

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	November 17, 2014
	<b>Agenda Item No.</b>	<b>34</b>
	<b>Roll Call No.</b>	<b><u>14-1787</u></b>
	<b>Communication No.</b>	<b><u>14-556</u></b>
	<b>Submitted by:</b>	<b>Daniel E. Ritter, Interim Finance Director</b>

**AGENDA HEADING:**

Approving an exception to the procurement ordinance competitive bidding process requirements for good cause and approving and authorizing execution of amendment for extension on contract for financial advisory services with Public Financial Management, Inc. (PFM).

**SYNOPSIS:**

Approve extension of financial advisory services contract with PFM until June 30, 2015.

**FISCAL IMPACT:**

Amount: Varies depending on amount of bond issue and type of pledge. Fees associated with five 2014 financing issuances totaled \$124,700. Net present value savings from the 2014E bonds was \$2,956,820.

Funding Source: The fee paid is normally funded from bond sale proceeds.

**ADDITIONAL INFORMATION:**

As a relatively frequent issuer of debt, the City for many years has retained an independent financial advisor to assist with structuring, management, marketing, and sale of bond issues. The last contract was awarded to PFM in September 2008. The contract had renewal options which have been used. The recommendation is to extend the contract until June 30, 2015 which will allow completion of work on items that began before the end of contract:

- The Securities and Exchange Commission released its Municipalities Continuing Disclosure Cooperation Initiative on March 10, 2014. PFM has been working with the City to review history and determine if any failure to make required continuing disclosure or material events exists for the City to self-report. The deadline is December 1, 2014.
- The 7th and Grand Parking Garage project includes looking at various development options and financing arrangements which PFM is providing extensive advice.
- Des Moines Wastewater Reclamation Authority currently uses PFM as the financial advisor and has extended the contract to March 31, 2015 as they complete their budget and bond issuance planning. As a member community, having the same advisor through this phase should result in more effective and efficient use of resources and be a better transition in the next fiscal year.
- In this low interest rate market, PFM is assisting City staff in evaluating potential refinancing and bond issuance that may occur earlier than usual.

**PREVIOUS COUNCIL ACTION(S):**

Date: September 22, 2008

Roll Call Number: [08-1665](#)

Action: [Acceptance](#) of proposal from Public Financial Management, Inc. for financial advisory services for debt management and technical services, and approval of contract. ([Council Communication No. 08-588](#)) Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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