



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**  
County Manager



**DATE:** June 24, 2013  
**BOARD MEETING DATE:** July 9, 2013  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors

**FROM:** John L. Malbtie, County Manager

**SUBJECT:** Agreement for Financial Advisory Services with California Financial Services related to Bond Financings in Calendar Years 2013 and 2014

**RECOMMENDATION:**

Adopt a Resolution waiving the Request for Proposals process and authorizing an agreement with California Financial Services for Financial Advisory Services in connection with the issuance of Lease Revenue Bonds and Certificates of Participation to be issued within the next 18 months.

**BACKGROUND:**

The County and the Community Development Commission are the members of the San Mateo County Joint Powers Financing Authority (the "Authority"). The Authority is preparing to issue Lease Revenue Bonds (LRBs) for the refunding of the outstanding portion of the Authority's 1997, 1999 and 2001 Lease Revenue Bonds and a new money financing of the Skyonda Fire Station ("Refunding and Capital Projects"). The County also plans on financing the Replacement Jail Project and refunding callable Colma Creek Flood Control Certificates of Participation (COPs) over the next 18 months. The issuance of bonds presents unique legal and financial issues for both the Authority and the County requiring specific expertise in bond financing.

**DISCUSSION:**

Mark Epstein of California Financial Services ("CFS") is particularly well qualified in the areas of bond financing and has done considerable work as Financial Advisor for the County, the Authority and other public entities. Mr. Epstein has provided services to the County in the past, with excellent results. His expertise has been invaluable in helping the County reduce ongoing debt obligations and maximize the monies made available by the issuance of the bonds and any savings that might be available to the County and the Authority. Due to his familiarity with the County and his prior experience assisting the County in the issuance of lease revenue bonds and COPs, we are requesting a waiver of the Request for Proposal process.

The CFS fee of \$115,000 per issuance, which includes out-of-pocket expenses, will be

due and payable upon the delivery of and receipt of payment for the bonds. The term of the CFS Agreement will be May 1, 2013 through December 31, 2014. This agreement will cover the Refunding and Capital Projects and the Replacement Jail financings. The total not to exceed amount for two financings is \$230,000.

Government Code Section 31000 provides that the County may contact with independent contractors for the furnishing of the anticipated financial services.

The Agreement and Resolution have been reviewed and approved by County Counsel as to form.

Authorizing this Agreement will contribute to the Shared Vision 2025 outcome of a collaborative community by supporting fiscal accountability.

**FISCAL IMPACT:**

For the two issuances, the maximum amount to be paid out under the CFS contract is \$230,000. Any amounts paid will be paid out of the Bond proceeds. There is no additional Net County Cost.