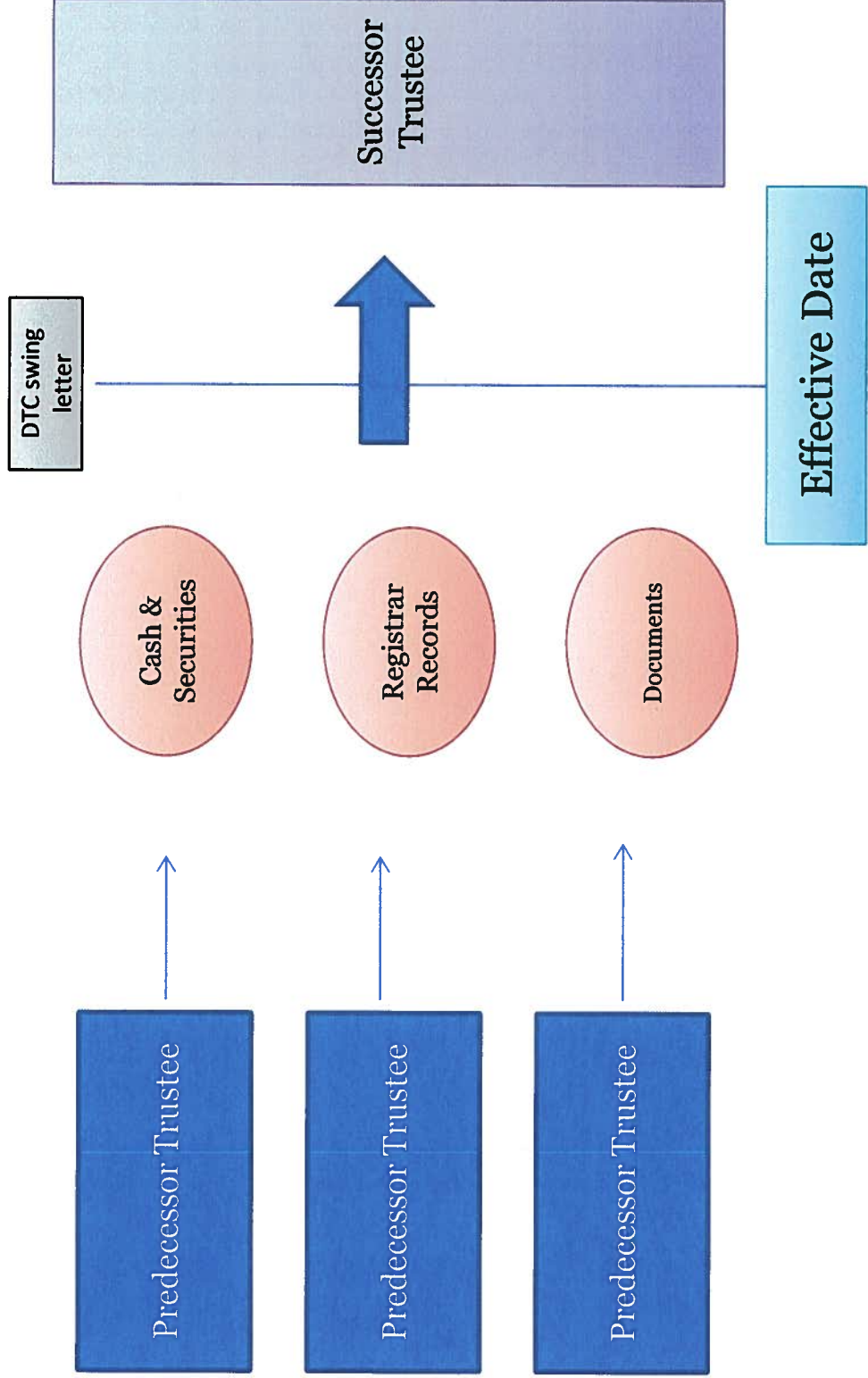
# SUCCESSOR TRUSTEE APPOINTMENT PROCESS



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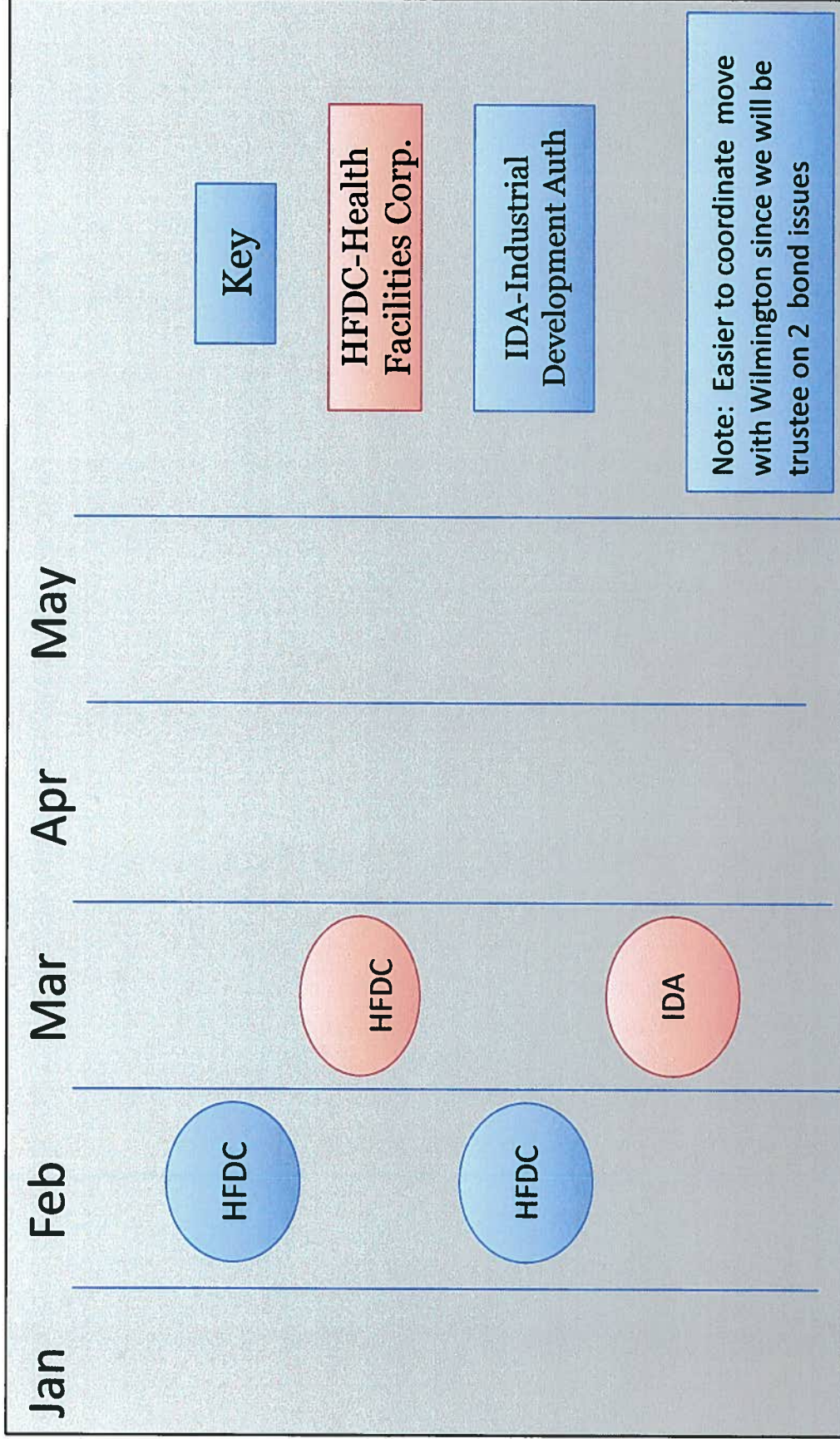
# MOVEMENT OF TRUST ASSETS



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# TRANSITION TIMING SCENARIO



# Wilmington Trust Corporate Bios



Camilla J. Lindsey,  
Vice President

Cam brings over **16** years of experience in the Corporate Trust field to Wilmington Trust. Cam's vast expertise in various types of trust roles and a variety of financings provides her customers with a broad background of service capabilities. She has worked on housing, healthcare, transportation, project financing and is Wilmington Trust's expert on military housing bonds. Cam's standard of care with her clients is unmatched and has created a loyal following of financial advisors, underwriters and attorneys who request her specifically to be involved on their financings. Cam has a B.S. degree in Criminal Justice from West Texas State University and a J.D. from the University of Tulsa School of Law. Cam also has the distinction of being a Certified Corporate Trust Specialist (C.C.T.S.) by the American Bankers Association (A.B.A.)



Charles F. Hicks,  
Vice President

Chuck Hicks provides Wilmington Trust with more than **25** years of corporate trust experience, most recently as business group manager with Bank of New York Mellon, administering all types of municipal financings including single family and multi-family housing bonds. With a focus on building client relationships, Chuck brings an unparalleled level of service to the administration of corporate, municipal and escrow transactions by being responsive, innovative and thorough. Chuck received his B.A. in Economics from State University of New York at Buffalo and his MBA in Finance from Canisius College. He has also completed the Leadership Development course at Darden School of Management. He also earned his C.C.T.S. designation from the A.B.A.



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# Wilmington Trust Corporate Bios



Gregory M. Hastly,  
Vice President

Greg has been involved in Texas Corporate Trust activities for the last **34** years and is widely known for his dedication to this business. Greg's background includes time spent in operations, administration, management and sales with prominent banks in Texas and his clients benefit from his knowledge and experience in the industry. He prides himself on delivering prompt information to his clients and assists the administrative staff of Wilmington Trust in responding to questions and needs, designing resources to meet customer requests and finding solutions to challenging issues. Greg received his B.S. from the University of Texas at Arlington and is a Certified Corporate Trust Specialist by the A.B.A. He has also served as President of the Southwest Securities Transfer Association, was a member of the Dallas County Financial Advisory Council and is a founding member, Treasurer and longest active participant in the Texas Association of Local Housing Finance Agencies.

***“First We Will Be Best, And Then We Will Be First”***

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# SUCCESSOR TRUST FEE SCHEDULE

Successor Trustee Acceptance Fee	-0-
Successor Trustee Annual Administration Fee, per outstanding issue	*\$5,000
*If current fees being paid are less than \$5,000 Wilmington Trust will accept the lower fee	
Trustee Counsel	-0-
<u>Ideas For Saving the County Expenses</u>	
> Wilmington Trust will not assess an annual Trustee fee until the term of the prior Trustee's annual billing cycle concludes	
> In cases when Wilmington Trust's fees are less than the amount currently being paid by the obligor, the difference can be rebated to the County to offset any termination fees and in future years be paid as an Issuer Fee	
> If fees being paid on multi-family housing issues are currently averaging \$7,500, there would be a <u>direct benefit to the issuer of approximately \$12,000 annually</u>	
<p>All fees are non-refundable and will not be prorated in the event of an early termination of the account. Wilmington Trust's administration fee covers up to 6 trust accounts per issue. If individual securities are purchased as an investment a \$25 per buy/sell transaction fee would be assessed. There are no investment fees or sweep fees charged if funds are placed in one of Wilmington Trust's participating money market accounts. These fees do not include services as Tender Agent or Dissemination Agent if required. Wilmington Trust reserves the right to assess a termination fee if removed as trustee.</p> <p>These assessments do not include extraordinary services that are beyond the scope of typical trustee, paying agent and registrar services and will be priced according to the needs of our client. In the event of a default, there will be an hourly fee assessed for services and time rendered. All fees quoted are guaranteed for a period of 90 days.</p>	



## ADDITIONAL BENEFITS WORKING WITH WILMINGTON TRUST

- ✓ Offer up to 30 hours of On-Location assistance by Relationship Manager, independent of efforts associated with Transfer of Accounts
- ✓ Review and assist in assessing status of:
  1. Issuer Fees Due
  2. 15C2-12 Disclosure Requirements
  3. Completion of rebate calculations
- ✓ Available to provide similar research and assessment of Travis County's bond portfolio as negotiated with Issuer (included within the 30 hour commitment)

Excellent  
Auditing Tool

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# REFERENCES

**Ted Brizzolara**  
**McCall Parkhurst & Horton**

**Cliff Blount**  
**Naman Howell Smith & Lee**

**Boyd London**  
**First Southwest Company**

**David Petruska**  
**Petruska & Associates**

**Bob Dransfield**  
**Fulbright & Jaworski**



**Gary Machak**  
**George K. Baum**

**Ron Williams**  
**Southeast Texas HFC**

**David Long**  
**TSAHC**

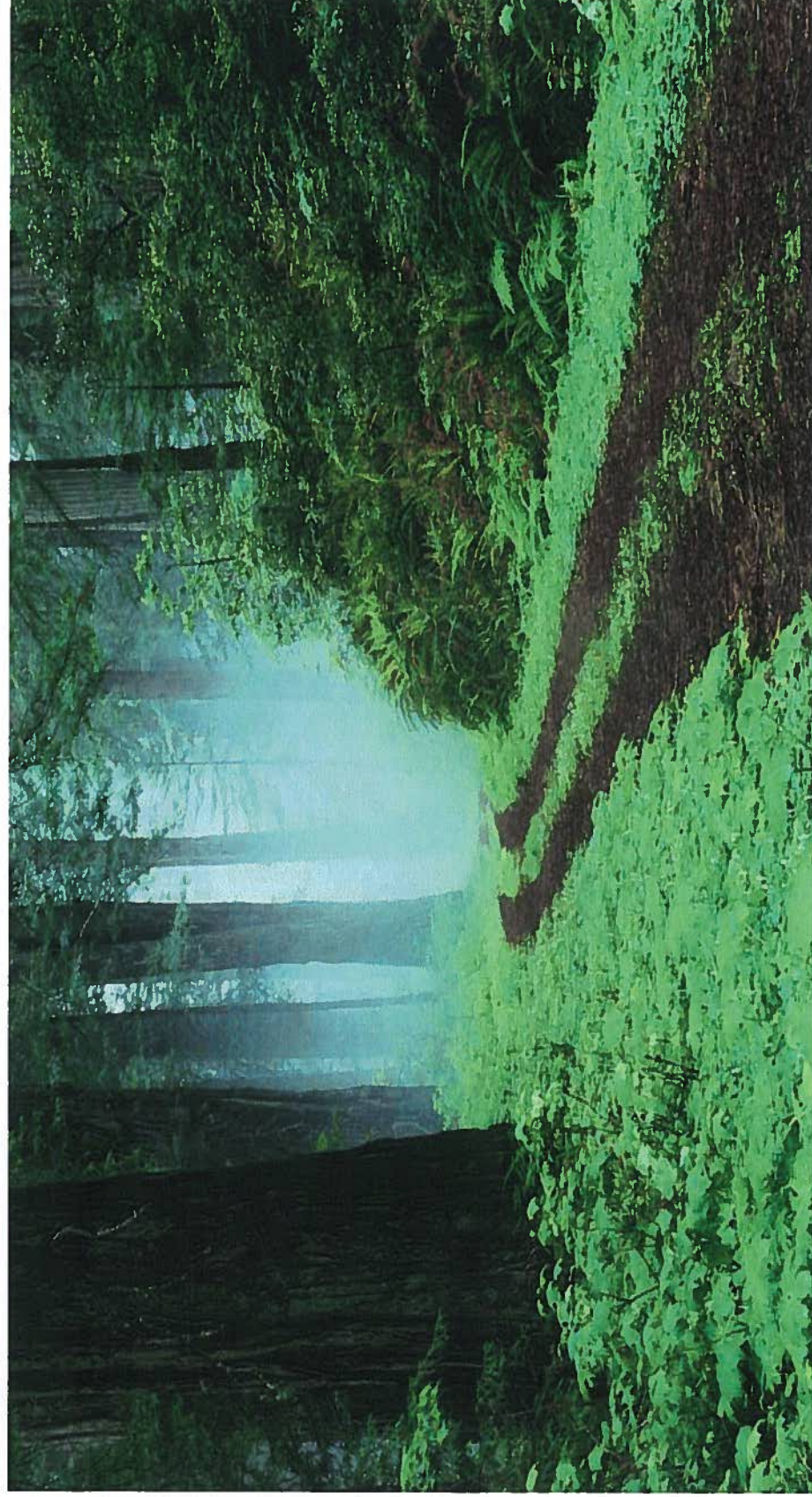
**Jerry Kyle**  
**Andrews & Kurth**

**Robert Johnson**  
**First Southwest Company**



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# Wilmington Trust Has Been Providing The Path To Success For Over 100 Years



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