

Augusta panel to weigh hiring new financial adviser

By [Susan McCord](#)

Staff Writer

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Augusta could have its first new financial adviser in a decade.

Going for discussion by an Augusta Commission committee Tuesday is a staff recommendation that the commission hire Davenport & Co. as financial adviser for debt issuance and “economic development project evaluation.”

The firm would replace Public Financial Management, whose Atlanta office has represented the city on bond issues and other large transactions since 2005.

In 2014, IFS Securities prompted a three-month gridlock over a water and sewer bond issue and calls to replace Public Financial Management. IFS accused the city of “economic apartheid” in dealing with a white-owned company, although Public Financial Management has minority employees and owners.

IFS does not appear in the long or short list of firms submitting proposals for the city’s business.

Public Financial Management beat Davenport in the city’s 100-point rating system, scoring 92 points to Davenport’s 87.

PFM scored highest in the “proposed fee” category with the lowest fee. First Tryon Advisors had the second-lowest fee and Davenport had the third in the city’s bid tabulation sheet.

The winner will receive an annual retainer of \$20,000, plus the fees it charges for other services.

Richmond, Va.-based Davenport performs a similar role with Columbia County government and participated in the \$10,000 taxpayer-funded trip by Columbia County commissioners and staff to New York last year for the stated purpose of negotiating a bond rating.

The Augusta agenda item doesn’t mention the 2014 debate or a commission action as the reason the services are being put out for bid. Instead, it cites the 2010 Dodd-Frank Act and resulting new standards implemented in 2014 that make it “in Augusta’s best interest” to re-bid the services.

Dodd-Frank tightened rules on municipal financial advisers, including the disclosure of conflicts of interest. A Kansas firm was fined earlier this year after advising a city to use a certain bond underwriting firm in which the firm had a financial interest.

Other items going before commission committees for review Tuesday:

- Commissioner Sammie Sias wants to establish a subcommittee to “analyze, review and report back” on creating a new government authority to fill a “void and shortage” of development south of Gordon Highway.
- The owners of Providence Place Apartments on Southgate Drive want to waive more than \$12,000 in late payment penalties and interest on the complex. Tax records show COFO Properties remain delinquent on a \$76,773 tax bill from 2015.
- Condemnation proceedings against four properties owned by longtime Hyde Park activist Charles Utley. The proceedings agree to pay Utley \$90,500 for four Leona Street properties in the city’s plan to transform the area into a detention pond.
- Condemnation proceedings offering Rhodes Ponds Homeowners Association and Murry E. Nunnery \$219 for 1,000 square feet that the city needs to replace Patterson Bridge.
- Reprogramming \$652,063 in unspent Community Development Block Grant funds to assist the Salvation Army with restroom renovations and the Lucy Craft Laney Museum with water intrusion prevention, and provide \$265,607 for homeowner emergency repairs and for the Twiggs Street Development.
- Receiving an update requested by Commissioner Marion Williams on Augusta’s Minority Link Deposit program, which placed funds 15 years ago in local banks as incentive for the banks to loan to small businesses doing business with the city.
- An update on fire safety law changes regarding one-way entrances and exits to apartment complexes, mobile home parks and other matters
- Updates requested by Williams on the status of the former Castleberry’s property on 15th Street and on arrangements for the city to maintain keys to city facilities managed by private groups.