

City of Sacramento

Legislation Text

File #: 2019-00873, **Version:** 1

Title:

Agreement: Approve Fieldman, Rolapp & Associates, Inc. as Municipal Advisor on City Debt Financings and Related Transactions

File ID: 2019-00873

Location: Citywide

Recommendation:

Pass a Motion 1) approving Fieldman, Rolapp & Associates, Inc. as Municipal Advisor for City debt financings and related transactions during fiscal years 2019/20 through 2023/24; 2) authorizing the City Treasurer to enter into a Professional Services Agreement, total amount not to exceed \$750,000; and 3) authorizing the City Treasurer to supplement the agreement, as needed, with addenda describing the services to be performed, the not to exceed total compensation to paid associated with the scope of services, and the funding source for the addenda.

Contact: Brian Wong, Debt Manager, (916) 808-5811; Claudia Lara, Treasury Analyst, (916) 808-2267, Office of the City Treasurer

Presenter: None

Attachments:

1-Description/Analysis

2-Professional Services Agreement (Fieldman, Rolapp & Associates, Inc.)

Description/Analysis

Issue Detail: The proposed actions will approve Fieldman, Rolapp & Associates, Inc. as a firm pre-qualified to provide the City with financial advice on debt-related matters over the next five years.

Policy Considerations: The proposed action is consistent with the Sacramento City Code, Chapter 3.64 (Contracts for Professional Services).

Economic Impacts: None.

Environmental Considerations: This report concerns administrative activities that will not have a significant effect on the environment and thus do not constitute a “project” subject to the California Environmental Quality Act. See California Code of Regulations, title 14, sections 15061(b)(3) and 15378(b)(2). In addition, the projects for which debt financings are undertaken will be independently subject to CEQA review.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Retaining the services of an independent municipal advisor will enable the Office of the City Treasurer to provide more effective financial analysis, review, and validation of debt-related matters. Any municipal advisor contracts with and retains will be in a fiduciary relationship with the City.

Financial Considerations: The Professional Services Agreements attached as Exhibit A retain Fieldman, Rolapp & Associates, Inc. for a term of five years. The agreement does not obligate the City to use the firm on any particular financing. If the City decides to use the firm, then staff would issue an addendum to the agreement spelling out the services to be performed and the compensation to be paid. Additionally, during the term of the agreement, the City shall pay the firm an amount not to exceed \$750,000. Whether that limit is reached will depend on the number and complexity of the financings, as well as the number and complexity of feasibility or other quantitative analyses. The firm will be paid on a non-contingent basis. Thus, the firm must be paid whether or not there is the successful issuance of debt. If a financing does result in the successful issuance of debt (e.g., bonds, notes, lines of credit), the City will likely seek reimbursement for its costs related to the firm’s compensation from the costs of issuance of the debt (with the exception of CFD financings where the non-contingent fee of the municipal advisor will be covered by advanced funds on deposit with the City from the developer). The source and availability of funding will be identified and secured as part of each project addendum.

Local Business Enterprise (LBE): Fieldman, Rolapp & Associates, Inc. qualifies as an LBE.