



# City of Culver City

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## Staff Report Details (With Text)

**File #:** 19-1330      **Version:** 1      **Name:** PSA for Financial Advisory Services  
**Type:** Minute Order      **Status:** Consent Agenda  
**File created:** 5/17/2019      **In control:** City Council Meeting Agenda  
**On agenda:** 5/28/2019      **Final action:**  
**Title:** CC - (1) Approval of a Three-Year Professional Services Agreement with Urban Futures Inc. for Professional Financial Advisory Services; and (2) Authorization to the Chief Financial Officer to Exercise Two One-Year Options to Extend the Agreement.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. RFP 1942 - Financial Advisory Services

Date	Ver.	Action By	Action	Result
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**CC - (1) Approval of a Three-Year Professional Services Agreement with Urban Futures Inc. for Professional Financial Advisory Services; and (2) Authorization to the Chief Financial Officer to Exercise Two One-Year Options to Extend the Agreement.**

**Meeting Date:** May 28, 2019

**Contact Person/Dept:** Onyx Jones/Finance Department

**Phone Number:** (310) 253-5865

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☒ No ☐

**Public Hearing:** ☐

**Action Item:** ☐

**Attachments:** Yes ☒ No ☐

**Commission Action Required:** Yes ☐ No ☒

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (05/22/19)

**Department Approval:** Onyx Jones, Chief Financial Officer (05/21/19)

### RECOMMENDATION

Staff recommends the City Council (1) approve a three-year professional services agreement with Urban Futures Inc. for financial advisory services; and (2) authorize the Chief Financial Officer to exercise two one-year options to extend the agreement.

### BACKGROUND

The City's Series A Wastewater Facilities Refunding Revenue Bonds were issued in 2009 primarily to refinance the remaining \$18.1M in City's 1999 Series A Wastewater Facilities Refunding Revenue Bonds. Proceeds from these bonds fund the ongoing replacement of sewer transmission pipes and construction and improvement of pump stations. As a result of current interest rates, there may be an opportunity to explore extending the bond to fund new projects while capitalizing on savings without extending the current terms of debt. Additionally, as the City explores future capitalization needs, qualified financial advisory consulting services will provide the City assistance in a variety of services including financial analysis and other reporting as required.

## **DISCUSSION**

It was determined to release a Request for Proposals (RFP) for firms to provide financial advisory services including but not limited to debt issuance services, financial condition review, financing and legal document preparation, and additional general financial services and special projects on an as-needed basis for a period of three (3) years with two options to renew for addition one (1) year terms each.

On April 25, 2019, an RFP for financial advisory services was released. The RFP was posted on the City's website as well as on the California Society of Municipal Finance Officers (CSMFO) website, with proposals due by May 16, 2019. At the time of closing, proposals were received from the following four firms and determined as responsive by staff:

1. Columbia Capital Management
2. PFM Financial Advisors, LLC
3. Oberon Securities
4. Urban Futures Inc.

While all firms were invited for oral interviews, one firm (Oberon Securities) declined due to scheduling conflicts. The remaining three proposals were reviewed for qualifications and experience, responsiveness to scope of service and past experience with similar engagements. Proposers were additionally interviewed and assessed regarding their proposed project team, engagement approach, bond team development process, implementation schedule and proposed management, and competitive advantage.

Following the review of proposals, it is recommended that the City Council approve a professional service agreement with Urban Futures Inc. Urban Futures Inc. is an Independent Registered Municipal Advisory with vast bond issuance, refinancing, and rating upgrade experience and has assisted over 300 California public agencies. The company additionally has provided an aggressive implementation schedule to meet the City's current bond service needs.

If City Council approves entering into an agreement with Urban Futures Inc., staff will begin the process to negotiate a final agreement. Staff requests authority to make minor and insubstantial modifications to the RFP as deemed appropriate during the negotiation process.

## **FISCAL ANALYSIS**

Fees directly related to the Sewer Bond refunding will be paid as a part of the bond refunding process. Any other minor indirect cost related to the Sewer fund will be paid from the Sewer Enterprise - Fiscal Services accounts (20460310.619100). Funding needs for the remainder of the service agreement will be incorporated into future annual budgets.

## **ATTACHMENTS**

1. RFP #1942 - Financial Advisory Services

## **RECOMMENDED MOTIONS**

That the City Council:

1. Approve a three-year professional services agreement with Urban Futures Inc. for professional financial advisory services; and,
2. Authorize the Chief Financial Officer to exercise two additional one-year options for renewals; and
3. Authorize the City Attorney to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.