**RESOLUTION NO. \_\_\_\_-2021**

**Authorizing a Contractual Agreement with PMA Securities, LLC**

**for Financial Advisor Services Related to Debt Management**

|  |
| --- |
| ***Background:*** When it is necessary for Sauk County to borrow funds for Sauk County projects (such as replacement of the Highway facility) or when it is advantageous to refinance existing debt, to do so requires retaining the services of a qualified firm to serve as financial advisor.  A financial advisor assists the issuer in determining the best type of financing for the government, selecting other finance professionals, planning the bond sale, and successfully selling and closing the bonds. Their work also includes advising on the size and structure of the issuance, as well as amortization schedule, term, discount/premium, and call features. They make recommendations on the bond issue itself, and County policies and operations to enhance bond marketability, thereby reducing interest costs.  A request for proposal was developed and issued to elicit bids from qualified firms for assistance in developing financing plans and issuing debt. Six proposals were received. A review panel consisting of the Administrator, Finance Director and Accounting Manager reviewed all proposals based on the technical qualifications and experience of the firm and its staff (weighted at 60 percent of the maximum points), cost (25 percent), and method of performance (15 percent). |
| ***Fiscal Impact: [ ] None [ ] Budgeted Expenditure [ X ] Not Budgeted*** |

**NOW, THEREFORE, BE IT RESOLVED**, by the Sauk County Board of Supervisors, met in regular session, that the proposal of PMA Securities, LLC for financial advisor services related to debt management be and hereby is accepted; and,

**BE IT FURTHER RESOLVED**, that the Sauk County Finance Director is authorized and directed to enter into such contracts for a duration of up to five years, with the review of the Corporation Counsel and Administrator, as may be necessary and appropriate for the acceptance of said proposal for the furnishing of goods, services and the performance of work in accordance therewith; and,

**BE IT FURTHER RESOLVED**, that should PMA Securities, LLC deem it necessary or in the best interest of Sauk County to make a presentation to a bond rating agency for the purpose of maintaining or improving Sauk County's bond rating, the Sauk County Finance Committee shall be authorized to send a member of the Sauk County Board, the Administrator, and the Finance Director to an out of state location for such purpose and to allow all necessary and actual travel costs incurred (PMA Securities, LLC shall bear all its own travel related costs); and,

**BE IT FURTHER RESOLVED**, that required contracts are authorized for bond counsel, disclosure counsel, rating agency, and related services incident to the performance of a debt issue based on the recommendation of PMA Securities, LLC and subject to Finance Committee approval.

For Consideration by the Sauk County Board of Supervisors on February 15, 2021.

**SAUK COUNTY FINANCE COMMITTEE**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Martin F. Krueger, Chair Richard “Mike” Flint

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Thomas Dorner Timothy McCumber

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Lynn Eberl

**FISCAL NOTE:** Funding for provision of these services will be taken from the proceeds of any debt issued.

The below fees are only for serving in the role of financial advisor. If bonded debt is issued, the County will also incur a cost for one or more underwriters to purchase the bonds.

|  |  |  |
| --- | --- | --- |
|  |  | If Sauk County issues bonds for $25 million, the fee would be: |
| Baker Tilly Municipal Advisors, LLC | $7,500 base fee  $5 per $1,000 for the first $2,500,000  $1 per $1,000 for amounts over $2,500,000  Max issuance fee $35,000 | $35,000 |
| Ehlers | 0-$9,999,999 flat fee $15,000  $10-$19,999,999 flat fee $17,500  $20-$29,999,999 flat fee $22,500  $30,000,000+ flat fee $27,500 | $22,500 |
| PFM Financial Advisors LLC | $16,500 per issue | $16,500 |
| PMA Securities , LLC | $15,000 per issue | $15,000 |
| Robert W. Baird & Co. Inc. | 0.20% of par, min $14,000, max $55,000 | $50,000  If the County engages Baird as underwriter for a negotiated sale (as it has in the past), the County would only pay the underwriter discount and Official Statement fee of $4,800 but not the Financial Advisor fee. |
| Wisconsin Public Finance Professionals, LLC | <$5 million $18,500 minimum  $5 to <$10 million $21,500  $10 to <$15 million $24,500  $15 million or more $27,500 maximum | $27,500 |

**MIS NOTE:** No MIS impact.