



DeKalb County Government

Manuel J. Maloof Center
1300 Commerce Drive
Decatur, Georgia 30030

Minutes - Draft

FAB-Finance, Audit & Budget Committee

Monday, November 7, 2022

11:00 AM

Special Called Meeting

Meeting Started At: 11:03AM

Attendees: Commissioners Rader, Johnson, Terry, Cochran-Johnson, Davis Johnson, Patrick

Present 3 - Commissioner Jeff Rader, Commissioner Lorraine Cochran-Johnson, and Commissioner Larry Johnson

I. AGENDA ITEM

Previously Heard Agenda Items:

[2022-2365](#)

Commission District(s): ALL
RFP - Request for Proposals No. 22-500623 Financial Advisory Services (3 Year Multiyear Contract with 2 Options to Renew): for use by the Finance Department. Consists of providing financial advisory services in connection with various financing transactions and programs. Services will also require acting as the County's "municipal advisor" as contemplated by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and the Securities and Exchange Commission's Rule 15bA-1 (the "Municipal Advisor Rule"). Recommend award to: PFM Financial Advisors, LLC. Amount Not To Exceed: \$1,664,500.00.

MOTION was made by Lorraine Cochran-Johnson, seconded by Larry Johnson, that this agenda item be recommended for approval. to the Board of Commissioners, due back on 11/8/2022. The motion carried by the following vote:

Yes: 2 - Commissioner Cochran-Johnson, and Commissioner Johnson

No: 1 - Commissioner Rader

-comments provided Commissioner Rader

-Question LJ: the Law department please assist me with this - if a vendor has been recommended, can they come before us and ask questions?

V Ernstes: let me look at that and review the policies and procedures

-Question LJ: is anyone here from Water & Sewer that can answer a process question on what this bond will do?

Z Williams: this will allow us to continue on meeting the objectives of the consent decree. Additional information provided by COO Williams

-JR: if you don't have any questions on the municipal advisor, we can dispose of that, and move on to the second item on the agenda

-LJ: I'll wait to hear back from the Law department

-Question LCJ: regarding the financial advisor, I would like a quick answer. There was a RFP that went out, and the entity was chosen by a competitive process correct?

Z Williams: correct

-Question LCJ: has the vendor accepted?

Z Williams: thus far the firm PFM has not been awarded but they have given us all indications that they are moving forward with the contract

-Question LCJ: my concern is that we are at a point of detriment and we have to move forward. The municipal advisor has been chosen. I'm concerned if any fellow commissioners have concerns about that particular organization. If not, I'm fine with going forward with a recommendation. Regarding the TAN, we can move forward with another date; we do need to move forward on the municipal advisor since that competitive process has taken place.

-LCJ: motion to approve the municipal advisor

Second LJ

-Question MDJ: I concur with what Commissioner Cochran-Johnson has stated

-TT: I didn't know about PFM working for the county in the past. There was reference to bad advice previously received. Can we get a history lesson on that? Secondly, in other committees when we have contractors, there's some sort of familiarization of the company, their faces, etc. I don't know why they couldn't come here today. I would like to know who our municipal advisors are before we approve them.

-JR: I'm going to vote adverse on that contract. Additional comments provided by Commissioner Rader

-LCJ: regarding PFM, I don't care about politics, I only care about being fair. We have never required, unless upon request, for an entity to come before us. If PFM has a checkered past, that needs to be discussed. Additional comments provided by Commissioner Cochran-Johnson

-Question LCJ: I would like to ask Procurement to talk about the applicant and those who responded, and reasons the organization will be able to perform the work.

-responses provided by County Attorney Ernstes

-Question LJ: is there any risk regarding what's been said about one of the vendors?

-V Ernstes: I don't believe that staff is going to be able to address those issues. It wouldn't be appropriate for staff to discuss whether proposers provided valuable advice. Additional comments provided by County Attorney Ernstes

-LJ: I don't know between PFM and the executive who knew what. We had to perceive that we were moving in full faith. I look forward to hearing from Procurement

-additional comments provided by County Attorney Ernstes on the specifications of the modified Consent Decree

-LCJ: my only concern is when people hear statements regarding the process, I don't want the people of DeKalb to think I would circumvent a process and overstep. Additional information provided by Commissioner Cochran-Johnson

-Question TT: because PFM is not here, I can't ask my questions. Why don't we have the responsibility, if someone worked for the county previously and there were issues, that we have information on it. Additional comments provided by Commissioner Terry

-comments provided by Commissioner Larry Johnson

-Comments provided by Commissioner Davis Johnson

-Question LJ: regarding the RFP, does it preclude the vendor seeking a LSBE after selection?

V Ernstes: I'll have to review the LSBE ordinance; I'm not sure that they will be able to do so

-Vote: yes 2-1 (JR no)

[2022-2366](#)

Commission District(s): All Commission Districts

Adoption of the Series 2022 Bond Resolution authorizing the issuance by the County of its Water and Sewerage Revenue Bonds, Series 2022 in an aggregate principal amount not to exceed \$600,000,000 for the purpose of (1) refinancing the County's tax anticipation note in the principal amount of \$70 million issued on February 17, 2022 and scheduled to mature on December 15, 2022, (2) refunding all of the County's outstanding Water and Sewerage Revenue Bonds, Series 2011 to achieve debt service savings, and (3) financing the cost of the acquisition, construction and equipping of certain improvements to the County's water and sewerage system.

MOTION was made by Larry Johnson, seconded by Lorraine Cochran-Johnson, that this agenda item be recommended for deferral to the Board of Commissioners, due back on 11/15/2022. The motion carried by the following vote:

Yes: 3 - Commissioner Rader, Commissioner Cochran-Johnson, and Commissioner Johnson

-financial priorities discussed by Director McNabb
-discussion of questions on engineers report provided by Chief of Staff Obeng
-Question JR: could you work with Central Staff to respond to those questions, for discussion tomorrow? None of this information was available to us until Friday?
D McNabb: sure
-Question LJ: what is the interest rate on private vs. public?
D McNabb: private would be 4.11% and public offering would be 3.57% for 10 years regarding the TAN. It would be 30 years in the new money offering.
-additional comments provided by Commissioner Larry Johnson
-LCJ: we need to restructure immediately the TAN
-Question TT: it's interesting that Arcadis is not here. There are questions that we should be discussing in FAB and/or PWI. Additional comments provided by Commissioner Terry
-Question TT: are you asking us to make the decision on the financing decision?
D McNabb: yes sir our recommendation has been that we move forward with #1, but an alternative for the Board to review is #2. The big difference between the two is locking in interest rates now vs. locking the interest rates later
-Question TT: is this to be signed the next day after approval?
D McNabb: that's a question for Procurement to review.
-TT: if we're asked to make a choice, I don't know if I'm comfortable making that choice without talking to our advisor
-additional comments provided by Director McNabb
-Question MDJ: MDJ: how often would the interest rate change, what period of time are you talking about? I stated in the last meeting that I was one of the commissioners that requested that this item be bid rather than given to a particular vendor. With that I requested the LSBE; additional comments provided by Commissioner Davis Johnson
D McNabb: it occurs all throughout the day, much like the stock market moves up and down each day. Not as volatile as stock market prices, but they do go up and down every day
-Question MDJ: is the current rate a good rate right now?
-response provided by Director McNabb
-Question LJ: the main driving the discussion is the interest rate. We could defer it. If we approve the FA tomorrow, we could get a response from them and act then. Can we still get an answer from the FA if approved on the 8th
-response provided by Director McNabb
-LJ: so we'll have enough information before our vote on November 15th
-correct and we can have the engineers here and the FA here to respond to your questions

-LJ: motion to recommend deferral to the Board of Commissioners for a decision on the bond authorization on November 15th for additional information and substantive report provided to the Board by November 11th
Second LCJ
-LJ: I would like to get those questions answered by Friday November 11th
Vote: yes unanimous

II. STATUS UPDATE

American Rescue Plan Report - Tranche 1

-presentation provided by Director McNabb regarding ARP tranche 1 disbursements and remaining balances
-comments and questions on specific budgeted line items provided by Commissioner Terry
-Question TT: is there an answer to the line item regarding the \$1M allocation regarding Community Service Board?
-JR: a summary programmatic report would be very helpful regarding this report
-Question LCJ: I'm confused - when Senator Ossoff touted the appropriation set aside regarding mental health, and greater exposure for police regarding de-escalation and training in mental health. As it relates to the CSB and the \$1M, I have not received notification of a program being implemented regarding the \$1M. Have we committee \$1M to the CSB that are associated with mental health?
-JR: there is a line item on the budget but the money has not been expended
-Z Williams: we would have to gather more information
-Question TT: could we have an update on the Care & Conserve allocation? The Nehemiah Project
-response provided by COO Williams
-Question TT: PWI Chair can we discuss the Care and Conserve program in PWI?
LCJ: absolutely
-Question TT: for the State courts, is there a reason why \$0 has been expended?
-response provided by Director McNabb
-JR: I would like our Central Staff to work with committee chairs to understand where we are with tranche 1 and tranche 2 and identify the priorities herein as it pertains to each committee

III. DISCUSSION

Financial Statements

-Information provided by CFO McNabb

Meeting Ended At: 1:21 PM

MOTION was made by Lorraine Cochran-Johnson, seconded by Larry Johnson, that this agenda item be adjourned meeting. The motion carried by the following vote:

Yes: 3 - Commissioner Rader, Commissioner Cochran-Johnson, and Commissioner Johnson

Barbara H. Sanders-Norwood CCC, CMC