



## Agenda Item Summary

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### **Submitted By**

Steven Drazner, CFO

### **Reviewed By**

LKS

### **Agenda Item Title**

**A Resolution Approving a Professional Services Agreement with Speer Financial, Inc. as the Village's Municipal Bond Advisor for Bond Issuances and Other Related Services and Authorizing its Execution**

### **Overview**

The Village has utilized the services of Speer Financial, Inc. as its municipal advisor for bond issuances for approximately twenty years, going back to 1996. This firm has extensive knowledge of the financial history of the Village.

### **Staff Recommendation**

Approve the Resolution.

### **Fiscal Impact**

Fees will vary based on the dollar amount of each bond issue. For a \$10M issue, municipal advisory fees under the Speer agreement would total \$20,000, or .2% of the issuance amount.

### **Background**

The existing agreement with Speer Financial, Inc. dates back to 1996. In effort to keep contractual language current and to have formal authorization from the existing Village Board, it is recommended that a new agreement be executed although the fee structure will not change. The fees charged by Speer Financial are variable and based on the bond issuance amount according to the following schedule:

Fixed fee of \$5,000 regardless of bond issuance amount

Variable fee of .25% on the amount of bonds issued between \$1 million through \$5 million

Variable fee of .10% on the amount of bonds issued equal to or in excess of \$5 million

Furthermore, the professional services agreement with Speer Financial would be for a one year term with automatic one year renewals unless terminated by either party with ninety (90) days notice.

The primary services that a municipal advisor provides are as follow:

- 1) Calculates the potential cost/benefit of advanced or current refundings for existing Village debt and

provides recommendations

- 2) General financial planning and advice as needed
- 3) Determines the timeline for new debt issuances
- 4) Prepares preliminary and final official statements for new or refunded debt issuances
- 5) Participates in rating agency conference calls
- 6) Performs competitive (auction) or negotiated sales for the Village's debt
- 7) Provides overall expertise throughout the entire issuance process
- 8) Prepares and files continuing disclosures as required pursuant to debt agreements

#### **Alternatives**

Prepare RFP for municipal bond advisory services

#### **Previous Board Action**

N/A

#### **Citizen Advisory Commission Action**

N/A

#### **Anticipated Future Actions/Commitments**

N/A

#### **Intergovernmental Cooperation Opportunities**

N/A

#### **Performance Management (MAP) Alignment**

N/A