



Legislation Text

File #: 200283., **Version:** 1

Public Financial Management (PFM) Financial Advisor Fee Adjustment for Services Related to the Issuance of Gainesville Special Obligation Revenue Bonds, Series 2020 (B)

A request from Public Financial Management to adjust their Financial Advisor fee related to the issuance of City of Gainesville, Florida, Special Obligation Revenue Bonds, Series 2020 for the purpose of funding a portion of the unfunded pension obligations of the City with respect to the General Employees' Pension Plan and the Consolidated Police Officers' and Firefighters' Pension Plan.

The existing contract between the City and PFM specifies a maximum Financial Advisor fee per bond series of \$60,000. The \$60,000 maximum fee was calculated with the expectation of two bond series being issued separately for the General Employees' Pension Plan and the Consolidated Police Officers' and Firefighters' Pension Plan, rather than a single combined bond series for both Plans. Given the size and complexity of the City of Gainesville, Florida, Special Obligation Revenue Bonds, Series 2020, PFM is requesting an adjustment to their fee from \$60,000 to \$97,500. PFM's adjusted Financial Advisor fee would still be less than their maximum fee of \$120,000 for two bond series. PFM's adjusted fee would also be less than Bond Counsel and Disclosure Counsel fees which are approximately \$157,000 and \$120,000 respectively.

Adjusting the Financial Advisor fee from \$60,000 to \$97,000 would increase the estimated bond issuance costs from approximately \$593,000 to approximately \$630,500. The bond issuance costs are incorporated in the bond issuance amount and will not have a direct fiscal impact on City budgets, or the amount of bond proceeds deposited into the pension plans.

Recommended Motion: The City Commission: 1) approve PFM's request to adjust their Financial Advisor fee related to the issuance of City of Gainesville, Florida, Special Obligation Revenue Bonds, Series 2020 from \$60,000 to approximately \$97,500.