

Evaluation Factors for Financial Services Contracts

Management Committee – February 8, 2017



Anticipated timing for Financial Services Contracts

General Banking
Fall 2017

Financial Advisors
Spring 2017

What Services are provided through General Banking?

- Checking Account (Depository/Disbursement)
- Cash and Coin
 - Ticket Vending Machines
 - Farebox Deposits
- Wire Transfers

What is a Financial Advisor (FA)?

- The Financial Advisor is a firm who works with an organization to successfully issue debt and provide advise in financing matters. Types of processes done in a debt issue include:
 1. Determine structure and timing of the issue
 2. Prepares bond documents
 3. Assist in the rating agency presentation
 4. Assist with the Official Statement preparation
 5. Evaluate the most advantageous proposals
 6. Close the transaction

- Official Statement (OS) - The OS discloses pertinent information regarding the debt offering. In a competitive sale, OS is distributed to prospective bidders (Underwriters) of the bonds.

What Services are provided by a Financial Advisor ?

- Services of a bond transaction:
 1. Determine structure, debt service schedules and recommendations on issue
 2. Assist in the rating agency presentation
 3. Assist with the Official Statement preparation
 4. Bids are submitted to FA who tabulates, calculates and presents the best offering
 5. Close the transaction
 6. Debt monitoring for all current issues
 7. Legal documents in coordination with Bond Counsel

- Discuss financing tools and the options for each financing situation

- Arbitrage Analysis

- Continuing Disclosure

Current Contracts with Financial Advisors

- The Council is currently under contract with three Financial Advisors
- Current contracts expire June 30, 2017
- We have three under contract as at times may have a conflict as parties to a bond transaction may use the same FA
- Some FA's have more expertise in various areas
- Current FA's
 1. Springsted Inc. (St. Paul)
 2. Ehlers (Roseville)
 3. Public Resource Advisory Group (Media, PA)

Additional Information Requests for Financial Services Proposals

- Committee members have expressed interest in including disclosures in the Financial Services RFP's regarding business practices
- Finance committed to coming back to the Management Committee for discussion prior to issuing new RFPs.

Business Practice Disclosure

- Code of Ethics Disclosure
- Narrative/examples business strategy and how aligns with Council's Thrive principles and outcomes
- Rated within Qualifications and Experience
- Miami-Dade County Florida - example

Code of Business Ethics (Entire document on PDF)

In accordance with Section 2-8.(1) of the Code of Miami-Dade County, each person or entity that seeks to do business with Miami-Dade County shall have or shall adopt a Code of Business Ethics ("Code") and shall, prior to execution of any contract between the contractor and the County, submit an affidavit stating that the contractor has adopted a Code that complies with the requirements of Section 2-8.1(i) of the Miami-Dade County Code (see attached **Form A12**). Any person or entity that fails to submit the required affidavit shall be ineligible for contract award.

Lending Practice Disclosures

- Disclosures on Lending Practices
- Rated within Qualifications and Experience
- City of Minneapolis - example

Financial Institution Disclosure Form (Entire document on PDF)

Financial institutions which participate in or desire to participate in City of Minneapolis provision of banking services or investment banks for the city shall compile and provide electronically to the City Finance Department the following information:

New Disclosures for Financial Services RFP's

	Business Practice Disclosure	Lending Practice Disclosure
Financial Advisor	X	
General Banking	X	X