



Legislation Details (With Text)

File #: 18-288 **Version:** 1 **Name:**
Type: Consent Item **Status:** Passed
File created: 5/29/2018 **In control:** City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency
On agenda: 6/4/2018 **Final action:** 6/4/2018
Title: SUBJECT: Agreement for Bond and Disclosure Counsel Services with Norton Rose Fulbright US, LLP and Waive the Competitive Bidding Requirement

REPORT IN BRIEF

Considers awarding an agreement to Norton Rose Fulbright US, LLP to provide bond and disclosure counsel services in connection with a General Obligation Bond ballot measure and subsequent bond financing and waive the competitive bidding requirement.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving the contract with Norton Rose Fulbright (NRF) for bond and disclosure counsel services, waiving the competitive bid, and authorizing the City Manager or Assistant City Manager to execute the necessary documents and allow for minor modification to legal provisions as needed, and;

B. Approving transfers from Public Facilities Financing Fees-Police in the amount of \$5,000 from Fund 047, and \$5,000 from Fund 057 to Fund 449 Public Safety CIP, and appropriating the same amount to Project #116040 New Police Headquarters.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Agreement for Professional Services.pdf

Date	Ver.	Action By	Action	Result
6/4/2018	1	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency	approved	Pass

Report Prepared by: Venus Rodriguez, Finance Officer

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ALTERNATIVES

1. Adopt the motion as recommended by staff; or
2. Modify the action (specify in motion); or
3. Deny the action.

AUTHORITY

Merced City Charter Section 200. Merced Municipal Code section 3.04.210 (exemption from competitive bidding).

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

DISCUSSION

In August 2017, the City Council approved the purchase of 3033 N. G Street (Merced Sun-Star facility) for a future police headquarters site. To keep the Police Headquarters project moving forward, staff indicated we would be bringing back to the City Council requests to hire consultants for the following tasks: poll the public regarding support for sales tax increase to fund the Police Headquarters and other city facilities, architect to perform a facility needs assessment, and financial advisor to evaluate alternative means of funding.

In October 2017, the City Council approved a professional service agreement to facilitate a public opinion survey. FM3 completed a telephone survey with likely November 2018 voters in the City of Merced. Voters were asked their willingness to support a bond measure and/or a new sales tax to fund new City facilities and upgrades. More voters were in favor of the bond measure.

In May 2018, the City Council approved a professional service agreement with Fieldman, Rolapp, & Associates to perform municipal advisory services in connection with the GO bond.

In order to move forward with a general obligation (GO) bond measure the City will also need to retain bond and disclosure counsel. There are two phases to the agreement with NRF, pre-election and post-election. The pre-election duties include; determining the phrasing and scope of the bond measure, insuring the bond measure complies with State and County standards and the preparation of Resolution Calling for Election. The post-election duties include; canvassing results of the bond election, assembly of the transcript of the election proceedings, and working with the municipal advisor and underwriter for sale of the bonds.

Preparation by bond counsel for a GO bond measure begins well in advance of the election date. In order to meet the timeline for the November 2018 election, NRF working with City staff, will need to complete all of the pre-election duties and present a resolution of election to the City Council to be adopted by the second Council meeting in July.

Due to the rigid timeline staff is requesting City Council waive the competitive bidding requirement. The City of Merced has worked with NRF as bond and disclosure counsel since 2002. NRF served as bond and/or disclosure counsel for the following bond issues:

CFD 2003-1 Bellevue Ranch East
CFD 2005-1 Bellevue Ranch West
CFD 2006-1 Moraga
CFD 2003-1 Bellevue Ranch East Refunding
CFD 2005-1 Bellevue Ranch West Refunding

NRF is very familiar with the City of Merced and we have established a great rapport. NRF has served the City of Merced well in the past and staff has no reservation that they will continue to do well for us in this endeavor.

NRF is a California corporation and is one of the largest public finance practices in the United States. They are based out of Los Angeles, California and are ranked third in the country in par amount of bonds issued. NRF has extensive experience in both preparing the election resolutions and navigating the election process with the county registrar of voters and in general obligation bond issuance.

IMPACT ON CITY RESOURCES

If the ballot measure passes all fees for services will be paid from bond proceeds. If the ballot measure does not pass, the City of Merced will need to pay a not to exceed amount of \$10,000 for pre-election services provided by NRF. It is necessary to request a supplemental appropriation from Public Facilities Financing Fees in Fund 047 of \$5,000 and Fund 057 of \$5,000 to transfer to Fund 449 Public Safety Facilities and appropriate to Project #116040 New Police Headquarters.

ATTACHMENTS

1. Professional Service Agreement