



Legislation Text

File #: 22-594, Version: 1

**TO: Mayor and Commissioners**  
**FROM: Hugh Dunkley, Finance Director**  
**THROUGH: Terrence Moore, City Manager**  
**DATE: May 17, 2022**

APPROVAL OF RESOLUTION NO. 52-22 TO AWARD A FIVE-YEAR AGREEMENT TO PFM FINANCIAL ADVISORS LLC FOR FINANCIAL ADVISORY SERVICES IN A NOT-TO-EXCEED AMOUNT OF \$115,000.

**Recommended Action:**

Motion to approve Resolution No. 52-22 to award a five year Agreement to PFM Financial Advisors LLC (PFM) for financial advisory services in the not to exceed amount of \$115,000 for services for the Agreement term and authorize the City Manager to execute renewals, in the amounts detailed below, contingent on appropriation of funds.

**Background:**

On December 14, 2021, Seminole County (County) entered into a five-year agreement with PFM, pursuant to RFP-604124-21/TKH, to provide financial advisory services for general and special obligation debt transactions related to the issuance of bonds, bank loans, notes, certificates, or other financial instruments as well as on-going financial advisory services. The County's contract is valid for a period of five (5) years at the sole option of the County, may be renewed for two (2) successive periods not to exceed one (1) year each. This piggyback agreement will allow the City to ensure continuity in utilizing PFM in the analysis, structure, and marketing of debt obligations for capital projects as well as other tasks.

The City of Delray Beach has a very aggressive capital improvement plan over the next few years which will require financing. The financial advisor (FA) will provide financial advisory services for general and special obligation debt transactions related to the issuance of bonds, bank loans, notes, certificates, and/or other financial instruments as well as on-going financial advisory services. Additionally, the FA will assist in researching and evaluating financing plans and strategies to meet capital improvement program needs at acceptable costs; making recommendations in financing transactions; and representing the County's interest in financial market deals.

**The City's estimated annual expenditures for:**

<b>Estimated Contract Value</b>	
Initial Term (5 years); Upon execution - December 13, 2026	\$ 75,000
Renewal Term 1: December 14, 2026 - December 13, 2027	20,000
Renewal Term 2: December 14, 2027 - December 13, 2028	20,000

<b>Total</b>	<b>\$ 115,000</b>
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**Hourly Fees for Financial Advisory Service:**

Hourly fees will apply for all financial advisory services requested by the City which are not directly related to a bond transaction. Hourly fees shall be as follows:

Senior Professional(s) Fee per hour	\$210
Professional(s) Fee per hour	\$190

**Bond Transaction Fees:**

Bond transaction fees will be included in any bond transaction which will be brought before Commission for approval. Bond transaction fees will be a percentage of the bond issue amount and will vary depending upon the value of the bond issue.

Bond Issue Fee	\$0.95 per Bond	FOR THE FIRST \$20,000,000
per \$1,000.00	\$0.85 per Bond	\$20,000,001-\$40,000,000
Bonds Method	\$0.75 per Bond	\$40,000,001-\$60,000,000
	\$0.55 per Bond	\$60,000,001-\$80,000,000
	\$0.45 per Bond	\$80,000,001-\$100,000,000
	\$0.25 per Bond	FOR AMOUNT OVER \$100,000,000

**Attachments:**

1. Seminole County Agreement
2. City of Delray Beach Agreement
3. Resolution No. 52-22
4. Legal Review Checklist for the Agreement with PFM

This motion is in accordance with the Code of Ordinances Chapter 36, Commission Approval Required and Purchasing Policies, Accessing Contracts from Other Government Agencies.

**City Attorney Review:**

Approved as to form and legal sufficiency.

**Funding Source/Financial Impact:**

Funding will be available from account Other Professional Services:001-13-000-513-31-90 pursuant to a budget transfer or adoption. Additionally, bond transaction fees will be included in any bond transaction which will be brought before Commission for approval. Bond transaction fees will be a percentage of the bond issue amount and will vary depending upon the value of the bond issue.

**Timing of Request:**

Purchase of these services is urgent due to the expiration of the current contract on May 15, 2022.