



For Agenda Of:

July 27, 2006

**ITEM # 12**

To: Sacramento Transportation Authority

**Subj: Contract with *Public Financial Management, Inc.* for Financial Advisory Services Related to Implementation of the *New Measure A Plan of Finance***

RECOMMENDATION

Authorize staff to execute the attached contract with *Public Financial Management, Inc.* to facilitate implementation and periodic updating of the Plan of Finance for the *New Measure A* transportation sales tax program.

DISCUSSION

In May 2005, your Board authorized the distribution of a Request for Proposals (RFP) to consulting financial advisors for the preparation of a Plan of Finance for the *New Measure A* transportation sales tax program. The RFP stated that upon adoption of the Plan of Finance, the preferred consultant may be requested to provide additional services related to implementing the recommended financing mechanisms and providing on-going financial management advice. Your Board ultimately selected *Public Financial Management (PFM), Inc.* for that engagement. The Plan of Finance is scheduled for adoption by your Board at today's meeting (Item #11).

The STA will continue to require the services of an experienced and creative financial advisor as it implements the Plan of Finance and issues municipal securities for the first time. During the past year, I have been continually impressed with the professionalism and attentiveness of PFM staff and with their genuine interest in facilitating the *New Measure A* sales tax program. PFM provides financial advisory services exclusively to municipal governments and authorities throughout the United States. Its client base includes several of the local transportation sales tax authorities in California. In addition, the advisory team will continue to include the Pineapple Group, LLC, a Sacramento-based firm specializing in public policy and finance. This team is uniquely qualified to serve as the STA's on-going consulting financial advisor.

Staff recommends that your Board authorize the Executive Director to execute the attached contract with PFM. It provides hourly-based compensation not to exceed \$6,000 per month for on-going advisory services and analyses requested by the Executive Director and Board. For representation and analysis related to the successful issuance of securities, the

consultant will receive a set fee depending on the type of transaction, as set forth in Exhibit A of the contract.

Respectfully Submitted,

Brian A. Williams  
Executive Director

Attachments

C: Keith Curry – PFM, Inc.  
Mark Harris – The Pineapple Group