



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 5, 2018**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: FINANCIAL ADVISORS CONSULTANT PANEL TO ASSIST WITH VARIOUS DEBT AND FINANCIAL RELATED MATTERS FROM REQUEST FOR PROPOSALS NO. 1757; AGREEMENTS WITH OMNICAP GROUP, LLC, PFM FINANCIAL ADVISORS, LLC, CSG ADVISORS INC., AND NHA ADVISORS, LLC FOR A THREE YEAR TERM

ISSUE:

That the City Council establish a Financial Advisors Consultant Panel for various Debt and Financial related matters from Request for Proposals No. 1757.

RECOMMENDATIONS:

That the City Council:

1. Establish a four member Financial Advisors Panel for various debt and financial related matters from Request for Proposals No. 1757;
2. Approve Agreements with Omnicap Group, LLC; PFM Financial Advisors, LLC; CSG Advisors Inc.; and NHA Advisors, LLC for an initial term of three years with an option to extend for two additional one-year terms; and
3. Authorize the City Manager, or his designee, to execute Agreements with each listed Panel member, including making minor and non-substantive changes.

BACKGROUND:

The City is seeking to establish a diverse and comprehensive panel of financial advisory firms to assist with various financial related matters, including but not limited to:

1. Assist with credit rating agencies and investor relations strategies;
2. Review financial policies, including debt and disclosure policies;
3. Advise on current market conditions, future bond issuance, and other information which

might be influenced by interest rates and bidding conditions;

4. Advise on timing, scheduling, and structure at each stage of a bond issuance process to produce the best financing terms for the City;
5. Provide assistance with bid solicitations, selection process, negotiation of contract terms for various financial needs;
6. Assist with arbitrage compliance and annual arbitrage calculations, and
7. Prepare various financial analyses and other reports as requested (e.g. CalPERS).

DISCUSSION:

In November 2017, the City issued Request for Proposals (RFP) No. 1757 seeking qualified entities or individuals to provide financial advisory services to the City consistent with the above requirements. A total of seven financial advisory firms responded to the RFP and all firms were found to be responsive. As a result, all seven firms were invited to participate in a panel interview in order to select the most qualified firms for the Citywide panel of financial advisory services.

A series of six questions were asked of the panel to determine their qualifications, experience, approach and methodology they would implore to assist the City in various financial transactions. The firms were ranked based on their responses. Staff is recommending that the top four firms are selected to be part of the City's Financial Advisor Panel.

The four firms selected for the financial advisory panel are Omnicap Group, LLC; PFM Financial Advisors, LLC; CSG Advisors Inc.; and NHA Advisors, LLC. Each of the proposed firms has certain areas of expertise that the City can draw upon during the course of its financial analysis work with the intent of utilizing the panel on an as-needed basis. As the City incurs a need for financial advisory services, the City will request informal proposals from the panel to gauge which firm provides the greatest value for the selected work.

The proposed agreements with each member of the Financial Advisor Panel is for an initial term of three years, with the option to extend for two additional one-year terms. The agreements will not exceed five years in total.

The Purchasing Manager concurs that the recommended action to award complies with Purchasing Resolution 23256.

FISCAL IMPACT:

There is no fiscal impact associated with the recommendations in this report. All costs associated with debt financings will be included as part of debt issuance costs paid through the debt issuance process. All other financial advisory services will be paid from the City budget; the source of funding will depend on the work required (e.g. General Fund, Sewer Fund, Electric Fund and Water Fund).

Prepared by: Adam Raymond, Chief Financial Officer/City Treasurer
Certified as to
availability of funds: Edward Enriquez, Assistant Chief Financial Officer/Deputy Treasurer
Approved by: Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Award Recommendation
2. PFM Financial Advisors, LLC Agreement
3. NHA Advisors, LLC Agreement
4. OMNICAP Group, LLC Agreement
5. CSG Advisors Inc. Agreement