



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 2/16/2021

FOCUS AREA: Economy (Finance)

STAFF CONTACT: Dianna Wright/Sarah Doherty

SUBJECT: Consideration of renewal of contract with Columbia Capital Management, LLC for financial advisory services.

ITEM DESCRIPTION:

Consideration of renewal of contract with Columbia Capital Management, LLC for financial advisory services.

SUMMARY:

The City currently uses Columbia Capital Management LLC for financial advisory services. Columbia Capital performs bond advisory services. As part of the City's bond issuance process, Columbia Capital identifies bonds that are eligible for refunding and calculates the projected savings; facilitates bond ratings; assists with the preparation of the official statements; facilitates the competitive bidding process for bond sales; facilitates receipt of bond proceeds; and prepares closing documentation and debt amortization schedules. Columbia Capital is a key partner during the bond issuance process and works closely with City staff and the City's bond counsel, Gilmore and Bell.

The firm serves as the City's municipal advisor and is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

Columbia Capital assists the City with investments, best practices, forecasts, and any pending legislation that may impact the City at both the state and national level. As a registered investment advisor, they provide advice on investment of operating funds, bond and capital accounts, escrows, and other investment needs.

Columbia Capital also assists with complex analysis of proposed economic incentive projects as requested. They are an independent firm which provides advice that is free from conflict. They also assist with high-priority projects to determine the benefit of public-private partnerships by performing analytics and review documentation and economic structure.

The firm provides planning and development of the City's financial strategy in association with its capital improvement program, assists with innovative approaches to funding and implementation of those long-term financial strategies. In addition, the firm will aid in marketing the City in the financial arena and assists with credit rating analysis and revenue bond structuring.

The City initially awarded the multiyear financial advisory services agreement to Columbia Capital in November, 2012 during the Request for Proposal process. Staff recommends a one-year renewal with Columbia Capital through March 01, 2022. The firm as agreed to maintain current pricing.

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The City spent approximately \$86,000 with Columbia Capital in 2020 and averaged approximately \$90,000 annually the past five years. Columbia's on-call services can vary from year-to-year depending upon the number of bond issuances, complex economic development projects, and financial expertise required.

Historical spend:

2016 - \$83,239.73

2017 - \$91,068.27

2018 - \$86,477.57

2019 - \$113,966.63

2020 - \$85,855.00

FINANCIAL IMPACT:

\$100,000 estimated expenditures. Funding will come from Debt Service Fund, project budget, or developer agreement funding, as appropriate.

ACTION NEEDED:

Renewal of contract with Columbia Capital Management, LLC for financial advisory services.

ATTACHMENT(S):

None