



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE: March 4, 2025
SUBJECT: Approval of Financing Team for Upcoming Bond Issuances and Refinancing

Description Review and approval of recommended financing team for upcoming bond issuances and refinancing.

Background and Analysis:

The City of Beaumont periodically issues bonds and conducts refinancing to fund critical infrastructure improvements and optimize its debt portfolio. To facilitate these financial transactions, it is essential to assemble an experienced financing team that can provide strategic guidance, legal compliance, and underwriting services.

DISCUSSION

To ensure the City achieves the best possible financing terms and maintains compliance with all applicable regulations, the following firms have been selected based on their extensive experience and expertise in municipal finance:

1. **Financial Advisor:** Urban Futures, Inc. – Responsible for advising on financing strategies, structuring bond issuances, and ensuring the City achieves the best possible financing terms.
2. **Underwriter:** Stifel – Responsible for marketing and selling the bonds to investors, ensuring successful placement in the market.
3. **Bond Counsel:** Stradling Yocca Carlson & Rauth LLP – Responsible for ensuring legal compliance, drafting necessary bond documents, and providing legal opinions regarding the bond issuance.

Each of these firms has successfully supported similar financing efforts for other California cities as well as previous financing for the City of Beaumont. Their expertise will and has helped the City optimize borrowing costs, maintain compliance with all applicable regulations, and effectively manage its debt portfolio.

The proposed engagement letters attached are temporary for the remainder of Fiscal Year 2025. A Request for Proposals will be posted for these services in May 2025 for future years.

Fiscal Impact:

The costs associated with the financing team's services will be included in the costs of bond issuance and will not have a direct impact on the City's General Fund. These costs will be assessed as part of each bond transaction and are standard within municipal bond financing.

The estimated cost to prepare this report is \$185.

Recommended Action:

It is recommended that the City Council approve the selection of the financing team, consisting of a Financial Advisor, Underwriter, and Bond Counsel, for upcoming bond issuances and refinancing to ensure efficient and cost-effective financing for the City of Beaumont's capital projects and debt management and authorize the City Manager to sign engagement letters for transactions.

Attachments:

- A. List of Upcoming Bond Issuances and Refinancing
- B. Urban Futures Qualifications
- C. Urban Futures Engagement Letter WW Refinancing
- D. Urban Futures Engagement Letter CFD Refinancing
- E. Stifel Engagement Letter
- F. Stradling Statement of Qualifications
- G. Stradling Engagement Letter
- H. Stradling Engagement Letter Supplement