

RESOLUTION NO. R-15-75

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR MUNICIPAL ADVISOR SERVICES FOR THE CITY OF GLADSTONE, MISSOURI, WITH COLUMBIA CAPITAL MANAGEMENT.

WHEREAS; the City of Gladstone understands and values the independent professional services and oversight that a Municipal Advisor provides and that such services are deemed to be in the best interest of the City; and

WHEREAS; proposals were reviewed and three (3) firms were interviewed with Columbia Capital Management being recommended by the Municipal Advisor Selection Committee; and

WHEREAS; the City of Gladstone successfully facilitated a request for qualifications to solicit a full scope of municipal advisory services for a three (3) year period, with an option to extend a contract for up to two (2) additional one (1) year periods on a fee per project basis; and

WHEREAS; the City of Gladstone Municipal Advisor Selection Committee recommends contracting with Columbia Capital Management as the most qualified firm to provide professional municipal advisory services.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

THAT, the City Manager of the City of Gladstone, Missouri, is hereby authorized to negotiate and execute a contract with Columbia Capital Management for services as Municipal Advisor.

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 9TH DAY OF NOVEMBER, 2015.



Mayor Bill Garnos

ATTEST:



City Clerk Ruth Bocchino



7010 N Holmes Gladstone, Missouri 64118 816-436-2200 Fax 816-436-2228 Gladstone.mo

November 3, 2015

To: Kirk Davis, City Manager

From: Dominic Accurso, Accountant

RE: Municipal Advisor Services

A Municipal Advisor provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues. Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This delegated the authority to regulate Municipal Advisors to the SEC who issued the final municipal advisor rule effective July 1, 2014. This required Municipal Advisors to be duty bound to serve as a fiduciary, register with MSRB and SEC, pass an exam, and to maintain certain records. Over the past few months, the City has been in the process of selecting a Municipal Advisor to provide the types of services listed above. This memo will document the selection process the City staff has carried out.

Before the request for proposal was sent out, we researched selecting a municipal advisor. Some resources used were knowledge of our peers at other municipalities and in the GFOA community as well as the using the GFOA best practices in selecting and managing Municipal Advisors. Using sample RFP's received from other municipalities and following the guidelines in the GFOA best practices, the City drafted the RFP. After the RFP was drafted, a primary evaluation was created to score each firm on a consistent and systematic basis.

On August 12th the RFP was posted to the City's web site, and August 13th an advertisement ran in the Kansas City Star. Twenty four working days were given for the firms to draft and submit their proposal for the City (due September 15th). The City received five proposals from qualified firms. The following day, copies of the proposals and evaluation sheets were given out to a selection committee. The committee consisted of Council Member Carol Suter, City Manager Kirk Davis, Assistant City Manager Scott Wingerson, Director of Finance Debra Daily, Financial Analyst Beth Saluzzi, and Accountant Dominic Accurso. Primary evaluations were asked to be completed by September 25th to compile scores and select firms to be interviewed. The firms with the three highest scores were selected for interviews. The three firms were Springsted, Columbia Capital Management, and Piper Jaffray.

Interviews were conducted on October 20th. Each firm was given one hour to give a short presentation and answer questions from the committee. A final evaluation sheet was created with 4 standard questions and any question a committee member thought fitting. After the interviews were complete, the scores from the final evaluation sheets were calculated with Columbia Capital Management receiving the highest scores. A proposed fee schedule submitted by Columbia Capital is provided as Exhibit A. Actual fees will be based on size of debt issuance or scope of advisory services provided and negotiated on a per project basis.

City Management recommends negotiating a municipal advisor services contract with Columbia Capital Management. A resolution, authorizing the City Manager to negotiate a municipal advisor services contract, has been placed on the November 9, 2015 agenda for Council consideration.

PROPOSED FEE SCHEDULE

Transaction Type	Base Fee	PLUS Variable Fee
Fixed-rate General Obligation Bonds/Notes	15,000	\$0.90 per \$1,000
Revenue Bonds/COPs	15,000	\$1.00 per \$1,000
TIF/TDD/CID Bonds (Enhanced)	\$22,500	\$1.25 per \$1,000
TIF/TDD/CID Bonds (Unenhanced)	\$40,000	\$1.25 per \$1,000

Additional Charges	Fee
Fee for directing the preparation of the official statement, if applicable.	\$5,000
Fee for multiple series of bonds/notes issued under the same offering document. This fee will be charged in addition to the applicable Base Fee plus the per bond fee applied to the aggregate amount of the bonds and/or notes being offered, for each additional series of notes/bonds on the offering document. For example: a single series \$5 million GO financing would be billed at \$19,500, whereas a GO financing comprised of two series totaling \$5 million would be billed at \$26,000.	\$6,500

In addition to the fees above, Columbia would seek reimbursement for actual out-of-pocket expenses including costs for travel, printing/duplicating, conference calling services, overnight delivery services, etc., and any transaction costs not directly related to financial advisory services that we are expected to pay, such as printing the official statement or rating agency fees. Columbia agrees to provide an estimate of such fees prior to each transaction upon request of the City. Because of our proximity to the City, we expect these costs to be negligible.

Depending on the type of financing the City pursues, it may desire to engage Columbia to provide other related or auxiliary services. A description of, such services is provided below.

Type of Service	Fee Proposed
Financial advisory services on interest rate cap or interest rate swap execution	5 bps (0.05%) in yield on the structure transacted, subject to a minimum of \$35,000
Investment brokerage for various funds and accounts in the Trust Indenture (project account, debt service reserve fund, escrow fund)	\$2,500 per account, subject to IRS safe harbor limits
Post-issuance compliance services (Munivault), including assisting the City in managing its responsibilities under its post-issuance compliance policy	\$1,250 initial setup fee per series, plus \$650 per year per series of bonds

Columbia is also prepared to provide non-transaction-based financial advisory, consulting and ad hoc analytical services to the City. Such services, will include the following hourly rate structure.

Staff Classification	Fee Proposed
Principal/Managing Director	\$ 225
Vice Presidents	190
Analytical Support	150
Administrative Support	65

AGREEMENT

MUNICIPAL ADVISORY SERVICES FOR THE CITY OF GLADSTONE, MISSOURI

*This agreement
is not valid
per Debra
Daley
Chris Williams*

This **AGREEMENT** (the ☐Agreement☐) for municipal advisory services is entered into between **CITY OF GLADSTONE, MISSOURI**, a Missouri municipal corporation organized pursuant to the laws of the State of Missouri, (the ☐City☐) and **COLUMBIA CAPITAL MANAGEMENT, LLC**, a limited liability company organized under the laws of Missouri, ("CCM") with respect to the provision of certain services pertaining to various City public finance transactions and related services, the City and CCM agree as follows:

WITNESSETH:

WHEREAS, the City has determined that the services of a municipal advisor are appropriate, convenient and necessary in order to effectuate its purposes; and

WHEREAS, CCM is experienced and qualified to provide municipal advisory services to the City as contemplated in this Agreement; and

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. Term of Agreement

The term of this Agreement shall commence upon the date of execution by both parties for a period of three (3) years with an option to extend the Agreement for up to two (2) additional one (1) year periods.

2. Content of Agreement

The Agreement consists of this signed document including the exhibits attached hereto which are incorporated herein. The City's Request for Qualifications and CCM's proposal to the City dated September 15, 2015, are hereby incorporated by reference. In the event of any conflict between documents, the provisions of this Agreement shall control.

3. Amendment, Supplement or Modification

The Agreement constitutes the entire agreement between CCM and the City. The Agreement may be amended, supplemented or modified only in writing, executed by representatives of the City and CCM. Such amendments, supplements or modifications cannot alter the terms of the Agreement as executed unless expressly agreed to in writing by the City and CCM. If any provision herein is held to be invalid or unenforceable, the remainder of the Agreement shall remain in full force and effect.

4. Scope of Services

During the period that this Agreement is effective, CCM will provide the following services:

- A. As directed by the City, perform all the duties customarily performed by municipal advisors in connection with the public offering and sale of municipal securities.
- B. Advise the City on term, structure and marketing features of a transaction, including, but not limited to, type of sale (negotiated or competitive), maturity dates, couponing, call features, security provisions and covenants and costs of issuance in consideration of the policies and goals of the City.
- C. As requested by the City, and in cooperation and communication with the City, to prepare for all meetings and public presentations related to the issuance of debt, to include but not be limited to: rating agency presentations, insurer presentations, investor presentations, City Council presentations, internal staff presentations, and public presentations.
- D. Assist the City in soliciting bids for and procuring the services of credit enhancement agencies, banking services, internet disclosure and bidding services and any other related financial services essential to any alternative forms of financing which the City may elect to use.
- E. Advise the City on market conditions and other factors affecting the successful sale of the Bonds.
- F. As directed by the City, assist in the marketing of the Bonds or Notes among prospective bond underwriters and investors.
- G. In the case of a competitive bond sale, assist in the preparation and distribution to the prospective investors, financial institutions and bidders the Official Notice of Sale and assist in the preparation of the Preliminary and Final Official Statement containing comprehensive information with respect to any Notes or Bonds being offered by the City, and the legal documents and other information necessary for the sale of the debt. CCM will coordinate the public sale of such securities through an internet medium.
- H. As requested and directed by the City, in the case of a negotiated sale, represent the City and assist in the preparation of the preliminary and final Official Statements for any Notes or Bonds being offered by the City, the legal documents and other information necessary for the sale of the debt. Based upon the City's defined selection criteria CCM will recommend an underwriting syndicate and assist the City in all of its negotiations with the selected underwriters including, but not limited to, the actual pricing of the debt.

- I. Review the City's outstanding debt as the market conditions dictate to identify refunding and other restructuring opportunities that would reduce the City's debt service or provide the City with more flexibility to meet its financial and programmatic goals.
- J. As requested by the City, assist the bond counsel in any way needed.
- K. Assist the City to coordinate compliance with federal and state laws, regulations and guidelines related to a particular debt transaction.
- L. Assist the City with the investment of bond proceeds, to include:
 - i. Developing appropriate bid specifications
 - ii. Providing to the City an electronic copy of the final bid specifications
 - iii. Disseminating bid specifications to the provider community and taking bids at a specified date and time
 - iv. Tabulating, analyzing and verifying bids received
 - v. Obtaining copies of all the bids for the Investment Agreements showing the time and date of the bid
 - vi. Providing to the City electronic copies of all the bids for the Investment Agreements showing the time and date of the bid
 - vii. Identifying for the City all deviations of the bids received from the terms set out in the bid specifications
 - viii. Providing to the City an electronic copy of a summary of the deviations of the bids received from the terms set out in the bid specifications
 - ix. Providing to the City electronically a summary of all bids received
 - x. Negotiating the final terms of the agreement bid
 - xi. Coordinating the closing of the investment
 - xii. Ensuring that the City receives electronic and paper copies of the final executed Investment Agreement
- M. Review proposals submitted to the City by investment bankers or other financial service providers, as the City may require.
- N. Proceed immediately upon the direction of the City with investigation, studies and planning for the purpose of expanding existing programs or developing new programs to further the policies and goals of the City.
- O. Generally provide such other operational assistance, advice and consultation as may be appropriate and requested by the City.
- P. Upon request and subject to terms negotiated apart from this Agreement, CCM will be available to provide additional financial services to the City on an as needed basis, including but not limited to services related to:

- i. debt management policy,
- ii. investment policy formulation,
- iii. investment strategy and advice,
- iv. Federal Agency relations activities,
- v. investor relations activities, and
- vi. expert testimony.

5. Rates and Fees

A. Transactional Services. CCM will be compensated based on the principal/notional amount of debt issued based on the schedule set forth in Exhibit A. In addition to the fees in Exhibit A, CCM shall be reimbursed for actual out-of-pocket expenses including costs for travel, printing/duplicating, conference calling services, overnight delivery services, etc., and any transaction costs not directly related to financial advisory services that CCM pays, such as printing the official statement or rating agency fees. CCM shall provide an estimate of such fees prior to each transaction upon request of the City. Because of CCH's proximity to the City, it is expected these costs will be negligible.

B. Other Services. If desired by the City, CCM will provide other public finance services outlined in Exhibit A at the rates and fees stated therein unless otherwise agreed upon by the City and CCM.

C. Hourly Services. For any additional services, CCM will charge the fees outlined in Exhibit A unless otherwise agreed upon by the City and CCM.

6. No Subcontracting without Prior Consent

The parties acknowledge that CCM anticipates performing all work anticipated by this Agreement with its own staff and does not plan to engage any third-parties or subcontractors to assist in its efforts. In the event the use of a third-party or subcontractor were to become necessary, CCM agrees to seek the written consent of the City prior to engaging the third-party or subcontractor. If services cannot be provided as requested, the City may obtain services with another firm without being in breach of this Agreement.

7. Municipal Advisor as Fiduciary

In addition to, but not in lieu of any and all applicable fiduciary standards imposed under federal or state law, CCM shall act as a fiduciary to the City. As a fiduciary, CCM shall perform its duties under this Agreement with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in an enterprise of like character and with like aims.

8. Insurance

CCM's insurance shall be primary as respects to the City. Any other insurance maintained by the City shall be excess and not contributing insurance with the CCM's insurance. The following are the requirements for insurance to be provided and maintained by CCM for duration of this agreement. These limits can be attained by individual policies or by combining primary and umbrella policies.

A. Minimum Limits of Insurance. Commercial General Liability Insurance (CGL): CCM shall maintain for the duration of the Agreement CGL with the limit of not less than \$1,000,000 each occurrence. CGL insurance shall be written on ISO occurrence form CG 00 01 01 96 (or substitute form providing equivalent coverage). The policy shall cover liability arising from premises operations, independent contractors, products ☐ completed operations, personal injury, liability assumed under an insured contract (including the tort liability of another assumed in a business contract). The City shall be named as additional insured under this policy.

B. Workers' Compensation. Workers compensation and employer's liability insurance as required by the state where the work is performed.

C. Professional Liability. CCM shall maintain in force for the duration of this Agreement errors and omissions liability insurance appropriate to CCM's profession. Coverage is required in this section shall apply to liability for a professional error, act, or omission arising out of scope of CCM's services as defined in this Agreement. Coverage shall be written subject to limits of not less than \$1,000,000 per loss with an annual aggregate of \$1,000,000. This insurance coverage under such certificates shall be retroactive to the earlier of the date of this Agreement or the commencement of CCM's services here under.

D. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees, and volunteers, CCM shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

E. Other Insurance Provisions. The General Liability policy is to contain or be endorsed to contain the following provisions:

- i. The City, its officers, officials, employees, and volunteers are to be covered as additional insured with respect to liability on behalf of CCM including materials, parts, or equipment furnished in connection with such work or operations and with respect to liability arising out of work or operations performed by CCM.
- ii. For any claims related to this Agreement, CCM's insurance coverage shall be primary insurance as respects to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of CCM's insurance.

- iii. Each insurance policy required by these specifications shall be endorsed to state that coverage shall not be cancelled or materially changed, except after thirty (30) days prior written notice by certified mail, return receipt requested has been given to the City.
- iv. Maintenance of the proper insurance for the duration of the Agreement is a material element of the Agreement. Material changes in the required coverage or cancellation of the coverage shall constitute a material breach of the Agreement by CCM.

9. Notice

Any required notice under the Agreement or contact by either party to the other deemed necessary to fulfilling its obligations under the Agreement will be in writing and shall be made so that the other party shall have not less than three (3) business days to respond or to act upon such notice.

Any notice to the City shall be made in writing and directed to the City Manager, with a copy to the City Counselor, at City of Gladstone, 7010 N. Holmes, Gladstone, MO 64118. Any notice to CCM shall be made in writing and directed to the Managing Director in writing to: President, Columbia Capital Management, 6330 Lamar Ave, Suite 200, Overland Park, Kansas 66202.

10. Representative's Authority to Contract.

By signing this Agreement, the representatives for each party thereby represents that such person is duly authorized to execute this Agreement on behalf of that party and agree to be bound by the provisions thereof.

11. Entire Agreement.

This Agreement is the full and entire understanding and agreement of the parties with regard to the subjects discussed herein.

12. Applicable Law

CCM shall comply with all applicable laws of the State of Missouri and the United States of America, including but not limited to the Dodd-Frank Wall Street Reform and Consumer Protection Act, rules and regulations of the Securities and Exchange Commission, and the Municipal Securities Rulemaking Board. CCM shall furnish proof acceptable to the City of appropriate business licensing and SEC and MSRB municipal advisor registration. CCM company name shall be lawfully registered with the state of Missouri. Regulatory reports required under laws applicable to CCM by any regulatory authority shall be the responsibility of CCM. This Agreement shall be construed and governed in accordance with the laws of the State of Missouri to the extent that such laws are not pre-empted by the laws of the United States of America. By entering into this Agreement, CCM agrees that any action or proceedings against the City arising out of or in connection with this Agreement shall be instituted in the Clay County Circuit Court.

13. Use of Other Advisory Firms

The City may engage and consult with other firms on issues financial or nonfinancial without the consent of CCM in the event CCM is unable to provide the services requested by the City, CCM has a conflict of interest with regard to a particular issue, or the City determines in its discretion that it is in the best interest of the City to utilize the services of another firm on a project or issue for which that firm was previously engaged or otherwise.

14. Termination

Either party may terminate this Agreement with seven (7) days written notice to the other party at any time without cause.

15. Claims and Liabilities

CCM hereby releases, indemnifies and holds harmless the City, its officers, employees, agents, guests or business visitors from any and all loss, claims, suits or any liability whatsoever, whether made, instituted or asserted by CCM or by another person or party, for any personal injury or death of any person or persons or for any loss, damage or destruction of any property whether owned by CCM or others arising out of any act or omission by CCM or its officers, employees, agents, guests or business visitors, and CCM agrees to indemnify and hold harmless the City, its officers, employees, agents, guests or business invitees for all damages and expenses, including attorney's fees arising therefrom.

16. Non-discrimination in Employment

During the performance of this agreement, CCM shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, or disability status. CCM shall take affirmative action to ensure that applicants are employed and employees are treated during employment without regard to their race age religion, sex, national origin, or disability status.

17. Illegal Aliens

Pursuant to Section 285.530(1), RSMo., by its sworn affidavit in substantially the form attached hereto as Exhibit B and incorporated herein, CCM hereby affirms its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the professional services. Furthermore, CCM affirms that it does not knowingly employ any person who is an unauthorized alien in connection with the professional services.

IN WITNESS WHEREOF, the City and CCM have caused the Agreement to be duly executed intending to be bound thereby and certify that they are authorized to sign the Agreement effective this _____ day of _____, 2016

THE CITY OF GLADSTONE, MISSOURI

{City Seal}

ATTEST:

By: _____
Kirk Davis, City Manager

By: _____
Ruth Bocchino, City Clerk

APPROVED AS TO FORM:

By: _____
Chris Williams, Interim City Counselor

COLUMBIA CAPITAL MANAGEMENT, LLC

BY: 
Kelsi Spurgeon, Principal

EXHIBIT A


Rates and Fees

A. Transactional Services. CCM will be compensated based on the principal/notional amount of debt issued based on the schedule set forth below:

Transaction Type	Base Fee	PLUS Variable Fee
Fixed-rate General Obligation Bonds/Notes	15,000	\$0.90 per \$1,000
Revenue Bonds/COPs	15,000	\$1.00 per \$1,000
TIF/TDD/CID Bonds (Enhanced)	\$22,500	\$1.25 per \$1,000
TIF/TDD/CID Bonds (Unenhanced)	\$40,000	\$1.25 per \$1,000

Additional Charges	Fee
Fee for directing the preparation of the official statement, if applicable.	\$5,000
Fee for multiple series of bonds/notes issued under the same offering document. This fee will be charged in addition to the applicable Base Fee plus the per bond fee applied to the aggregate amount of the bonds and/or notes being offered, for each additional series of notes/bonds on the offering document. For example: a single series \$5 million GO financing would be billed at \$19,500, whereas a GO financing comprised of two series totaling \$5 million would be billed at \$26,000.	\$6,500

B. Other Services. If desired by the City, CCM will provide other public finance services outlined below at the following rates and fees unless otherwise agreed upon by the City and CCM.

Type of Service	Fee Proposed
Financial advisory services on interest rate cap or interest rate swap execution	5 bps (0.05%) in yield on the structure transacted, subject to a minimum of \$35,000
Investment brokerage for various funds and accounts in the Trust Indenture (project account, debt service reserve fund, escrow fund)	\$2,500 per account, subject to IRS safe harbor limits
Post-issuance compliance services (Munivault), including assisting the City in managing its responsibilities under its post-issuance compliance policy	\$1,250 initial setup fee per series, plus \$650 per year per series of bonds 

C. Hourly Services. For any additional services, CCM will charge the following hourly rates unless otherwise agreed upon by the City and CCM.

Staff Classification	Fee Proposed
Principal/Managing Director	\$ 225
Vice Presidents	190
Analytical Support	150
Administrative Support	65

EXHIBIT B

CITY OF GLADSTONE, MISSOURI
WORK AUTHORIZATION AFFIDAVIT
PURSUANT TO 285.530, RSMo
(FOR ALL CONTRACTS IN EXCESS OF \$5,000.00)

STATE OF Kansas)
) ss.
COUNTY OF Johnson)

As used in this Affidavit, the following terms shall have the following meanings:

EMPLOYEE: Any person performing work or service of any kind or character for hire within the State of Missouri.

FEDERAL WORK AUTHORIZATION PROGRAM: Any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security or an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, under the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603.

KNOWINGLY: A person acts knowingly or with knowledge, (a) with respect to the person's conduct or to attendant circumstances when the person is aware of the nature of the person's conduct or that those circumstances exist; or (b) with respect to a result of the person's conduct when the person is aware that the person's conduct is practically certain to cause that result.

UNAUTHORIZED ALIEN: An alien who does not have the legal right or authorization under federal law to work in the United States, as defined in 8 U.S.C. 1324a(h)(3).

BEFORE ME, the undersigned authority, personally appeared Kelsi Spurgeon, who, being duly sworn, states on his oath or affirmation as follows:

1. My name is Kelsi Spurgeon and I am currently the Principal of Columbia Capital Management, LLC (hereinafter ☐ Consultant ☐, whose business address is 6330 Lamar #200 64202, and I am authorized to make this Affidavit.

2. I am of sound mind and capable of making this Affidavit and am personally acquainted with the facts stated herein.

3. Consultant is enrolled in and participates in a federal work authorization program with respect to the employees working in connection with the citizen satisfaction survey contracted between Consultant and the City of Gladstone, Missouri.

4. Consultant does not knowingly employ any person who is an unauthorized alien in connection with the contracted services set forth above.

Kelsi Spurgeon
Affiant

Kelsi Spurgeon
Printed Name

Subscribed and sworn to before me this 3rd day of February, 2016.

Stacey Lynn Walter
Notary Public

SEAL

