

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : June 9, 2011

TO : Supervisor Lee Holloway, Chair, County Board of Supervisors

FROM : Department of Administrative Services

SUBJECT : **Recommendation for Financial Advisor Services**

REQUEST

The Department of Administrative Services (DAS) requests approval by the County Board of Supervisors of the recommendation for Public Financial Management, Inc. and Peralta Garcia Solutions to serve as the County's financial advisors for 2011 to 2013, with an option to renew the contract for three years.

DISCUSSION

On February 28, 2011, the DAS issued a request for proposal for financial advisory services and advertised in the Daily Reporter and the Bond Buyer. The Bond Buyer is the leading publication for information regarding bond transactions. Responses were due March 25, 2011. The County received 2 responses: Public Financial Management, Inc., and ACM Partners. A panel consisting of a representative from the County Board, Corporation Counsel, DAS-Fiscal, and a researcher from the Public Policy Forum evaluated both proposals. The proposals were evaluated based on their responsiveness to the RFP, their approach to providing financial advisory services, their experience and qualifications and their cost proposals. Based on the responses to the request for proposal, the panel recommended that the DAS select Public Financial Management, Inc. to continue to serve as the County's financial advisor.

PFM consistently ranks as a leading independent financial advisory firm and demonstrated strength in a variety of financial services. In addition to its substantial experience with general obligation and revenue bond transactions, PFM provides financial advisory services involving capital budgeting, debt policy development transaction management; strategic consulting involving benchmarking, budget monitoring, labor-management and investment advisory services involving cash management, cash flow forecasting and arbitrage rebate compliance.

In addition to providing services for the County's regular general obligation bond and revenue bond financings, PFM was instrumental in developing the structure and presentations for the County's pension obligation bond financing. Although the success of the transaction is based on overall results, the County has achieved positive results from the sale of the bonds so far. PFM was also instrumental in assisting the County with its master leasing program for the performance contracting initiative. In addition, the County has benefited from the diverse services provided from its local office as well as its out-of-state offices for these financings, as well as other initiatives.

DISADVANTAGE BUSINESS ENTERPRISE

Partnering with PFM as the Co-Financial Advisor and Disadvantage Business Enterprise is Peralta Garcia Solutions (PGS), which provides financial advisory and management consulting as well as planning and project management services. In accordance with County Ordinance, compensation for PGS will be a least 17 percent of the amount paid to PFM by the County.

PGS has played a significant role with the County's general obligation bond financings, as well as assisting with the negotiations for the revenue bond financings.

RECOMMENDATION

The DAS recommends to the County Board of Supervisors and the County Executive to approve Public Financial Management, Inc. and Peralta Garcia Solutions to serve as the County's financial advisors.



Pamela Bryant
Capital Financial Manager

pc: Chris Abele, County Executive
Supervisor John Thomas, Chairman, Finance and Audit Committee
George Aldrich, Chief of Staff, County Executive's Office
Steve Cady, County Board Fiscal Analyst