

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

Consent

TO: BOARD OF TRUSTEES  
FROM: DOUGLAS TREADWAY  
DATE: MAY 25, 2005  
SUBJECT: APPROVAL OF CONTRACT FOR INDEPENDENT PRICING  
CONSULTANT SERVICES

Ohlone Community College District expects to issue its next series of bonds this summer. When the district issued the Series A bonds, it had an independent financial adviser. For this issuance, most of the financial advising services will be provided by Mr. Robert Barna of Citigroup in addition to his major responsibility as one of the two underwriters who will serve as the District's underwriting team.

Although it is not necessary to have a full-time financial adviser for this issuance, Mr. David Casnocha, the District's bond counsel, does recommend securing the services of an independent pricing consultant. Mr. Casnocha highly recommends the services of Mr. Karl Yoder of Delta Managed Solutions, LLC. Staff also has checked Mr. Yoder's references and determined that previous clients have been very satisfied with his services.

As an independent pricing consultant, Mr. Yoder will review all documentation and analyses prepared by the underwriting team. He will render an opinion about the cost-benefits of purchasing bond insurance. He will attend all pricing calls/meetings. He will assist the District in evaluating the merits of recommendations from the District's underwriting team based on an analysis of comparable municipal bond transactions.

Mr. Yoder has provided the District with a fixed fee proposal of \$6,250 (see attached) inclusive of all out-of-pocket expenses. These costs would be a component of the District's overall issuance costs related to the Series B issuance and would be paid out of the cash proceeds from the bond sale.

**RECOMMENDATION:** The President/Superintendent recommends that the Board of Trustees approve a contract with Delta Managed Solution, LLC for a fixed fee of \$6,250, inclusive of all out-of-pocket expenses.