



STAFF REPORT
February 11, 2026

TO: Honorable Mayor and City Council Members

FROM: Lincoln Bogard, Finance Director
Bill Pattison, City Manager

SUBJECT: Resolution No. 2026-10 Approving a Professional Services Agreement for Financial Advisory Services with Urban Futures, Inc. for Assistance with the Issuance of Bonds in Conjunction with the Formation of the Coachella Electric Financing Authority with a Not To Exceed Amount of \$75,000

STAFF RECOMMENDATION:

Staff recommends that the City Council approve Resolution 2026-10, approving a contract for financial advisory services with Urban Futures, Inc. for assistance with the issuance of bonds in conjunction with the formation of the Coachella Electric Financing Authority with a not to exceed amount of \$75,000.

BACKGROUND:

Staff has communicated its discussions with Imperial Irrigation District (IID) to Council. IID electrical capacity in our city is limited. Construction of additional substations in the city is needed for energy reliability, resiliency and continued economic growth. Indio and IID recently created the Indio Electric Financing Authority which successfully financed the construction of new substations within in Indio through the levy of surcharge on each kilowatt hour of energy sold by IID in Indio. IID talks have progressed to the point that our city needs to begin the formation and rate setting process for the Coachella Electric Financing Authority. A consultant is need to act as a municipal financial advisor for the proposed substation projects for the City and its residents.

The goal of the Coachella Electric Financing Authority would be to issue bonds secured by a surcharge collected by IID on behalf of the City. The bonds would finance the expansion of 3 existing substations and the construction of a new substation within the City.

DISCUSSION/ANALYSIS:

Staff would like to have Council consider Urban Futures to be the financial advisor for the funding of the Coachella Electric Financing Authority through the issuance of bonds. Urban Futures is proposing to provide the following services to the City:

Scope of Work

Activity 1: Preliminary Analysis/Recommendation

- Schedule meetings or calls with staff to request all necessary data and discuss the needs and goals of the City.
- Undertake a funding analysis for the identified capital project(s) and prepare a finance plan.
- Identify and assist with strategies to mitigate risks of large public facilities projects.
- Analyze existing outstanding debt to determine parity test requirements, feasibility of refunding certain outstanding series of Bonds, and debt affordability.
- Review pension liabilities and existing policies.
- Assist with comprehensive credit analysis to determine the anticipated rating, preferred structure, and interest rate scale for the Bonds.
- Prepare a summary of cost of issuance
- Independently structure the financing and present results to the City.

Activity 2: Assemble the Finance Team and Manage the Financing Process

- Assist in the selection of additional service providers, including, but not limited to, underwriter, bond counsel, disclosure counsel, appraiser, or trustee.
- Call, arrange, and lead working group meetings as appropriate.
- Develop the financing timetable.
- Monitor financing process and coordinate all activities of the financing team.
- Review all legal and financing documents on behalf of the City.
- Provide support to the City relating to financing documents, including preparation of staff reports and presentations.
- Compute Sizing and Structure of Debt Issue and verify cash flows from underwriters.
- Plan and Coordinate Presentations to Ratings Agencies
- Monitor market conditions to advise on timing of bond offering.

Activity 3: Pricing and Closing Execution

- Monitor and track comparable transactions
- Analyze alternative couponing and optional redemption strategies
- Evaluate use of bond insurance
- In a competitive sale, prepare and market bid documents, advise on timing of sale, and evaluate bids
- Assist with negotiated sale, including advice regarding retail order periods and institutional marketing, analysis of comparable bonds and secondary market data, verify cash flow calculations, and serve as Pricing Advisor
- Prepare and coordinate bond closings

ALTERNATIVES:

1. Approve the action.
2. Do not approve the action.

FISCAL IMPACT:

UFI's Proposed Municipal Advisory Fees	
Par Amount	Fee
< \$25 million	\$50,000
\$25 million - \$100 million	\$65,000
> \$100 million	\$75,000
Private Placements	\$33,500

The first tranche of bonds are expected to be approximately \$40 million, which would involve a fee of \$65,000. The total of all tranches is around \$100 million. Staff is requesting a Not To Exceed amount of \$75,000 in the event that multiple tranches can be considered together. This may not be possible, in which case, only \$65,000 will be used upon successful issuance. These fees can be rolled into the Coachella Electric Financing Authority.

Attachments:

Resolution 2026-10

Proposal to Provide Municipal Financial Advisory Services