

RESOLUTION NO.: 26 -2016
INTRODUCED BY: O'Toole

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH SUDSINA & ASSOCIATES, LLC FOR FINANCIAL ADVISORY SERVICES.

WHEREAS, the City is in need of professional assistance with respect to financial advisory services dealing with the rollover of the \$1,190,000 Street Improvement Bond Anticipation Note maturing on June 16, 2016; and

WHEREAS, the firm Sudsina & Associates, LLC has satisfactorily assisted the City in the past with respect to these type of services.

NOW, THEREFORE, be it resolved by the Council of the City of Richmond Heights, State of Ohio, that:

Section 1: The Mayor is authorized to execute an Engagement Letter with Sudsina & Associates, LLC for financial advisory services, a copy of which is attached hereto and incorporated herein as "Exhibit A", for an amount not to exceed Four Thousand Five Hundred Dollars (\$4,500) and contingent upon the successful sale and closing of the debt proceedings referred to in the Engagement Letter.

Section 2: The Director of Finance is authorized and directed to appropriate to a proper account the amount necessary for the services set forth in the Engagement Letter as approved in Section 1 of this Resolution.

Section 3: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: _____

David H. Roche, Mayor

APPROVED: _____

ATTEST: _____

Betsy Traben
Clerk of Council

Eloise Cotton-Henry
President of Council

EXHIBIT A

April 1, 2016

Mr. Mitch Michalec
Finance Director
City of Richmond Heights
457 Richmond Road
Richmond Heights, Ohio
44143

Dear Mitch,

It was a pleasure talking with you and Mayor David Roche on March 9, 2016. We discussed many issues. And it sounds like the City is doing well. You can roll the \$1,190,000 Street Improvement Note Issue again this year as long as the City pays down a portion of the principle. I realize that the Mayor would like to just pay the issue down. Once you and the City decide what you want to do please let us know. I have prepared this agreement in case you decide to roll the note again.

The City has a \$1,190,000 Street Improvement Bond Anticipation Note maturing on June 16, 2016. You still have time and we welcome the opportunity to work with you and the City again in 2016. Since the City just received the AA- upgrade in 2014, the notes will be sold non-rated with this AA- underlying rating stated in the Notice of Sale.

We are providing this proposal/engagement letter describing the services to be supplied by Sudsina & Associates, LLC as municipal advisor in connection with the competitive issuance of the City's Street Improvement Note Issue.

Scope of Services

As municipal advisor, we view our role in this engagement as fourfold; first, to assist the City working along side bond counsel, and its finance team, on all aspects of the financing, second, to minimize the City's required effort to execute an effective debt issuance; third, to achieve the highest possible note/bond rating for the City, and finally, to oversee the successful sale of the City's debt at the best available market rates. The proposed services will include the following:

- I.** Review of the City's financial profile and debt issuance capacity.
- II.** Conduct discussions with bond counsel to achieve a consensus on the City's debt issuance capabilities and appropriate underlying security.

- III. Analyze various structuring scenarios to determine the most advantageous alternatives to meet the City's needs including long-term General Obligation Bonds and any Bond Anticipation Notes.
- IV. Prepare a Schedule of Events and Parties List for either the Note or the Bond Sale.
- V. Assist in the preparation and presentation to the rating agency if necessary.
- VI. Assist with the preparation of financial documents and review legal documents related to the recommended debt issue, the Notice of Sale and including the Preliminary Official Statement if a bond issue is preferred. Assist with presentations to the City's Council and other interested parties to explain the structuring alternatives and other related issues.
- VII. Remain available for meetings with, or presentations to City officials to discuss the final note sale outcome.
- VIII. Ensure the comprehensive distribution of the Notice of Sale and the OMAC Report.
- IX. Work with the City, bond counsel and the other members of the finance team to prepare the issue for sale to the general market place.
- X. Oversee the competitive sale schedule, execution and closing, including consideration using Parity for the competitive internet bond issue sale.
- XI. Remain available for post-sale consultation and any Rating Agency Surveillance/Monitoring discussions. The surveillance and monitoring by the Rating Agencies is becoming an annual event.

Regulatory Issues

As of this date we are unaware of any conflicts of interest Sudsina & Associates, LLC might have with the City of Richmond Heights, Ohio that would interfere with our ability to provide unbiased advice, or that would negatively affect our ability to carry out our fiduciary duty to the City.

Sudsina & Associates is hereby providing the City with certain representations and certifications, on which the City may rely, in providing its certification to financial services firms regarding the City's engagement of and reliance upon Sudsina & Associates ("Sudsina & Associates"), for financial advice in connection with these Matters, which the City's certification evidences the City's use of an independent registered municipal advisor for purposes of enabling financial services firms to utilize an exemption (commonly referred to as the "IRMA Exemption") from the SEC Municipal Advisor Rule. Sudsina & Associates hereby represents and certifies as follows:

(a) Sudsina & Associates, as a registered municipal advisor, has been engaged by the City to provide advice in connection with the Matters (among other duties and responsibilities in the course of its engagement by the City); and

(b) Sudsina & Associates is not, and for the last two years has not been, associated with the person relying on this exemption, as this condition is intended under the SEC Municipal Advisor Rule.

The undersigned is authorized by Sudsina & Associates, LLC to provide the representations and certifications contained herein.

This agreement will remain in place and active until the City or Sudsina & Associates, LLC notifies the other party that the agreement has terminated. Either party may terminate at any time with 30 days written notice.

Fees and Expenses

For the above Scope of Services on the Series 2016 Various Purpose Street Improvement Note Issue our fee will be \$4,500.00

Fees for any note and/or bond transactions will only be billed upon the successful sale and closing of the debt proceedings. The only expenses that will be charged over and above these fees will be for any expenses incurred related to credit rating presentations out of town.

Please feel free to contact me to discuss this proposal/engagement letter or any other related questions you might have. Thank you for providing Sudsina & Associates, LLC this opportunity to serve the City of Richmond Heights with this very important debt financing. We look forward to successfully working with you and the City.

Sincerely

Stephen Szanto
Managing Director

Mitch Michalec
Finance Director