



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

File #: 10-1379 **Version:** 1

Type: Agenda Item **Status:** Adopted

File created: 10/29/2010 **In control:** Finance Committee

On agenda: 11/4/2010 **Final action:** 11/4/2010

Title: Authority to execute agreements appointing Public Financial Management, Inc., and Gardner, Underwood & Bacon as Co-Financial Advisors to the District in an amount not to exceed \$290,000.00, plus expenses not to exceed \$5,000.00, in connection with the sale of up to a total of \$500,000,000 of General Obligation Capital Improvement Bonds, Limited Tax Series of 2010, of the Metropolitan Water Reclamation District of Greater Chicago

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/4/2010	1	Committee of the Whole	Recommended	Pass
11/4/2010	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 4, 2010

COMMITTEE ON FINANCE

Mr. Richard Lanyon, Executive Director

Authority to execute agreements appointing Public Financial Management, Inc., and Gardner, Underwood & Bacon as Co-Financial Advisors to the District in an amount not to exceed \$290,000.00, plus expenses not to exceed \$5,000.00, in connection with the sale of up to a total of \$500,000,000 of General Obligation Capital Improvement Bonds, Limited Tax Series of 2010, of the Metropolitan Water Reclamation District of Greater Chicago

Dear Sir:

The District intends to sell up to a total of \$500,000,000 of General Obligation Capital Improvement Bonds, Limited Tax Series of 2010, in order to fund capital projects initiated since the effective date of the Debt Reform Act and subject to its provisions. The impending sale requires the appointment of Financial Advisors to assist the District through the myriad of details and scheduling necessary for the District in order to effect delivery of the bonds.

The Financial Advisors serve on the District's behalf as liaison to the Bond Counsels, Underwriters' Counsels, the Bond Underwriting Group and the Bond Rating Agencies; maintain the sale participants' contact list and calendar schedule of necessary sale events, communicating dates of events and meetings to group members; assist in scheduling and District presentation for Bond Rating Agency meetings; evaluate use of and obtain bids for credit enhancement, if desirable; assist in producing and reviewing documents, including the preliminary and final official statements; work with District Treasurer and Bond Underwriting Group in determining structure of the Bonds being sold; review pricing and allocation of bonds sold; study and evaluate secondary market post sale activity; assist with bond sale closing arrangements; evaluate and provide advice

related to compliance with arbitrage regulations; and provide Financial Advisors' Certificates relative to the Bond sale.

Due to the nature of the professional services required, the matter is not subject to competitive bidding pursuant to Section 11.4 of the Purchasing Act.

Should the bond sale not be consummated, a flat fee of \$5,000.00 will be paid by the District to each Advisor for services performed.

Accordingly, it is requested that the Board of Commissioners authorize the appointment of Public Financial Management, Inc., and Gardner, Underwood & Bacon as Co-Financial Advisors to the District, to render the necessary services for the sale of up to \$500,000,000 General Obligation Capital Improvement Bonds, Limited Tax Series of 2010. The fee for such services will be at the rate of sixty cents (\$0.60) per \$1,000 par amount of bonds sold up to \$300 million, a total fee not to exceed \$180,000.00; and fifty-five cents (\$0.55) per \$1,000 par amount of bonds sold in excess of \$300 million, a total fee not to exceed \$110,000.00, if the additional \$200 million bonds are sold. The total fee therefore is not to exceed \$290,000.00, to be apportioned 60% to Public Financial Management, Inc., and 40% to Gardner, Underwood & Bacon, Co-Financial Advisors. Additionally, up to \$5,000.00 of out-of-pocket expenses will be reimbursed by the District. If the bond sale is not consummated, the Advisors will be paid a flat fee of \$10,000.00 (\$5,000.00 each) for services performed. It is further requested that the Board of Commissioners authorize and direct the President or other duly authorized officer of the Board of Commissioners; the Treasurer; the Clerk; the Director of Procurement and Materials Management; and the Executive Director to execute professional services agreements on behalf of the District on account of the aforesaid services after the professional services agreements have been approved by the Treasurer as to technical matters and by the General Counsel as to form and legality.

Requested, Harold G. Downs, Treasurer, HGD:wns

Respectfully Submitted, Gloria Alitto Majewski, Chairman Committee on Finance

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 4, 2010