



Legislation Text

File #: 2020-0732, **Version:** 0

Title

Municipal Financial Advisory Services Request for Proposals

History

Speer Financial has been the Village's Municipal Financial Advisor (for issuing debt) since 1997, when they were selected through an RFP process. That relationship has been renewed at various times since then, most recently in 2014.

The Village recently issued an RFP for Municipal Financial Advisory Services. The RFP was published nationwide via Bidnet, reaching 106 firms. We also notified seven firms that are predominant in the Illinois market. 21 firms downloaded the RFP, and we received three proposals from very qualified firms.

Staff is recommending that the Village selects PMA Securities, LLC, of Naperville, Illinois, to be the Village's new Municipal Financial Advisor. PMA has a well-qualified and deep bench and will be able to advise us on issuing new debt, refunding existing debt, and developing a long term financing plan.

PMA Securities, LLC, is affiliated but is a separate company than PMA Financial Network. A portion of the Village's investment portfolio is managed by PMA Financial Network, who purchases primarily CDs and government agency securities.

The term of the contract will be three years, with the option to renew for an additional three years. While PMA noted an exception to the insurance requirement in the contract, we contacted LT Contractual Risk Solutions (our risk management advisor), who opined that the insurance offered by PMA Securities, LLC, is sufficient for this engagement.

Financial Impact

Fees incurred as a result of any debt issuance will be paid at the time of issuance according to the Fee Proposal of the attached Agreement, in an amount not to exceed \$50,000 per issuance. Representative fees are as follows:

<u>Amount of borrowing</u>	<u>Fee</u>
\$5,000,000	\$14,000
\$10,000,000	\$19,000
\$20,000,000	\$30,000

Recommended Action/Motion

I move to accept the proposal from PMA Securities, LLC, of Naperville, Illinois, and to authorize the Village Manager to authorize the necessary contracts and documents.