CITY OF NOVI CITY COUNCIL
FEBRUARY 10, 2025

SUBJECT: Approve Miller Canfield as the Bond Counsel Firm and PFM Financial Advisors as the Financial Advisory Services Provider for the Public Safety Facilities Bond subject to final review of the form of agreement by the City Manager's office and City Attorney

SUBMITTING DEPARTMENT: City Manager's Office

KEY HIGHLIGHTS:

- The City is moving forward with the issuance of UTGO Bonds to fund public safety infrastructure improvements
- Support from bond experts is necessary to assist the City through the process of selling bonds and generating the proper schedules for structuring the debt for the projects
- Miller Canfield's bond counsel services are proposed at $96,400 for a $100 million bond issuance, reflecting a 20% discount from their standard pricing.
- PFM Financial Advisors have estimated that per the bonded amount, their fee would be north of $100,000
- The selection of these firms ensures the City benefits from expert legal and financial guidance, maximizing efficiency and compliance.
- These services will help secure the most favorable terms for financing the City's public safety facilities.
- All fees associated with both firm's work will be included in the bond issuance costs

BACKGROUND INFORMATION:

The City has worked previously with both firms when the City built the new Library. Miller Canfield as Bond Counsel will provide legal expertise in structuring the issuance, ensuring compliance with municipal, state, and federal regulations, and assisting with post-issuance obligations. The firm proposes a flat-fee structure based on the bond size, with a 20% discount off standard rates. For an anticipated bond issuance of $100 million, the total fee would be $96,400, payable at bond closing from proceeds.

Additionally, PFM Financial Advisors LLC (PFMFA) serves as a Financial Advisor, assisting in debt structuring, credit rating strategies, and investor marketing to optimize financing terms. PFMFA's compensation is based on the amount bonded, currently the estimate fee total is just over $100,000 plus reimbursable expenses, including travel and rating agency fees.

These firms bring extensive experience in municipal bond issuances and will support the City in securing the most cost-effective financing for these critical public safety investments.

RECOMMENDED ACTION: Approve Miller Canfield as the Bond Counsel Firm and PFM Financial Advisors as the Financial Advisory Services Provider for the Public Safety Facilities Bond subject to final review of the form of agreement by the City Manager's office and City Attorney