



Council Agenda Report

To: Mayor Pierson and the Honorable Members of the City Council

Prepared by: Lisa Soghor, Assistant City Manager

Approved by: Reva Feldman, City Manager

Date prepared: October 28, 2020 Meeting date: November 9, 2020

Subject: Professional Services Agreement with Quinto Consulting, LP for City Treasurer Services

RECOMMENDED ACTION: At the recommendation of the Administration and Finance Subcommittee, authorize the Mayor to execute an agreement with Quinto Consulting, LP for City Treasurer services.

FISCAL IMPACT: Funding for City Treasurer services was included in the Adopted Budget for Fiscal Year 2020-2021. Funding will be added to the subsequent budgets as needed.

WORK PLAN: This item was not included in the Adopted Work Plan for Fiscal Year 2020-2021. This is part of normal staff operations.

DISCUSSION: On January 13, 2020, the Administrative and Finance Subcommittee discussed the current City Treasurer services and provided a recommendation to Council to direct staff to issue a request for proposals (RFP) for City Treasurer services to assist with investments of the City's reserves and increase the budget for these services accordingly.

Section 2.16.010 of the Malibu Municipal Code (MMC) states, in part, that "the City Council shall appoint a City Treasurer who shall be responsible for the safe deposit of all moneys in the custody of the City and shall perform all the duties prescribed by law and as may be assigned by City Council."

On February 24, 2020, the City Council directed the City Manager to issue a RFP for City Treasurer services and assigned the Administration and Finance Subcommittee to

review the proposals and make a recommendation to the City Council regarding the selection of City Treasurer.

On March 12, 2020, the City activated its Emergency Operations Center to manage the City's response to the COVID-19 pandemic. The issuance of the RFP was subsequently delayed.

On June 17, 2020, the City published the RFP on the City's website. Proposals were initially due on July 15, 2020. On July 8, 2020, the City issued Addendum No. 1 extending the submission deadline to August 6, 2020 to allow more time to advertise, and the RFP was advertised online with the California Society of Municipal Finance Officers and Western City Magazine. These online ads were posted for a month each. However, the City did not receive any proposals on August 6, 2020. On August 11, 2020, the City issued Addendum No. 2 extending the deadline to September 18, 2020. During this time, the City advertised the RFP with print and online ads in the Ventura County Star and the Acorn.

On September 18, 2020, the City received one proposal from Quinto Consulting, LP. Staff reviewed the proposal and has met virtually with Ruth Quinto. Ms. Quinto previously served as the Chief Financial Officer and Deputy Superintendent for the Fresno Unified School District and the City Control for the City of Fresno.

On October 28, 2020, the Administration and Finance Subcommittee reviewed the proposal (Attachment 1) and resume (Attachment 2) submittal by Quinto Consulting, LP and recommended that Council enter into an agreement with Quinto Consulting, LP for City Treasurer services.

Following the Administrative and Finance Subcommittee Meeting, staff worked with Quinto Consulting, LP to develop the professional services agreement for City Treasurer services (Attachment 1). The agreement provides for standard, monthly City Treasurer services as well as additional on-call, hourly services as directed by the City Manager or her designee to address additional tasks and assignments as they arise throughout the year.

ATTACHMENTS:

1. City Treasurer Proposal from Quinto Consulting, LP
2. Ruth Quinto's Resume
3. Professional Services Agreement with Quinto Consulting, LP



PROPOSAL

City Treasurer – City of Malibu

Prepared by: Quinto Consulting, LP – Ruth F. Quinto
Prepared for: Elizabeth Shavelson, Assistant to the City Manager
Date: September 18, 2020, *Revised October 19, 2020*

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Executive Summary

Municipalities have a fiduciary responsibility in managing their funds, including ongoing monitoring of investment activity. A quality municipal investment program should derive from an effective Investment Policy. I am uniquely poised to provide Treasury services to the City of Malibu that include oversight and recommendations for an appropriate and compliant investment program essential to effective financial management, which sets the foundation for protocols and productive internal controls, constructing and managing the portfolio, navigating changing economic conditions, and communicating information to stakeholders. Developing a viable investment program provides the structure to effectively set policy, make decisions, and safeguard the City's financial assets.

Introduction

I am pleased to provide this proposal to the City of Malibu in response to the request for qualified City Treasury services. The services performed shall include review and oversight for the safe deposit of moneys in the custody of the City and shall perform all the duties prescribed by law and as may be assigned by the City Council.

My experience and background serve the City's interest in this regard given my proven track-record of financial expertise and professional skillsets in municipal treasury management and finance. Additionally, I meet the SEC qualifications of a financial expert given my previous positions as Chief Financial Officer and Controller, as well as the fact that I hold a license as a Certified Public Accountant (CPA, inactive) from the State of California.

Strategic Case – Organization, Credentials and Experience

In 2005, I was appointed as Chief Financial Officer of Fresno Unified School District. The district was on the brink of insolvency and facing an impending state takeover. Through my leadership, the district transformed fiscally and has remained on strong and stable financial footing with 14 straight years of balanced budgets, positive certifications, clean audits and strong financial reserves. Additionally, unlike many municipalities in the State of California, the district's credit rating was never downgraded during the Great Recession. In fact, despite the current unprecedented global economic crisis, Fresno Unified's credit rating was recently affirmed by Moody's Investor Service with no change to the district's Stable economic outlook.

Prior to my time with Fresno Unified, I served as a City Controller for eight years: four years with the City of Fresno; and, four years with the City of Moreno Valley. During this time, I was responsible for comprehensive and city-wide fiscal policy guidance, treasury management execution, organizing city-wide business operations for fiscal, accounting, debt management, the budget, and benefits and risk management. Importantly, the City of Moreno Valley was a contract city, enhancing my specific and relevant experience given the City of Malibu's organizational structure. Please see full resume provided as Attachment 1.

I submit this proposal as an independent consultant given my status as the sole proprietor of Quinto Consulting, LP. No other individuals will be assigned to the work. Professional references provided:

Chet Wang, Partner
Keygent LLC
999 N. Pacific Coast Hwy., Suite 570,
El Segundo, CA 90245
(310) 322-4222 (office); [REDACTED]

Bruce Kerns, Managing Director
Stifel, Nicolaus & Co.
1 Montgomery St. #3700
San Francisco, CA 94104
(415) 364-6839 (office); [REDACTED]

Terry Bradley, President
School Business Consulting, Inc.
11377 N. Via Milano Way
Fresno, CA 93730
(559) 251-3517 (office); [REDACTED]

Scope of Work

Treasury Management services will include serving as the City Treasurer and performing the duties as specified below in order to achieve the targeted market rate of return with low risk and liquidity that aligns to cash flow requirements, while also utilizing an appropriate level of investments in the County of Los Angeles' portfolio of pooled funds.

This scope of work is intended to be a general guide to the Treasury work expected to be performed and is not a complete listing of all services and requirements that may be required, desired or assigned by the City Council. As an overarching principle, the scope of work includes working closely and in effective coordination with appropriate City staff and any other outside professionals.

Specifically, the scope of work includes:

Review all applicable federal, state, and local laws and regulations to become familiar with required parameters that may have been established by an overlapping entity.

Review the City's annual adopted budget, annual independent audit and other audits as requested.

Review and assess the City's investment policy and internal control procedures and coordinate appropriate recommendations for improvement, allowing for the safe deposit of all moneys in the City's custody.

Provide updates as needed to the Administrative and Finance Subcommittee in collaboration and coordination with the City Manager and Assistant City Manager.

Evaluate the City's current written investment policy.

Establish risk and return objectives including a risk profile that is consistent with the City's risk tolerance, a process for evaluating portfolio risk and a return objective in accord with the City's risk tolerance subject to any and all investment constraints.

Develop an understanding of cash flow requirements and preparation of an appropriate forecast including the review of receipts and disbursement schedules and all bank reconciliations for accuracy and evaluation of compliance with internal controls.

Analyze current bank account architecture in relation to the City's operations and existing banking services and products and refresh this analysis once annually.

Professional Services Agreement

Consultant agrees to use and comply with the terms and conditions of the City's standard Professional Services Agreement as provided with the City's Request for Proposals.

Compliance

Consultant shall comply with the California Labor Code, specifically and including: Federal Labor Standards provisions; Federal Prevailing Wage Decision; and, State of California Prevailing Wage Rates, respectively.

Litigation

There is no past, current, or pending litigation resulting from professional services rendered over the past five years.

Contact – Further Inquiry

This proposal is respectfully submitted on September 18, 2020. Should you require any further information or interview, please contact directly: Ruth F. Quinto, Proprietor, Quinto Consulting LP [REDACTED].

IMPACT STATEMENT

An innovative and resilient CPA and CFO seeking a consulting engagement in which my financial expertise and professional skillsets in finance, healthcare and education coalesce to provide strategic thought leadership.

PROFESSIONAL SUCCESSES

Financial turnaround of Fresno Unified School District

Upon appointment in 2005, the district was on the brink of insolvency and facing an impending state takeover. Through my leadership, the district transformed fiscally and has remained on strong financial footing with 14 straight years of balanced budgets, positive certifications, clean audits and strong financial reserves.

Creating and executing a fiscally responsible capital improvement plan

While I was directly responsible for districtwide facilities, I led the development and implementation of the first ever district-wide Facilities Master Plan which was invested in data analytics, community forums, and educational and facilities' needs assessments. In 2010, the first bond measure passed with a 76% approval rate. Since then, the district has completed \$1 billion in capital projects over three bond measures – all without raising the property tax rate.

Planning, directing and organizing a \$1.5 billion budget

Fresno Unified is the third largest school district in the State of California with an annual operating budget of over \$1 billion, and a total budget of \$1.5 billion when combined with capital program related funds and internal service funds.

Maintaining Fresno Unified's credit rating during the significant economic downturn

Unlike many districts and municipalities in the State of California, the district's credit rating was never downgraded during the Great Recession. In fact, despite the current unprecedented global economic crisis Fresno Unified's credit rating was recently affirmed by Moody's Investor Service with no change to the district's Stable economic outlook.

Innovative healthcare partnership with all district labor partners

In 2005, the district's unsustainable health and welfare benefits structure was a major factor in the district's financial insolvency. Bringing together representatives from all bargaining units representing the district's 30,000 covered lives, as the Chair, I implemented the district's Joint Health Management Board responsible for all aspects of plan design. We actively integrate and analyze data, promoting effective and strategic decision making. Since 2006, the health fund has outperformed the state's annual average cost trend for medical spending by \$240 million.

PUBLIC REFERENCES

In a recent case study by Michael Fullan, reports, "Fresno Unified underwent a solid transition from a dysfunctional system to a more coherent and energized one," further noting that, "Fresno is one of the most fiscally sound districts in the entire country."

In its most recent report, Moody's Investors Services praised the district's "stable and strong management team, with prudent fiscal practices and a consistent track record of outperforming budget." Most recently, Moody's affirmed a solid Aa3 rating and Stable outlook.

Considered an expert in the field by state and national educational policy leaders, effectively cultivating relationships with state and national educational policy leaders, such as Karen Staph-Walters, Executive Director at the State Board of Education, Robert Carlson, Director at the Council of Great City Schools, and Jonathan Travers, Partner at Educational Resource Strategies.

COMMUNITY BOARD INVOLVEMENT

Community Medical Centers – Corporate Board of Trustees

January 2013 through Present (8 years), Fresno California

Community Medical Centers is governed by a volunteer board of trustees made up of local civic leaders and physicians. The Board serves as the ultimate decision-making authority for this nonprofit organization. They develop our strategic plan, which is executed by our administrative leadership team. The administration team oversees day-to-day operations, including management of our more than 7,700 employees.

Fresno Unified Joint Health Management Board

Chair, Management Representative

2005 through 2020 (15 years) Fresno, California

Labor and Management Health Board entrusted with co-managing the district's health and welfare benefits.

PROFESSIONAL EXPERIENCE

Chief Financial Officer and Deputy Superintendent – 15 years

Fresno Unified School District

2005 – September 30, 2020

Responsibilities include comprehensive and district-wide fiscal policy guidance and advice to the Superintendent and to the Board of Education. Plan, organize and direct districtwide: Fiscal and Accounting; Treasury Management; the Budget Office; Benefits and Risk Management including Chair of the district's Joint Health Management Board; the Office of State and Federal including the Local Control and Accountability Plan; and, the Grants and Management Office. Additionally, during the first seven years of my tenure, all operational services were under my direct purview of responsibility including: Facilities; Maintenance; Transportation; Student Nutrition Services; and, Purchasing, including the Warehouse.

City Controller – 4 years

City of Fresno

2001 – 2005

Responsibilities included comprehensive and City-wide fiscal policy guidance and advice including Treasury Management to the Mayor, City Manager and City Council.

City of Moreno Valley

City Controller and Assistant Treasurer – 4 years

1997 – 2001

Responsibilities included comprehensive and City-wide fiscal policy guidance and advice including Treasury Management to the City Manager and City Council.

Certified Public Accounting – 8 years

1990 – 1997

Total of eight years, including six with national CPA firm McGladrey & Pullen, LLP (currently RSM McGladrey). Increased scope and experience including specialization in auditing publicly traded banks and other financial institutions.

HONORS & AWARDS

2020 100 Notable Women

League of Women Voters – Fresno

Selected by the League of Women Voters of Fresno as one of “100 Notable Women” in the Fresno community from 1920 through 2020 who have distinguished themselves by elective office, public service, and/or groundbreaking achievements as part of the League’s Suffrage Centennial, celebrating the adoption of the 19th Amendment of the Constitution giving women the right to vote.

2017 Excellence in Financial Management

Council of the Great City Schools

The Council of the Great City Schools recognizes school districts for reaching the highest standards in finance management, accountability and fiscal control and for enhancing, safeguarding and protecting the financial integrity of the district.

2015 Administrator of the Year - Region IX

Association of California School Administrators

Demonstrated exceptional performance in promoting the success of all students through articulating, implementing and stewarding a vision of sustained leadership through advocacy, nurturing and overall exceptional management.

2009 Administrator of the Year

Active Mother's Association in Education (AMA)

Local, state and national recognition for dedication, commitment and success in making a significant impact in the lives of the students of Fresno Unified and the Central Valley.

2004 Top Ten Professional Women of the Year

Marjaree Mason Center

A prestigious award honoring ten local professional women and paying tribute to them for serving as role models and giving back to their community, all while making significant strides in their given field.

2002 Latiñas Beyond Boundries Award for Government

Central California Chamber of Commerce

Awarded to hispanic women paying tribute to their heritage while honoring them for serving as latiaña role models while making significant contributions in their respective professions.

2000 Outstanding Leader

City of Moreno Valley Organization Development Steering Committee

Strong leadership and support for the employees of the City and a demonstrated a commitment to their professional growth.

EDUCATION

California State University, Fresno

BACHELOR of SCIENCE

Business Administration ~ Accounting Option

May, 1990

CERTIFICATION

California Board of Accountancy

CERTIFIED PUBLIC ACCOUNTANT

May, 1994

(currently inactive)

ATTACHMENT 3

Professional Services Agreement with Quinto Consulting, LP

will be distributed under separate cover