

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : November 20, 2014

TO : Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM : Scott B. Manske, Comptroller

SUBJECT: **Requesting Authorization to enter into an agreement for Financial Advisory Services with Public Financial Management for a term of three years with two one-year options**

Background

In August 2014, the Office of the Comptroller issued a Request for Proposals (RFP) for Financial Advisory Services (refer to **Attachment A** for the RFP). The purpose of the RFP was to solicit information from qualified firms.

The scope of services for the Financial Advisor include:

- Make recommendations to the Office of the Comptroller on the structuring of proposed financings including amortization, term, discount, call features, etc; discuss various alternatives and recommend best alternative considering the County's current outstanding debt and requested five-year capital program; make recommendations to enhance bond administration, improve information disclosure, reduce issuance costs, and review industry trends that may affect tax exempt debt issuance;
- Assist in preparation of the Official Statement, the Official Terms of Offering and other documents as required by County Staff; identify and perform tasks which are within the specialized competence of the financial advisor; review and comment on draft copies of the preliminary and final Official Statements and make preparations for the printing and distribution of the official statement;
- Work with the County's legal counsel and capital finance team in recommending size, structure, specific terms and conditions of a debt issue; assist County officials in evaluating alternative financing proposals, as requested;
- Review and Compile continuing disclosure information and documentation and submit the information to the appropriate entity including to the EMMA web site. Provide a copy of the submitted information to the County's capital finance staff;

- Review County policies relating to bond issuance and continuing disclosure;
- Advise County with respect to “undertaking” regarding primary and secondary market disclosure;
- Assist County staff in rating agency presentations or investor meetings related to a particular financing. Recommend debt management strategies that will assure retention of favorable credit ratings and improvement in ratings when possible; travel to rating agency locations and assist in the County’s presentation to the credit rating agencies, if necessary;
- Act as an agent of the County to accept telephone, electronic and written bids for competitive financings;
- Supervise the printing of the bonds or notes and coordinate the bidding for a registrar/fiscal agent or make arrangements for book entry securities;
- Assist County staff on negotiations with bond insurers and/or letter of credit providers;
- Assess bond market conditions at time of sale of bonds; provide information on other major national, state, and local debt issuances that may coincide or compete with County sales; provide input on the calendar of County bond sales;
- Provide input on how to market the bonds to retail and institutional investors;
- Participate in bond document review sessions. Evaluate, verify and recommend the best bid based on true interest costs for the bids submitted to the special bid opening committee on the bond sale date and be available to answer any questions raised by the Finance, Personnel, and Audit Committee, County Board or County officials concerning the sale;
- Analyze any proposals for new products as they pertain to a particular financing;
- Prepare a comparative post sale analysis from the County’s perspective of similar financing transactions and maintain separate accounting and billing for each financing transaction;
- Participate in due diligence meetings;
- Provide an annual report to the County regarding debt management

status and options for improvements, potential refundings, and future offerings;

- Notify the County of any litigation, threatened litigation, customer complaints, regulatory investigations or regulatory actions that relate or are alleged to relate to the types of services contemplated in this RFP;
- Perform other services as may be requested by the County;

Selection of Financial Advisor

The RFP was issued on August 20, 2014 and notice of it was sent out via the County's E-Notify system and published in the Bond Buyer and the Daily Reporter. The Bond Buyer is the leading publication for bond financings and related information. The Office of the Comptroller received three responses that were evaluated by a RFP review panel. The recommendation of the firm to perform Financial Advisory Services for Milwaukee County was determined by the RFP review panel after evaluating all the proposals.

The consensus recommendation of the panel was that Public Financial Management (PFM) provide Financial Advisory Services for Milwaukee County.

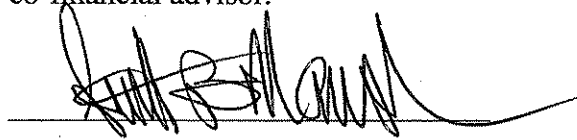
The County's primary contact would be David Anderson. Mr Anderson has advised Counties throughout the State of Wisconsin for over 25 years. Analytical support will be provided by Brian Della. Mr Anderson and Mr. Della have been serving as the County's Financial Advisors since 2005 and have provide support on 31 transactions.

Independent Public Advisors (IPA) will serve as co-financial advisor. IPA is certified as a Disadvantaged Business Enterprise (DBE) with Milwaukee County. Tionna Pooler will lead IPA's effort. Ms. Pooler has more than 14 years' experience as an independent financial advisor to government entities. IPA will be a subcontractor under the PFM contract.

The agreement will be based on an hourly rate for PFM. The anticipated hourly rate for the Director (Mr. Anderson) is \$200 and the hourly rate for Mr. Della is \$175. A majority of the costs will be financed by bond proceeds. Services that are provided that are unrelated to a particular issuance will be financed by tax levy. The DBE goal for the contract is 17%; although participation is anticipated to be higher.

Recommendation

The Office of the Comptroller, based on the recommendation of the review panel, recommends adoption of the attached resolution, which requests that Public Financial Management is selected to provide financial advisory services for a term of three years with mutual options of two one year extensions. The Office of the Comptroller also recommends that Independent Public Advisors be retained as the co-financial advisor.



Scott B. Manske
Comptroller

Attachments

pc: Chris Abele, County Executive
Willie Johnson, Jr., Chair, Finance, Personnel and Audit Committee
Raisa Koltun, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Josh Fudge, Fiscal and Budget Administrator, DAS – PSB
Pamela Bryant, Capital Finance Manager, Comptroller's Office
Justin Rodriguez, Budget and Management Coordinator, Comptroller's Office
Stephen Cady, Fiscal and Budget Analyst, County Board
David Anderson, Public Financial Management
Tionna Pooler, Independent Public Advisors