



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 18-391

Board Meeting Date: 5/22/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: John L. Maltbie, County Manager
Roberto Manchia, Budget Director
Subject: Agreement with KeyAnalytics

RECOMMENDATION:

Adopt a resolution authorizing:

- A) An agreement with KeyAnalytics to provide cumulative financial tracking, reporting, and disclosure services for all current financings, for a term of July 1, 2018, through June 30, 2023, for an amount not to exceed \$375,000; and
- B) The Director of Budget and Performance or his designee to execute contract amendments that modify the County's maximum fiscal obligation by no more than \$25,000; and
- C) The waiver of the County's competitive solicitation process for financial tracking, reporting and disclosure services for County financings.

BACKGROUND:

KeyAnalytics is a wholly-owned subsidiary of California Financial Services ("CFS") that was created to perform the tracking and compliance services previously provided directly by CFS. Over the years, CFS has become a key strategic advisor and partner to the County and San Mateo County Joint Powers Authority (the "Authority") in the issuance of bonds, tracking bond expenditures, and meeting continuing disclosure requirements. The staff of KeyAnalytics are the same professionals that have provided tracking and compliance services for County bond projects in the past. At its April 25, 2017, meeting, the Board approved a Capital Project Plan. Of the projects listed therein, five are anticipated to be funded through the issuance of lease revenue bonds for which CFS's and KeyAnalytics' services will be required.

DISCUSSION:

The issuance of bonds requires unique financial consulting and record keeping expertise, including project budget and expenditure tracking, bond-related covenant compliance, municipal securities reporting, and preparation of information necessary for federal tax law compliance. Federal laws

require issuers or others obligated to repay the bonds to disclose annual financial or operational information on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) Portal. Audited financial statements are also required if available. Municipal bond issuers must also report specific events that may have an impact on their ability to repay their bond. Due to the staff of KeyAnalytics' familiarity with the County and prior experience assisting the County in financial matters including, but not limited to, the various financings being tracked, waiving the Request for Proposals process is in the County's best interests. The proposed contract is structured as a five-year agreement to account for the anticipated bond financings related to the Capital Projects approved by the Board of Supervisors on April 11, 2017. The five-year agreement will allow for consistency in the reporting and tracking of old and new projects.

This agreement sets a flat annual fee for KeyAnalytics to perform tracking and compliance services for all of the County's lease revenue bond debt including two additional planned issuances to occur in the next five years with 5 additional projects being financed during the term of the agreement.

County Counsel has reviewed and approved the resolution as to form.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Collaborative Community by supporting fiscal accountability.

FISCAL IMPACT:

The agreement will cover services provided by KeyAnalytics from July 1, 2018, through June 30, 2023. The agreement, which has a maximum payment amount of \$375,000, will be funded by bond proceeds and/or General Fund reserves, depending on the status of construction projects and the availability of project funds. There are sufficient bond proceeds and funds in the FY 2017-18 Adopted Budget and FY 2018-19 Recommended Budget for Non-Departmental Services to cover these costs during those fiscal years.