



**Contra
Costa
County**

To: Board of Supervisors
From: Monica Nino, County Administrator
Date: September 7, 2021

Subject: Independent Registered Municipal Advisor (IRMA) Contract - KNN Public Finance LLC

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract with KNN Public Finance LLC, in an amount not to exceed \$350,000 for Independent Registered Municipal Financial Advisor services for the period of September 8, 2021 through through June 30, 2024.

FISCAL IMPACT:

Up to \$350,000. The cost of municipal advisory services for bond issuances is covered as a cost of issuing the bonds. The County essentially borrows the additional funds necessary to compensate all consultants assisting with a specific bond issuance - known as "cost of issuance" fees. Fees have been pre-negotiated as part of the contract and are based on the type of bond transaction being processed. The contract also provides for advisory services outside of the bond issuance process, for services such as the County's Annual Debt Report and other projects that come up from time-to-time. Fees for general advisory services such as this are charged at a pre-negotiated, hourly rate and are generally paid from the County Administrator's budget within the General Fund.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **09/07/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V 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: September 7, 2021

, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Timothy Ewell, (925)
655-2043

cc:

BACKGROUND:

On May 28, 2021, the County issued a Request for Proposals (RFP) for Independent Registered Municipal Advisor (IRMA) services. After review by the Debt Affordability Advisory Committee (DAAC), KNN Public Finance LLC was recommended to the County Administrator for consideration of a contract award to provide municipal advisory services to the County through June 30, 2024 with two, optional one-year extensions based on performance through June 30, 2026.

The County anticipates issuing bonds during this time period to fund new capital projects and refund existing debt at lower interest rates, especially if the current federal prohibition on advance refundings is lifted as part of congressional action on infrastructure. In addition to assistance with bonds, the services of KNN Public Finance LLC is needed on an occasional basis to prepare presentations to rating agencies and complete other ad hoc projects in support of County business. It is important to retain a firm with these particular skills to ensure that the County is able to take advantage of potential refunding opportunities as they arise and stay updated on both market trends and other public finance related issues.

The firm has extensive experience California counties and has worked with several jurisdictions within Contra Costa County in the past. In addition, the firm's experience with housing related financing was of particular interest to the County Administrator's Office due to the significant amount of federal and state funds available for housing development in the near term. There is also increased interest by cities statewide in using Enhanced Infrastructure Financing Districts (EIFDs) to fund regional infrastructure projects. Having a firm that has experience in housing and innovative financing mechanisms will be important during this contract cycle.

CONSEQUENCE OF NEGATIVE ACTION:

The County would not have the necessary expertise of an Independent Registered Municipal Advisor for issuance of municipal securities or other special projects.

CHILDREN'S IMPACT STATEMENT:

Not applicable.