Administrative Report

H.5., **File #** 21-2049 **Meeting Date:** 2/9/2021

To: **MAYOR AND CITY COUNCIL**

From: MARNI RUHLAND, FINANCE DIRECTOR

TITLE

APPROVE AGREEMENT WITH KOSMONT TRANSACTIONS SERVICES, INC. FOR MUNICIPAL ADVISORY ACTIVITIES RELATED TO THE REFINANCING OF THE CITY'S UNFUNDED ACCRUED LIABILITY (UAL) WITH THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) FOR AN AMOUNT NOT TO EXCEEED $145,000 FOR THE TERM OF FEBRUARY 9, 2021 TO JUNE 30, 2024

EXECUTIVE SUMMARY

To explore the possibility of refinancing the City's CalPERS UAL with bonds, it is necessary to enter into a contract for municipal advisory services with Kosmont Transactions Services (KTS). KTS will assist the City in the analysis of public financing options and strategies associated with the refinancing the City's CalPERS UAL and will provide assistance with the refinancing should the City opt to proceed with the issuance of bonds.

BACKGROUND

In its January 18, 2021 letter, the Budget and Finance Commission requested that the Mayor and City Council view the KTS presentation regarding refinancing the City's CalPERS UAL with bonds. In response to that request, the City Council directed staff to arrange for the same presentation to be made at its February 16, 2021 meeting. Although KTS was able to make a presentation to the Budget and Finance Commission before contracting with the City because the Commission serves only in an advisory capacity, a contract is necessary before presenting to the City Council as it serves as a decision-making body.

KTS' services include presentations to the City Council and the Budget and Finance Commission, analysis, recommended courses of action, and assistance with decisions regarding a refinancing of the City's CalPERS UAL. If the only KTS services utilized are the presentations, no costs will be incurred. If the City takes further action but does not proceed with a bond issuance, it will only be responsible for reimbursable expenses. If bonds are ultimately issued, the full costs (not exceeding $145,000) will be paid from the bond proceeds.

COORDINATION

The Financial Services Department collaborated with the City Attorney's Office to development the agreement. The City Attorney's Office has approved the amendment as to form.

FISCAL IMPACT

No appropriation is needed at this time for the KTS contract costs as it uncertain how the City will proceed in regards to a refinancing of the City's CalPERS UAL.

APPROVED BY:
Joe Hoefgen, City Manager

ATTACHMENTS

Agreement with Kosmont Transactions Services
Insurance for Kosmont Transactions Services