



Contra Costa County

To: Board of Supervisors
From: David Twa, County Administrator
Date: June 21, 2016

Subject: Arbitrage Rebate Compliance Services Contract

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract with BLX Group, LLC, in an amount not to exceed \$100,000 for arbitrage rebate compliance services for the period of July 1, 2016 through June 30, 2019.

FISCAL IMPACT:

Fees associated with rebate liability analysis are charged out proportionately to various County departments based on their share of the funds from a particular bond issue.

BACKGROUND:

Arbitrage rebate calculation agent services are required to calculate rebate liability on various County bond issues. Under federal tax law, this liability is determined for each County tax-exempt bond issue based on the amount of interest earnings that have accrued on bond proceeds over time. While the County is allowed to keep interest earnings up to the rate of return of the initial bond offering, any earnings above this bond rate must be rebated to the federal government every five years.

On April 4, 2016, the County issued a Request for Proposals (RFP) for Arbitrage Rebate

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **06/21/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

A YE: Candace Andersen, District II
Supervisor
Mary N. Piepho, District III
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: John Gioia, District I
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 21, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Chris Heck, Deputy

Contact: Timothy Ewell, (925)
335-1036

cc:

Compliance Services.

BACKGROUND: (CONT'D)

After review by committee and firm interviews, BLX Group, LLC was selected. Having served the County in the capacity of arbitrage rebate consultant since 1989, BLX Group, LLC is familiar with the County's unique debt profile and the services that are needed.

CONSEQUENCE OF NEGATIVE ACTION:

The County would not have the expertise to calculate rebate liability on County bond issues.

CHILDREN'S IMPACT STATEMENT:

No impact.