
File ID: 2022-01554

10/11/2022

Review Item 1.

(Contract for Review) First Amendment Agreement: Approve Fieldman, Rolapp & Associates, Inc. as Municipal Advisor on City Debt Financings and Related Transactions

File ID: 2022-01554

Location: Citywide

Recommendation: Accept and publish for review a **Motion:** authorizing the City Treasurer to enter into a First Amendment Professional Services Agreement with a revised total amount not to exceed \$1.5 million and continue to October 11, 2022 for approval.

Contact: Brian Wong, Debt Manager, (916) 808-5811, bwong@cityofsacramento.org; Claudia Lara, Debt Analyst, (916) 808-2267, clara@cityofsacramento.org, Office of the City Treasurer

Presenter: None

Attachments:

1-Description/Analysis

2-First Amendment Professional Services Agreement (Fieldman, Rolapp & Associates, Inc.)

Description/Analysis

Issue Detail: In August 2019, the City Council approved by motion (Motion No. 2019-0253) an agreement with Fieldman, Rolapp & Associates, Inc. ("**Fieldman**") for financial advice on debt-related matters through June 30, 2024, with a not-to-exceed amount of \$750,000. At the time of our engagement of Fieldman, we anticipated and built into the not-to-exceed amount based on the cost of a reasonable number of financings or refinancings over the five-year term with Fieldman.

Due to Covid-19, Fieldman was also engaged in several general fund debt-capacity analyses, as well as a general fund stress test analysis to help ensure the City fulfills its debt obligations. Currently, Fieldman is engaged on a couple of bond financings at the request of developers and in addition to other City projects. Lastly, Fieldman is assisting the City in reviewing proposals for affordable housing financing projects - an area of particular interest by the Mayor and City Council.

To continue our engagement with Fieldman beyond our current projects, the First Amendment

Agreement increases the not-to-exceed amount to \$1.5 million.

Policy Considerations: The proposed action is consistent with the Sacramento City Code, Chapter 3.64 (Contracts for Professional Services). The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1 million shall be made available to the public at least ten (10) days prior to council action.

Economic Impacts: None.

Environmental Considerations: This report concerns administrative activities that will not have a significant effect on the environment and thus do not constitute a “project” subject to the California Environmental Quality Act. See California Code of Regulations, title 14, sections 15061(b)(3) and 15378(b)(2). In addition, the projects for which debt financings are undertaken will be independently subject to CEQA review.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Increasing the not-to-exceed amount, will allow the Office of the City Treasurer to continue to provide more effective financial analysis, review, and validation of debt-related matters.

Financial Considerations: The additional \$750k may impact general fund depending on the nature of the project.

Local Business Enterprise (LBE): Fieldman qualifies as an LBE.

**FIRST AMENDMENT TO MUNICIPAL (FINANCIAL) ADVISORY SERVICES
PROFESSIONAL SERVICES AGREEMENT**

This First Amendment to the Municipal (Financial) Advisory Services, dated August 9, 2022, for reference, is between the CITY OF SACRAMENTO, a California municipal corporation (“CITY”) and Fieldman, Rolapp & Associates, Inc. (“CONTRACTOR”).

Background

The CITY and CONTRACTOR, as parties to that certain Professional Services Agreement titled "Municipal (Financial) Advisory Services" and designated as Contract Number 2019-1219 (the “Original Agreement”), desire to increase the not to exceed amount of the Original Agreement by amending it in order to maintain the ongoing relationship between the CITY and the CONTRACTOR.

With these background facts in mind, the parties hereby agree as follows:

- 1. Amendment of Subsection 3 of Exhibit B of the Original Agreement.** Subsection 3 of Exhibit B of the Original Agreement is amended to read as follows:

Maximum Compensation and Reimbursable Expenses. The total of all fees paid to the CONTRACTOR for the performance of all services under this Agreement (including additional services authorized under Section 5 of this Exhibit B) and for all authorized reimbursable expenses may not exceed \$1,500,000 through the maximum term of this Agreement.

- 2. All Other Terms Remain in Force.** Except as amended by section 1, all terms and conditions of the Original Agreement remain in full force.
- 3. Effective Date.** This amendatory agreement becomes effective when both parties have signed it, as indicated by the dates in the signature blocks below.
- 4. Signatures; Counterparts.** The parties may sign this agreement with electronic or digital signatures. In addition, the parties may sign this agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement. Delivery of a signed counterpart may be accomplished by email transmission of a pdf file as follows:

For delivery to the City, jcolville@cityofsacramento.org;
mcuppy@cityofsacramento.org; jmassey@cityofsacramento.org

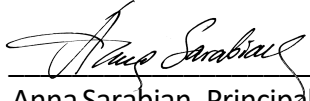
For delivery to the Contractor, avr@fieldman.com

5. **Entire Agreement.** This amendatory agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by another written agreement signed by both parties.

City of Sacramento

By: _____
John P. Colville Jr., City Treasurer

Fieldman, Rolapp & Associates, Inc.

By:  _____
Anna Sarabian, Principal

**Approved as to Form
Sacramento City Attorney**

By: _____
Senior Deputy City Attorney

**Attest
Sacramento City Clerk**

By: _____
Signature