

Review of Proposals and Award of Contract: Municipal Financial Advisor Services

May 16, 2024

Madison Metropolitan Sewerage District





Introduction/Background

The screenshot shows the Wisconsin Department of Natural Resources website. At the top, there is a dark blue navigation bar with social media icons for Facebook, X, YouTube, Instagram, LinkedIn, a headset, and Pinterest. Below this is a teal header with the Wisconsin Department of Natural Resources logo on the left and a menu of categories: HUNTING, FISHING, PARKS, CLIMATE, ENVIRONMENT, and FORESTRY. The main content area is white and features a breadcrumb trail: a home icon followed by '» AID'. The primary heading is 'ENVIRONMENTAL LOANS' in large, bold, dark blue letters, with the subtitle 'CLEAN WATER & DRINKING WATER STATE REVOLVING FUNDS' below it. A blue-bordered box highlights a 'LOAN CAPACITY UPDATE' section. This section contains three bullet points: the first, highlighted in yellow, states that due to high requests for financial assistance, limitations on State Fiscal Year (SFY) 2024 SDWLP and CWFSP supplemental applications are being implemented immediately; the second states that sufficient funding is available to meet current applicants listed on the 'SFY 2024 Funding Lists' (a blue hyperlink); the third states that for further details, including information for prospective SFY 2024 supplemental applicants and all SFY 2025 applicants, see 'Loan Capacity' (a blue hyperlink).



WISCONSIN
DEPARTMENT OF
NATURAL RESOURCES

HUNTING FISHING PARKS CLIMATE ENVIRONMENT FORESTRY



ENVIRONMENTAL LOANS

CLEAN WATER & DRINKING WATER STATE REVOLVING FUNDS

LOAN CAPACITY UPDATE

- Due to historically high requests for financial assistance, limitations on State Fiscal Year (SFY) 2024 SDWLP and CWFSP *supplemental* applications are being implemented immediately.
- Sufficient funding is available to meet the funding requests of current applicants listed on the [SFY 2024 Funding Lists](#).
- For further details, including information for prospective SFY 2024 supplemental applicants and all SFY 2025 applicants, see [Loan Capacity](#).

Request for Proposals



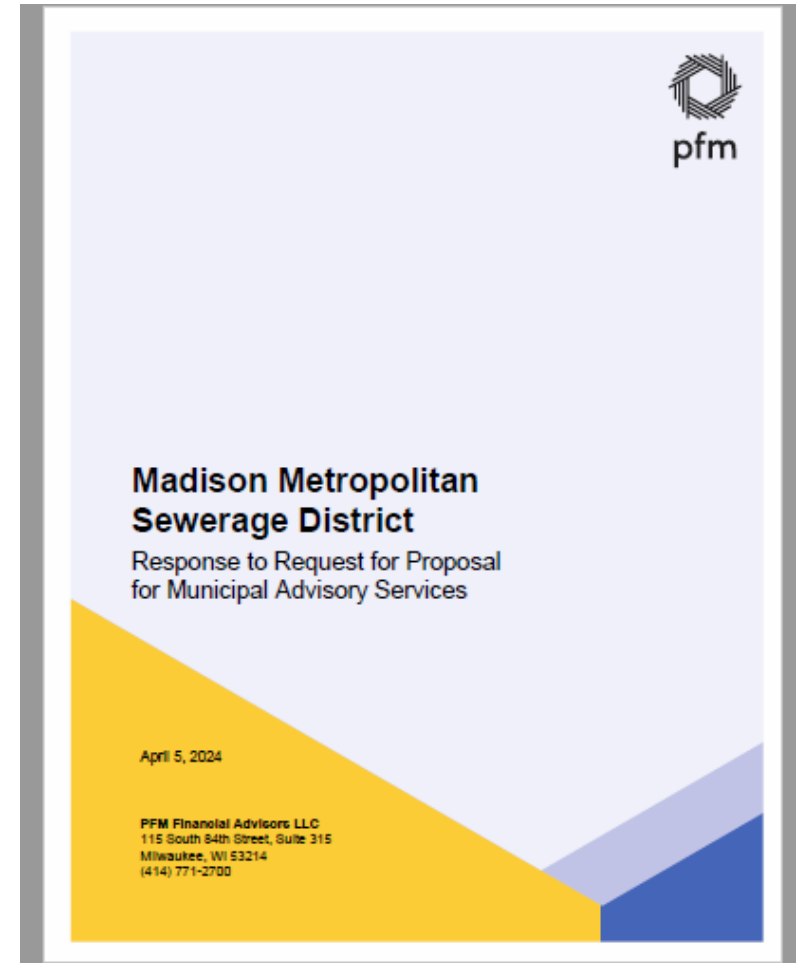
- RFP posted March 2024
- Four proposals received
 - ❖ PFM
 - ❖ Baird
 - ❖ Ehlers
 - ❖ Hilltop Securities

Selection of municipal advisor

Madison Metropolitan Sewerage District



- Industry rating
- Focus on wastewater industry
- Local presence
- Training of District staff



Contract Provisions

- \$25,000 per bond offering
- Contract assumes two bond offerings in 2024 (\$50,000 total)
- Other future costs not included in this contract
 - \$50,000 for acquisition of credit rating
 - \$5,000 to \$10,000 for administrative fees
- Three-year agreement (renewable option to five years)

Next Steps



Task	Schedule
Become familiar with the District’s 2024–2029 capital financing plan, District budgetary structure, and District financial policies sufficient to advise on the matters of this request.	May – July 2024
Review District financial policies. Advise on necessary or advantageous changes to policies related to capital financing, fund management, revenue, and other issues related to bond issuance and repayment.	May – July 2024
Review District cash flow projections. Advise on corrections or issues related to those projections and analytical methods.	May – July 2024
Provide initial training and development for District staff sufficient for the District to make informed decisions regarding project financing.	May – July 2024
Work with District staff to specify capital projects financing needs for 2024-2025	May – December 2024

Requested Action

The Commission is requested to adopt Resolution #2024-05-16-R6, awarding a contract for Municipal Financial Advisor Services to PFM for \$50,000.



Thank you

Madison Metropolitan Sewerage District

