THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: October 25, 2022

Subject: Financial Advisory Services Contract with DEC Associates, Inc.

Staff Resource(s): Tony McDowell, Finance & Management Services Director/CFO

Action Requested: Adoption of a resolution authorizing the City Manager to execute a contract change order in the amount of $300,000 for financial advisory services with DEC Associates, Inc.

Background:

- The City of Asheville requires a financial advisor of record for the purpose of reviewing, evaluating, planning, developing, administering, soliciting, structuring, negotiating, and otherwise assisting the City in its financial responsibilities related to municipal debt.
- DEC Associates, Inc. has assisted the City with financial modeling, debt issuance, marketing of securities, and other financial services since 2014.
- DEC Associates, Inc. utilizes a complex model and the continued use of this firm maintains continuity in the management of the City's debt model.
- The current contract with DEC Associates, Inc. in the amount of $500,000 was approved by City Council via Resolution 19-220 on September 24, 2019 with a five-year term ending in September 2024.
- Staff is requesting that City Council approve a change order to add an additional $300,000 to the contract for expected services over the next two years of the contract term.
- These services will include assistance with upcoming debt issuances for the remaining 2016 General Obligation (GO) bonds, Water Revenue Bonds associated with the automated meter reader project, equipment loans, and other Limited Obligation (LOBs) Bonds as part of the ongoing Capital Improvement Program (CIP).

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Contracting with this company provides outside expertise that enhances the City's financial management; and
- Statute requires a financial firm of record if issuing new debt.

Con(s):

- None.

Fiscal Impact:

- Expenses incurred each fiscal year for services rendered as part of this not-to-exceed, multi-year contract will be funded through the annual Capital Improvement Program (CIP) and Debt Model allocation.

Suggested Motion:

- Motion authorizing the City Manager to execute a contract change order in the amount of $300,000 for financial advisory services with DEC Associates, Inc

Attachment:

- Resolution

RESOLUTION NO. 22- _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CHANGE ORDER IN FOR CITY OF ASHEVILLE FINANCIAL ADVISORY SERVICES WITH DEC ASSOCIATES

WHEREAS, the City of Asheville ("the City") has authority pursuant to Article 2 of Chapter 160A of the North Carolina General Statutes to enter into contracts for services with other entities; and

WHEREAS, the City requires a financial advisor of record for the purpose of reviewing, evaluating, planning, developing, administering, soliciting, structuring, negotiating, and otherwise assisting the City in its financial operations related to governmental and private financing; and

WHEREAS, DEC Associates, Inc. has provided necessary financial advisory services to the City of Asheville since 2014 with satisfactory results; and

WHEREAS, the City entered into a contract with DEC Associates, Inc. for financial advisory services in September 2019 with a five-year term and an initial amount of $500,000;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City Manager is hereby authorized to execute a contract change order in the amount of $300,000 for financial advisory services with DEC Associates, Inc.

Read, approved and adopted this, the 25th day of October 2022.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney