



CITY OF MENIFEE

SUBJECT: Agreement with Urban Futures Inc. for Financial Advisory Services

MEETING DATE: August 17, 2022

TO: Mayor and City Council

PREPARED BY: Rebekah Kramer, Senior Management Analyst

REVIEWED BY: Rochelle Clayton, Assistant City Manager

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve and authorize the City Manager to execute a professional services agreement with Urban Futures, Inc. for financial advisory services for three years extending through fiscal year 2024/25 in an amount not-to-exceed \$50,000 per fiscal year; and
2. Authorize the City Manager to approve two optional one-year auto-renewals of \$50,000 per year for fiscal years 2025/26, and 2026/27 at the City's discretion.

DISCUSSION

On May 19, 2022, the City issued Request for Proposal (RFP) No. 2022-15 for financial advisory services on an as-needed basis. The financial advisory firm would fill a vital role in helping the City to develop a comprehensive financing plan that would enable the City to support the infrastructure required to serve residents and businesses. The development of a financing plan to support the City's long-term infrastructure needs was identified as a fundamental component of the implementation strategy for the City's Strategic Vision Plan last updated on May 4, 2022. The independent financial advisory firm would prepare feasibility analysis, reports, and documents for the issuance of bonds and other debt and provide expert advice on municipal financing structures to fund the City's capital improvement program needs including public facilities such as a city hall, police station, fire station, maintenance operations center, and community recreation center.

RFP Process

A total of four proposals were received by the submittal deadline of June 13, 2022. Subsequently, a comprehensive evaluation of the proposals received was completed by the review committee comprised of City staff from the City Executive Office, Finance, and Community Services

departments. Proposals were reviewed and ranked based on the qualifications and experience of the firms and their project team, service delivery approach, and cost.

The top three finalist participated in an interview. The final averaged weighted results of the evaluation completed are summarized in Table 1 below.

TABLE 1 – RFP Response Summary

Firm	Average Score (100 possible point)	Prices
Urban Futures, Inc.	92.80	<ul style="list-style-type: none"> • \$175-\$250/Hour General Financial Advisory Services • \$40,000 Lease Revenue Bonds • \$50,000 General Obligation Bonds • \$35,000 Community Facilities Districts • \$30,000 Private Placements/Loans
Fieldman Rolapp & Associates	72.20	<ul style="list-style-type: none"> • \$55-\$380/Hour General Financial Advisory Services with 2% annual fee increase • \$45,000-\$52,500 General Fund/Lease Revenue Bonds • \$40,000 Community Facilities Districts
Columbia Capital Management LLC	69.80	<ul style="list-style-type: none"> • \$155-\$295/Hour General Financial Advisory Services • \$75,000 Lease Revenue Bonds • \$100,000 Community Facilities Districts

The results of the evaluation identified Urban Futures, Inc. as the most competitive proposal. Established in 1972, Urban Futures is one of California’s leading municipal financial advisory firms serving hundreds of California cities, counties, and special districts. Urban Futures was selected based upon the technical knowledge and expertise of their project staff in municipal financing, understanding of the City, and overall cost.

The initial contract period would be effective August 17, 2022, through June 30, 2025, plus two one-year optional renewal periods at the discretion of the City Manager. Bid prices would remain effective and in force for the entire contract period, including any optional renewals that are exercised. In the first year of the agreement, Urban Futures would work with the City to develop the financing plan required to support the City’s long-term infrastructure needs including public facilities such as a city hall, police station, fire station, maintenance operations center, and community recreation center. The plan development would be based upon the hourly rate for general financial services. The issuance of bonds or other municipal financing would occur in future years, as needed, based upon the established financing plan.

STRATEGIC PLAN OBJECTIVE

The selection of a financial advisory services firm to develop a financing plan to support the City’s long-term infrastructure needs addresses multiple strategic plan objectives including the development of a safe and attractive community; responsive and transparent community government; and accessible and interconnected community.

FISCAL IMPACT

The total fiscal impact of the proposed three-year agreement with Urban Futures, Inc., would be \$150,000. If elected the two additional optional renewal years would be an additional \$100,000 or a five-year total of \$250,000.

Funding for the fiscal year 2022/23 period, representing \$50,000, would be paid from existing funds included in the adopted operating budget, within account no. 100-4111-52800 (Professional Services). Funding for fiscal year 2023/24 and fiscal year 2024/25 and the two additional one-year renewals would be budgeted as part of the respective year's budget. No additional budget appropriation action(s) would be required.

ATTACHMENTS

1. Agreement – Urban Futures