



Agenda Report

MEETING DATE: Tuesday, December 12, 2023

TO: City Council

FROM: ADMINISTRATIVE SERVICES DIRECTOR DURAN

THROUGH: CITY MANAGER MENDEZ

SUBJECT: PROFESSIONAL SERVICES CONTRACT WITH NHA ADVISORS
FOR MUNICIPAL FINANCIAL ADVISORY SERVICES

RECOMMENDED ACTION:

It is recommended that the City Council approve a Resolution awarding a contract to NHA Advisors for municipal advisory services in an amount not to exceed \$100,000 and authorizing the City Manager to execute the contract.

BACKGROUND:

On July 31, 2023, the City of Watsonville released a request for proposals seeking qualified firms to provide objective, independent municipal advisory services to the city. The City is looking for investment opportunities for improving parks, streets and City facilities. With the existing resources, a favorable debt position, sound budget, and a new General Purpose ½ cent Transaction and Use Tax passed by voters November 2022, the City has capacity to invest prudently into its future. The City received eight proposals. NHA's proposal was chosen due to its capacity to assist the City with its needs.

DISCUSSION:

The primary objective is to review the City's long-range financing needs, particularly with respect to its capital improvement program and develop alternative strategies for meeting those needs. Our aim is to be able to have alternative strategies for managing the City's current or future debt, ensuring optimal value for our taxpayers. The firm will examine and interpret legislation to identify economic or financial opportunities and potential impact on the City. The firm may also help in facilitating with the issuance of debt.

STRATEGIC PLAN:

04-Fiscal Health – Approving this contract will ensure the City can issue debt to meet its financial goals.

FINANCIAL IMPACT:

The contract cost has been set to not exceed \$100,000. The funds have been appropriated in the Measure R spending brought before this Council in August 2023.

ALTERNATIVE ACTION:

The City Council has the option to reject the contract.

ATTACHMENTS AND/OR REFERENCES (If any):

None.