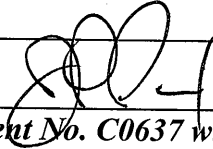


# M · E · M · O

## Alameda Corridor Transportation Authority

November 15, 2019

<b>To:</b>	Governing Board
<b>From:</b>	James P. Preusch, Chief Financial Officer 
<b>Subject:</b>	<i>Approve Twelfth Amendment to Agreement No. C0637 with PFM Financial Advisors LLC for Financial Advisory Services (APPROVAL)</i>

**Recommendation:**

Approve the proposed Twelfth Amendment to Agreement No. C0637 with PFM Financial Advisors LLC (“PFMFA”), for financial advisory services, to extend the term for two years through December 31, 2021 and authorize the Chief Executive Officer or Chief Financial Officer to execute said Amendment.

**Discussion:**

PFMFA provides financial advisory services to ACTA. The firm has significant expertise in transportation and toll revenue financing and has assisted ACTA on several bond refinancing transactions and other vital fiscal matters over the past seventeen years. ACTA management utilizes the services of PFMFA on a regular basis to assist with the annual rating agencies’ review process and when special needs arise.

The contract has been in place since March 2002 and is currently set to expire on December 31, 2019. The current Board approved not-to-exceed amount is \$770,000, as authorized in June 2015. Expenditures to date total \$682,046. A new Request for Proposals (RFP) was scheduled to be released in fall 2019. However, with pending retirements of the CEO and CFO, continuity with the rating agencies, bond insurers and investment community is important.

ACTA’s outstanding debt balance is larger than that of the two ports combined. ACTA’s debt structure is complex, involving senior, first subordinate, second subordinate, taxable, tax-exempt, interest bearing and capital appreciation bonds. ACTA’s revenue pledge and priority of payment structure is also complex. PFMFA provides continuity, bond market sophistication and has a clear understanding of ACTA’s debt structure. The firm has been cautious in evaluating investment banking ideas and quite reasonable as to its fees and charges.



Authorization to execute the Twelfth Amendment to Agreement No. C0637 is requested to extend the term for an additional two years through December 31, 2021. There are no bond refunding transactions or other bond issuances anticipated during this timeframe. The extension provides continuity during the transition to new ACTA management. No additional contract value authorization is required at this time.

**Background**

In 2002, following a competitive selection process, Public Financial Management, Inc. (PFM) was selected to provide financial advisory services. Agreement No. 0637 commenced March 1, 2002 for a term of three years through February 27, 2005 in the not-to-exceed amount of \$500,000. The Board approved all subsequent amendments to extend time and add contract value to support the FY12 RRIF Loan as well as the FY13 and FY16 Bond transactions. In October 2018, as a result of a change in federal regulatory requirements of the Securities & Exchange Commission and the Municipal Securities Rulemaking Board, the Board approved the transfer of the Agreement from Public Financial Management, Inc. to PFM Financial Advisors LLC.

**Budget Impact:**

Funds for this contract, which were previously authorized by the Board, are included in the FY20 Program and Operating Budget and will be included in the FY21 and FY22 Program and Operating Budgets.

**Co-General Counsel Review:**

ACTA's Co-General Counsel has reviewed and approved the proposed Amendment as to form.

Transmittal:

Transmittal 1 - Twelfth Amendment to PFM Financial Advisors LLC -  
Agreement C0637