



SHARON R. BOCK

Clerk & Comptroller
Palm Beach County

January 29, 2009

The Honorable Jeff Koons, Chairman
Palm Beach County Board of County Commissioners
301 North Olive Avenue, 12th Floor
West Palm Beach, FL 33401

Dear Chairman Koons:

As you are aware, we are in the process of conducting a review of the County's debt issuance practices. We noted that County staff has placed an item on the February 3 Board Agenda requesting the Board's approval of a three-year contract for financial advisory services with Spectrum Municipal Services, Inc. Inasmuch as financial advice is a critical component of the debt issuance process, and given that the proposed contract includes an \$18,000 annual retainer fee plus \$25,000 to \$70,000 compensation to the financial advisor per bond issue, we strongly advise the Board to defer a decision on this item until after our report is submitted.

Our review involves a full examination of all aspects of debt issuance and our report will provide information and a comprehensive set of recommendations that will enable the Board to make clear and informed debt policy decisions. Approving a contract for financial advisory services, just one component of a very complex debt issuance process, is premature and may adversely impact the Board's decision making on future bond-related matters.

If you have any questions on this matter or our review, please don't hesitate to contact me.

Sincerely,

Sharon R. Bock
Clerk & Comptroller

301 North Olive Avenue
West Palm Beach, Florida 33401

P.O. Box 229
West Palm Beach, Florida 33402

Telephone 561-355-2996
Facsimile 561-355-6727

www.pbcountyclerk.com

cc: Board of County Commissioners
Robert Weisman, County Administrator

Enc: February 3, 2009 - BCC Meeting Agenda Item 6.C.

6.C. OFFICE OF FINANCIAL MANAGEMENT & BUDGET

1. **Staff recommends motion to approve:** a Contract for Financial Advisory Services (Contract No. 09-005/DP) with Spectrum Municipal Services, Inc. for the three (3) year period through February 3, 2012 with the County having an option to extend the Contract for two (2) years at the sole discretion of the County. **SUMMARY:** On October 27, 2008, the County issued a Request for Proposal (RFP No. 09-005/DP) for Qualified Financial Advisors to provide financial advisory services as required to meet the County's financing needs during the contract period. A Selection Committee composed of representatives from County Administration, the Office of Financial Management & Budget and other departments involved in the issuance of County debt was established to discuss and evaluate proposals deemed responsive by the Purchasing Department. On December 10, 2008, the Selection Committee met to discuss and evaluate the two (2) proposals based on the evaluation criteria listed in the RFP. The Selection Committee was unanimous in its selection of Spectrum Municipal Services as the County's Financial Advisor. Countywide (PFK)