



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 st Reading	2 nd Reading
7/15/2020	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	N/A	N/A
File No.:		Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
20-215		Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
\$50,000	N/A	Revenue Bonds Proceeds		
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	City of Pompano Beach: RFP #E-34-17 Financial Advisory Services	Emil Lopez	Finance	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> Financial	<input type="checkbox"/> Organizational Capacity	<input checked="" type="checkbox"/> Infrastructure	<input type="checkbox"/> Development, Redevelopment and Economic Development	
Implementation Timeline				
Estimated Start Date: Click or tap to enter a date. Estimated End Date: Click or tap to enter a date.				

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE PIGGY-BACKING OF THE CITY OF POMPANO BEACH RFP #E-34-17 FOR FINANCIAL ADVISORY SERVICES WITH PFM FINANCIAL SERVICES, LLC IN AN AMOUNT NOT TO EXCEED FIFTY THOUSAND (\$50,000) DOLLARS; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

Per the City's five (5) years capital improvement plan, it is vital that decisions to maximize infrastructure projects are made as the City develops plans to undertake projects. For this reason, new financing would be required for utility and sewer infrastructure resulting in the need of the services of a financial advisor.

Background:

On May 6, 2020, the City Manager's Office presented to the City Commission an infrastructure improvement strategy. The presentation highlighted pursuing revenue bonds for water and sewer infrastructure updates and replacements; and coordinating with HBCRA to determine most critical priorities as it relates to infrastructure. The conservative borrowing capacity of the City as it pertains to the utility and sewer fund is estimated at \$40 million. Consequently, on June 3, 2020, the City Manager's Office and the Department of Public Works prepared and presented to the City Commission a road map to pursue a utility revenue bond. The presentation identified projects that are fully funded and a list of projects eligible for bond proceeds (Exhibit 1).

Per the City's five (5) years capital improvement plan, it is vital that decisions to maximize infrastructure projects are made as the City develops plans to undertake projects. For this reason, new financing would be required resulting in the need of the services of a financial advisor.

The City of Pompano Beach has an agreement with PFM Financial Advisors, LLC for an initial period of five (5) years effective on the contract execution date of April 3rd, 2018 through April 2023. Piggybacking off the City of Pompano Beach contract with PFM Financial Services, LLC was found to be more cost effective for the City. The HBCRA piggybacked of this contract and it was approved and adopted by the HBCRA Board of Directors on September 26, 2019 per Resolution No. 2019-29.

Current Situation:

As of today, the City does not have an existing contract with a financial advisory firm. To ensure flexibility to maintain operational priorities and to further refine the potential financing size based on the City financial needs and market conditions, obtaining the services of a financial advisor is necessary.

Why Action is Necessary:

Pursuant to Chapter 23, Section 23-8 Exception to Bid Requirements, (6) Bids and Contracts from Other entities, and Section 23-9 Cooperative Purchasing, the City Manager is authorized to procure all supplies, materials, equipment and services from other governmental units, when the best interests of the City would be served subject to the requirement that any purchase in excess of \$50,000 requires City Commission approval.

Cost Benefit:

Financial advisory services would help the City to negotiate the interest rates proposed, underwriter's compensation and expenses associated with debt issuance. Moreover, consultant

would advise the City as to a bond structure that is attractive to potential investor in light of current market conditions as well as meeting the needs and desires of the City.

PROPOSED ACTION:

Staff is requesting the City Commission grant the authorization to piggyback off the City of Pompano Beach agreement with PFM Financial Advisors, LLC.

ATTACHMENT(S):

- Exhibit 1 – Proposed Resolution
- Exhibit 2 – Road Map to Utility Revenue Bond
- Exhibit 3 – City of Pompano Beach Executed Contract
- Exhibit 4 – RFP E-34-17 Financial Advisory Services
- Exhibit 5 – PFM Fee Schedule