

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Jonas Biery <i>JB</i>		2. Telephone No. x3-4222	3. Bureau/Office/Dept. OMF/Public Finance & Treasury
4a. To be filed (hearing date): 9/19/2013 (9/25/2013)	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst: 9/19/2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

* Authorize a contract with Arbitrage Compliance Specialists, Inc. for arbitrage compliance services for a total not-to-exceed amount of \$200,000 (Ordinance; Contract No. 30003398)

2) Purpose of the Proposed Legislation:

The proposed legislation authorizes the Chief Procurement Officer to enter into a contract with Arbitrage Compliance Specialists, Inc ("ACS") to provide all requested arbitrage services for a period of five years in an amount not to exceed \$200,000.

To ensure the City's continued compliance with all applicable arbitrage restrictions imposed by the Internal Revenue Code and regulations of the United States Treasury, it is necessary to obtain the services of a qualified arbitrage rebate consultant. ACS has been selected in accordance with all policies and procedures required by the City and the Bureau of Internal Business Services, Procurement Services Division. The rebate consultant will work closely with the Office of Management and Finance's Debt Management program staff to provide these services.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The proposed Ordinance is not expected to increase or decrease revenue coming to the City.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

This Ordinance authorizes the City to enter into a contract with ACS for a period of five (5) years in an amount not-to-exceed \$200,000. ACS has been selected in accordance with all policies and procedures required by the City and the Bureau of Internal Business Services, Procurement Services Division. Actual costs incurred under the contract will be allocated to the Bureaus for which relevant borrowings were conducted. Sufficient budget authority exists within the budgets of the bureaus that require these services.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No position changes are anticipated.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No position changes are anticipated.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☐ YES: Please proceed to Question #9.
☒ NO: Please, explain why below; and proceed to Question #10.

This is an administrative action taken to enter into a contract with a rebate consultant to provide arbitrage compliance and reporting services to the City.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?


c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No. Once the contract is entered into, the consultant will work with the Office of Management and Finance's Debt Management program staff as needed over a period of five years to ensure compliance with all applicable arbitrage restrictions imposed by the Internal Revenue Code and regulations of the United States Treasury.



Jack D. Graham, Chief Administrative Officer
APPROPRIATION UNIT HEAD



186256

CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Charlie Hales, Mayor
Jack D. Graham, Chief Administrative Officer

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DATE: September 10, 2013

TO: Mayor Charlie Hales

FROM: Jonas Biery, Debt Manager

RE: * Authorize a contract with Arbitrage Compliance Specialists, Inc. for arbitrage compliance services for a total not-to-exceed amount of \$200,000 (Ordinance; Contract No. 30003398)

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

1. INTENDED THURSDAY FILING DATE: September 19, 2013
2. REQUESTED COUNCIL AGENDA DATE: September 25, 2013
3. CONTACT NAME & NUMBER: Jonas Biery, Debt Manager, x3-4222
4. PLACE ON: ☒ CONSENT ☐ REGULAR
5. FINANCIAL IMPACT/PUBLIC INVOLVMENT STATEMENT ATTACHED:
☒ Yes ☐ No ☐ N/A
6. (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED: ☒ Yes ☐ No ☐ N/A

7. **BACKGROUND/ANALYSIS**

Introduction and History – The City benefits from issuance of federally tax-exempt borrowings. Use of tax-exempt borrowings requires that the City comply with certain ongoing arbitrage restrictions imposed by the Internal Revenue Code and regulations of the United States Treasury related to tax-exempt debt. Compliance ensures preservation of tax-exempt borrowing status thereby maintaining the City's low borrowing costs. Using the services of a qualified arbitrage rebate consultant provides the City with added assurance of compliance with IRS regulations. The rebate consultant will work closely with the Office of Management and Finance's Debt Management program staff and provide all necessary calculations, federally required forms, and other advice and assistance as requested by the City in support of maintaining federal arbitrage compliance.

Legal Issues – None

Link to Current City Policies – The solicitation for arbitrage compliance services was conducted in accordance with City Code under Chapter 5.68.

Controversial Issues – None

Citizen Participation – In accordance with Resolution #36757 a citizen selected through the Minority Evaluator Program served on the review and selection committee.

Other Government Participation – None

8. **FINANCIAL IMPACT**

This Ordinance authorizes the City to enter into a contract with Arbitrage Compliance Specialists, Inc (ACS) for a period of five (5) years in an amount not-to-exceed \$200,000. ACS has been selected in accordance with all policies and procedures required by the City and the Bureau of Internal Business Services, Procurement Services Division. Actual costs incurred under the contract will be allocated to the Bureaus for which relevant borrowings were conducted. Sufficient budget authority exists within the budgets of the bureaus that require these services.

9. **RECOMMENDATION/ACTION REQUESTED**

It is recommended that the City Council approve the Ordinance, which will allow the City to have uninterrupted access to the services provided under this contract upon expiration of the existing contract on September 30, 2013.