



CITY COUNCIL STAFF REPORT

DATE: September 22, 2010

CONSENT CALENDAR

SUBJECT: APPROVAL OF AGREEMENT TERM EXTENSION WITH HARRELL & COMPANY ADVISORS, LLC FOR FINANCIAL CONSULTING SERVICES

FROM: David H. Ready, City Manager

BY: Department of Finance and Treasury

SUMMARY

Suzanne Harrell of Harrell & Company Advisors, LLC, has acted as Financial Advisor providing the City with a variety of financial consulting services including the structuring of bond issues and the preparation of the ongoing Continuing Disclosure Statements, as well as other reports to the various rating agencies. This is a request to approve an amendment to extend the term of the contract for three years.

RECOMMENDATION:

1. Approve the amendment to the agreement with Harrell & Company Advisors, LLC, for Financial Consulting Services, extending the term of the contract for three years.

STAFF ANALYSIS:

Continuing Disclosure Statements on various bonds issued by the City need to be prepared and issued on an annual basis. Also, the various ratings agencies may request financial updates on an ad hoc basis and in the current economic environment these requests have been made more frequently. These disclosure statements and ratings agency analyses are complex reports that require a high level of expertise and detail.

Extension of the term of this contract will help ensure that the Continuing Disclosure Statements and ratings agency requests are prepared in a timely manner. The City continues to reserve the right to terminate the Agreement at any time, with or without cause, upon thirty (30) days written notice to Harrell & Company.

ITEM NO. 7.B.

FISCAL IMPACT:

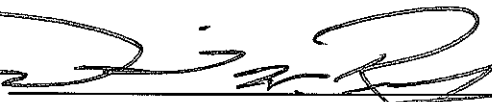
All of the rates and fees for services performed will remain the same. The cost of the various reports range from \$750 to \$1,200. Total costs paid out in the 2009-2010 fiscal year were \$24,079. Costs associated with bond issues are paid for as part of the bond issue. Report costs have been appropriately budgeted for in the FY 2010-2011 budget.



Geoffrey S. Kiehl, Director of Finance



Thomas Wilson, Assistant City Manager



David H. Ready, City Manager

Attachments:

Agreement Amendment #1

CONSULTING SERVICES AGREEMENT – AMENDMENT #1

Harrell & Company Advisors, LLC

THIS AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES (“Agreement”) is made and entered into on September 22, 2010, by and between the City of Palm Springs, a California charter city and municipal corporation (“City”), and Harrell & Company Advisors, LLC, a Financial Advisor, (“Consultant”). City and Consultant are individually referred to as “Party” and are collectively referred to as the “Parties”.

AGREEMENT

Section 4.4 of the Agreement is hereby amended to read as follows:

4.4 Term. Unless terminated in accordance with Section 4.5 of this Agreement, this Agreement shall continue in full force and effect for three years until September 22, 2013.

All other terms of the original contract shall remain in place.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates stated below.

“CITY”
City of Palm Springs

Date: _____

By: _____
David H. Ready
City Manager

APPROVED AS TO FORM:

ATTEST

By: _____
Douglas C. Holland,
City Attorney

By: _____
James Thompson,
City Clerk

“CONSULTANT”
Harrell & Company Advisors, LLC

Date: _____

By : _____
Suzanne Harrell,
Managing Director