



# REPORT TO COUNCIL

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
[www. CityofSacramento.org](http://www.CityofSacramento.org)

**CONSENT ITEM**  
**June 27, 2006**

Honorable Mayor and  
 Members of the City Council

**Subject:** One-year extension of Investment Bankers/Financial Consultants Services Agreement (Financing Team)

**Location/Council District:** City-wide

**Recommendation:**

Adopt the attached resolution: 1) Authorizing the City Treasurer to extend the Investment Bankers/Financial Advisor Professional Services Agreement (CA2001-236) for a period of one-year, through December 31, 2007.

**Contact:** Thomas P. Friery, City Treasurer, 808-5168

**Department:** City Treasurer's Office

**Division:** Financing

**Organization No:** 0900

**Summary:** The City of Sacramento, from time to time, desires the services of an investment banker/financial advisor to provide financial expertise to meet the City's diverse financing needs. To this end, in December 2001, City Council approved City Agreement No. 2001-236 (the "agreement") for Investment Banker/Financial Advisor services with the financing team of Stone & Youngberg LLC, Goldman, Sachs & Co., Merrill Lynch & Co., Siebert Brandford Shank & Co., and E. Wagner & Associates to provide underwriting and financial services.

The current agreement (CA2001-236) expires December 31, 2006. The City Treasurer is requesting an extension through December 31, 2007, or for a shorter duration if deemed appropriate, in order to ensure continuity of rendered services and expertise on vital long-term projects. Approval of the extension addresses only the term of the agreement. The scope of services, the manner in which they are performed, and compensation for said services, will remain unchanged.



**Committee/Commission Action:** None.

**Background Information:**

Periodically, the City Treasurer solicits proposals from firms interested in providing investment banking and/or financial advisor services to the City with the objective of evaluating technological progress and procedural enhancements that could improve the City's financing efficiency. Given the current workload and the staffing levels of the office, the City Treasurer is recommending the deferment of solicitation of proposals for one year and, rather, enter into a one-year extension of the current agreement. This will allow for the smooth continuation of time sensitive on-going projects and allow sufficient time for the City Treasurer to assess what efficiencies, if any, could be implemented to the benefit of the City's finances.

Investment Banking services include, but are not limited to: assisting the City in developing and implementing comprehensive financing plans for the preparation, execution and marketing of municipal bonds and other municipal securities for capital projects. Additionally, the financing team will use their best efforts to bring the City's bonds to market at reasonable rates on a project-by-project basis and assist the City in achieving its financing objective(s) by developing and recommending the most appropriate financing method for implementing City projects.

**Financial Considerations:**

There are no budget impacts as a result of this action. Investment banking/financial consulting fees are negotiated at the time of each financing and are contingent upon the sale of the bonds; the cost of such services is built into the financing structure.

**Environmental Considerations:**

The requested action is not subject to the provisions of the California Environmental Quality Act (CEQA).

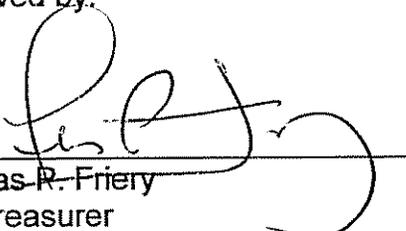
**Policy Considerations:**

The action requested herein is consistent with the City's Strategic Plan goals to expand economic development throughout the City and achieve sustainability and livability by efficiently leveraging the City's funds for their maximum benefit.

**Emerging Small Business Development (ESBD):**

None.

Approved by:



Thomas R. Friery  
City Treasurer

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**EXHIBIT A**

**Financing Firms**

**Stone & Youngberg, LLC**

One Ferry Building  
San Francisco, CA 94111  
(415) 445-2300

**Goldman, Sachs & Co.**

555 California Street, 45th Floor  
San Francisco, CA 94104  
(415) 393-7514

**Merrill Lynch & Co.**

101 California Street, Suite 1225  
San Francisco, CA 94111  
(415) 676-3211

**Siebert Brandford Shank & Co.**

Lake Merritt Plaza  
1999 Harrison St., Suite 2720  
Oakland, CA 94612  
(510) 645-2245

**E. Wagner & Associates**

599 Stoneridge Dr., Suite 103  
Pleasanton, CA 94588  
(925) 416-1200

# **RESOLUTION NO. 2006-\_\_\_\_\_**

Adopted by the Sacramento City Council

June 27, 2006

## **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACRAMENTO AUTHORIZING THE CITY TREASURER TO EXTEND THE FIVE-YEAR INVESTMENT BANKER/FINANCIAL ADVISOR SERVICES AGREEMENT (CA2001- 236) FOR A ONE-YEAR PERIOD**

### **BACKGROUND:**

- A.** In December, 2001 City Council approved City Agreement No. 2001-236 authorizing the City Treasurer to enter into a five-year agreement for Investment Banker/Financial Advisor services with the financing team of Stone & Youngberg LLC, Goldman, Sachs & Co., Merrill Lynch & Co., Siebert Brandford Shank & Co., and E. Wagner & Associates;
- B.** The City of Sacramento (the "City") from time to time desires the services of a investment banker/financial advisor to provide financial expertise to meet the City's diverse financing needs; and
- C.** After careful consideration, it has been determined that an additional service period of one-year is appropriate for maintaining continuity with on-going projects and complex, long-term financial planning;

### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

**Section 1.** The City Council finds and determines that the statements in paragraphs A through C of the Background are true.

**Section 2.** The City Treasurer is hereby authorized to extend item 4 ("Term") of the Scope of Services of the five-year Investment Banker/Financial Advisor Services agreement (CA2001-236) for a period of one-year or less, if deemed appropriate.

PASSED AND ADOPTED by the City Council of the City of Sacramento on June 27, 2006, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

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Mayor

(SEAL)

ATTEST:

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City Clerk

