



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL**                      **DATE: JUNE 9, 2026**

**FROM: FINANCE DEPARTMENT**                                      **WARDS: ALL**

**SUBJECT: MASTER SERVICES AGREEMENT WITH FIFTH ASSET INC. (DBA DEBTBOOK) TO PROVIDE DEBT MANAGEMENT SOFTWARE FOR AN INITIAL TERM OF THREE YEARS WITH THE OPTION TO EXTEND THE AGREEMENT FOR TWO ADDITIONAL ONE-YEAR TERMS FOR A TOTAL NOT-TO-EXCEED \$367,500 – \$10,000 INTERDEPARTMENTAL TRANSFER AND \$46,000 SUPPLEMENTAL APPROPRIATION**

**ISSUE:**

Approve the Master Services Agreement with Fifth Asset Inc. (dba DebtBook) to provide debt management software for an initial term of three years with the option to extend the agreement for two additional one-year terms for a total Not-To-Exceed \$367,500; and approve an interdepartmental transfer in the amount of \$10,000, and supplemental appropriation in the amount of \$46,000.

**RECOMMENDATIONS:**

That the City Council:

1. Approve the Master Services agreement with Fifth Asset Inc. (dba DebtBook) for an initial term of three years with the option to extend for two additional one-year terms for a total not-to-exceed \$367,500;
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record:
  - a. An interdepartmental transfer in the amount of \$10,000, from the General Fund, Finance Department - Debt & Treasury Professional Services account to the General Fund, Innovation & Technology Department - Software Maintenance Support account;
  - b. A supplemental appropriation in the General Fund, Innovation & Technology Department – Software Maintenance and Support account in the amount of \$46,000, from available deposits in the Debt Service Admin Fee Special Deposits Fund; and

3. Authorize the City Manager, or designee, to execute the agreement and all necessary documents and extension options, including making minor and non-substantive changes.

## **BACKGROUND:**

On August 10, 2021, the City entered into a Professional Consultant Services Agreement with Fifth Asset Inc. (dba DebtBook) to provide debt software to support the administration of the City's municipal debt portfolio, including the utility revenue bond programs which exceed \$1.81 billion as of April 1, 2026.

The original agreement included a three-year term with two optional one-year extensions. Since execution the agreement has been extended as follows:

- First Amendment: Extended Through June 30, 2025
- Second Amendment: Extended Through June 30, 2026

The current amendment is set to expire on June 30, 2026. The system has been fully implemented and is actively used by Finance Staff. Staff is recommending approval of the Agreement to ensure continuity of operations.

## **DISCUSSION:**

The Debtbook platform serves as the City's centralized debt management system, supporting the full lifecycle of debt administration, including reporting, compliance and payment tracking. The platform has significantly improved operational efficiency by reducing reliance on spreadsheets and manual processes while enhancing data accuracy and transparency.

Since implementation, the City has expanded its use of the system to support:

- Ongoing disclosure, compliance and covenant tracking
- Debt Portfolio analysis and forecasting

Under the proposed agreement, Staff intend to expand functionality to further enhance debt administration including:

- Debt proceeds and project (P3) Tracking
- Arbitrage rebate and yield restriction monitoring
- Variable-Rate debt performance tracking and invoice verification
- Federal subsidy tracking and reporting
- New Money and refunding scenario analysis
- Cash Forecasting, Liquidity and Bank Fee monitoring tools

Maintaining continuity of this platform is critical given increasing regulatory requirements and ongoing continuing disclosure obligations mandated by the Securities and Exchange Commission. Transitions to a new system would introduce operational risk, data migration challenges and additional costs.

Staff conducted extensive market research through an informal Request for Information and determined that while other vendors offer individual components, no alternative provides a fully integrated cloud-based platform encompassing debt management, proceeds tracking, compliance workflows, refunding analytics and liquidity forecasting.

Replicating this functionality would likely require multiple vendors, resulting in:

- Fragmented systems and duplicate data sources
- Increased manual processes and spreadsheet reliance
- Disconnected compliance workflows
- Higher audit risk and reduced reporting reliability
- Additional implementation costs and ongoing subscription fees

Based on this evaluation, staff submitted a Single Source justification, which was reviewed and approved by Innovation & Technology (December 2025) and Purchasing (January 2026).

The proposed Agreement maintains the City's existing platform while enhancing functionality to support evolving operational and regulatory needs. Staff have determined that continuing with DebtBook remains the most efficient and cost-effective solution.

This action is pursuant to Purchasing Resolution 24101, Section 702(d) which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ... (d) When the Procurement can only be obtained timely from a single source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated."

The Purchasing Manager concurs that the recommended action is compliant with Purchasing Resolution 24101.

### **FISCAL IMPACT:**

The total fiscal impact of the action is \$367,500, inclusive of two optional one-year extensions at \$73,500 annually. On a single fiscal year basis, the cost of this contract is \$73,500.

Upon Council approval, an interdepartmental transfer of \$10,000 will be recorded from Finance-Debt & Treasury Professional Services account number 2302000-421000 to the Innovation & Technology Department Software Maintenance Support account number 2415000-424310. Additionally, a supplemental appropriation will be recorded in the General Fund, Innovation & Technology Department, Software and Maintenance Support account number 2415000-424310 in the amount of \$46,000 from the Debt Service Administration Fee Special Deposits Fund, account number 0000720-225087. The remaining \$17,500 is currently budgeted and available in the General Fund, Innovation & Technology Department, Software and Maintenance Support account number 2415000-424310.

Annual costs for future fiscal years will be \$73,500 and fixed for the full five-year term. Funding has been identified to support the future fiscal years from the special deposit account listed above and will be incorporated into future budgets.

Prepared by: Meline Carranza, Debt and Treasury Manager  
Approved by: Sergio Aguilar, Deputy Finance Director  
Certified as to  
availability of funds: Julie Nemes, Interim Finance Director  
Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/City  
Treasurer  
Approved as to form: Rebecca McKee-Reibold, Interim City Attorney

Attachments:

1. Agreement