



Board Agenda Item 29

DATE: April 23, 2019

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Retroactive Agreement with KNN Public Finance, LLC

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a retroactive Agreement with KNN Public Finance, LLC to provide professional municipal advisory services, as requested and to act as the Municipal Advisor for the County's Tax and Revenue Anticipation Notes, if any, effective January 14, 2019 through January 13, 2024, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$450,000.

This agreement is for periodic professional municipal advisory services as needed, and for municipal advisory services related to a Tax and Revenue Anticipation Notes (TRAN) issuance, if any. The County has utilized the services of KNN Public Finance, LLC (KNN) for over 15 years, assisting the County with all of its currently outstanding bonds and notes. On December 21, 2019, after execution of a Request for Proposal (RFP) for these services, the Debt Advisory Committee approved staff's recommendation to accept the KNN proposal. Approval of the recommended action will allow the County to maintain consistency in financial advisory services related to public finance matters.

ALTERNATIVE ACTION(S):

Your Board may choose not to approve the recommended action. If the recommended action were not approved, the County would not receive professional municipal advisory services as needed, and would not be able to issue a TRAN, if needed.

RETROACTIVE AGREEMENT:

The recommended agreement is retroactive to January 14, 2019, due to finalization of the RFP process. The prior agreement expired on January 13, 2019.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The maximum compensation for all services provided under this agreement is \$450,000, which includes hourly rates for professional municipal advisory services and an annual, all-inclusive fee for TRAN issuance, if needed. All rates and fees may increase by 3% on an annual basis, subject to the approval of the Auditor-Controller/Treasurer-Tax Collector (ACTTC). Sufficient appropriations for professional municipal advisory services and TRAN financing, if needed, are included within the Departments Org 0410 and Org 2540 fiscal year 2019 Adopted Budgets and will be included in subsequent budget requests.

DISCUSSION:

A request for proposal (RFP) for professional municipal advisory services was issued on September 26, 2018, which ultimately resulted in the selection of KNN. The most recent agreement for municipal advisory services with KNN, expired on January 13, 2019.

The Debt Advisory Committee (DAC) met on December 6, 2018, in a special meeting, to discuss the results of the RFP response and additional information was requested of ACTTC staff. At the regular meeting on December 21, 2018, the additional information was presented and the DAC consensus was to accept the proposal submitted by KNN and enter into a new, retroactive agreement with KNN.

The proposed agreement with KNN will be effective January 14, 2019 through January 13, 2022, with an option to extend for two additional, one-year periods. The maximum compensation to KNN will be no more than \$450,000 for the agreement, including any optional extensions. The ACTTC will monitor performance of the advisor and report to the DAC prior to entering into either of the optional one-year periods.

OTHER REVIEWING AGENCIES:

County of Fresno Debt Advisory Committee

REFERENCE MATERIAL:

BAI #14, January 14, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement

CAO ANALYST:

Debbie Paolinelli