RESOLUTION NO.: 21-2009
INTRODUCED BY: Alexander

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH SUDSINA & ASSOCIATES, LLC FOR FINANCIAL ADVISORY SERVICES.

WHEREAS, the City is in need of professional assistance with respect to financial advisory services dealing with the rollover of municipal notes and the issuance of general obligation bonds and the firm Sudsina & Associates, LLC has satisfactorily assisted the City in the past with respect to this type of service;

NOW, THEREFORE, be it resolved by the Council, the City of Richmond Heights, State of Ohio, that:

Section 1: The Mayor is authorized to execute an engagement letter agreement with Sudsina & Associates, LLC for financial advisory services pursuant to the attached engagement letter and scope of services, fully incorporated herein as Exhibit A, for an amount not to exceed $27,500.00 and contingent upon the successful sale and closing of the debt proceedings referred to in the letter agreement.

Section 2: The Director of Finance is authorized and directed to appropriate to a proper account the amount necessary for the contract approved in Section 1 of this Resolution.

Section 3: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: _________________________

Daniel J. Ursu, Mayor

APPROVED: ______________________

ATTEST: _________________________

Betsy Traben
Clerk of Council

David H. Roche
President of Council
January 15, 2009

Ms. Lynda Rossiter
Director of Finance
City of Richmond Heights
457 Richmond Road
Richmond Heights, Ohio
44143

Dear Lynda,

It was a pleasure to see you Monday – I like to see clients when things work out! And your note issue will close on Thursday, January 15, 2009. Not only are we very happy but your public-funds bankers at Charter One are also extremely happy. I saw them at the MFOA Lunch today.

As we discussed Monday, I have prepared and enclosed a copy of our Financial Advisor Engagement Letter for services dealing with either a rollover note or a general obligation bond issue. We can better deal with the City’s debt issues if we plan a little more in advance this year, what do you think?

We are providing this proposal/engagement letter describing the services to be supplied by Sudsina & Associates, LLC as financial advisor in connection with the competitive issuance of the City’s Various Purpose Note or Bond Issue.

Scope of Services
As financial advisor, we view our role in this engagement as fourfold; first, to assist the City working along side bond counsel, and its finance team, on all aspects of the financing; second, to minimize the City’s required effort to execute an effective debt issuance; third, to achieve the highest possible note/bond rating for the City, and finally, to oversee the successful sale of the City’s debt at the best available market rates. The proposed services will include the following components:

I. Review of the City’s financial profile and debt issuance capacity.

II. Conduct discussions with bond counsel to achieve a consensus on the City’s debt issuance capabilities and appropriate underlying security.

III. Analyze various structuring scenarios to determine the most advantageous alternatives to meet the City’s needs including long-term General Obligation Bonds and any Bond Anticipation Notes.

IV. Prepare a Schedule of Events and Parties List for either the Note or the Bond Sale.

V. Assist with the preparation of financial documents and review legal documents related to the recommended debt issue, the Notice of Sale and including the Preliminary Official Statement if a bond issue is preferred.

EXHIBIT A
Assist with presentations to the City’s Council and other interested parties to explain the structuring alternatives and other related issues.

VI. Collaborate with City officials to prepare a credit rating strategy and presentation with the specific goal of obtaining the highest possible rating for the City. This is now necessary with both note and bond sales.

VII. Analyze the potential financial benefit to the City of purchasing bond insurance for the transaction and making a recommendation accordingly.

VIII. Coordinate any necessary follow-up with rating or insurance analysts.

IX. Conduct the necessary process to solicit bond registrar and printing services for the transaction and coordinate the necessary services from these parties.

X. Remain available for meetings with, or presentations to City officials to discuss the final rating outcome.

XI. Ensure the comprehensive distribution of the Notice of Sale, OMAC Report, and Preliminary Official Statement.

XII. Work with the City, bond counsel and the other members of the finance team to prepare the issue for sale to the general market place.

XIII. Oversee the competitive sale schedule, execution and closing, including consideration using Parity for the competitive internet bond issue sale.

XIV. Remain available for post-sale consultation.

Fees and Expenses
For the above Scope of Services our fee will be $2,500.00 for the rollover of the Series 2009 bond anticipation notes that the City may issue; and $25,000.00 for a Competitive Bond Issue Sale to extinguish the Series 2009 bond anticipation note issue.

Fees for bond and note issues will be only be billed upon the successful sale and closing of the debt proceedings. The only expenses that will be charged over and above these fees will be for any expenses incurred related to credit rating presentations.

Termination
Either party may terminate this engagement upon thirty (30) days’ prior written notice to the other party.

Please feel free to contact me to discuss this proposal/engagement letter or any other related questions you might have. Thank you for providing Sudsina & Associates, LLC this opportunity to serve the City of Richmond Heights again with this very important financing. We look forward to working with you, both now and in the future.

Sincerely,

[Signature]

Stephen Szanto
Managing Director

Approved:

[Signature]

Daniel J. Ursu
Mayor
EXHIBIT A

Competitive Bond Anticipation Note and/or Bond Sale

Assist in Competitive Bond and/or Note Issue Sale

1. Develop/Oversee Financing Schedule
2. Develop and Issue RFP for Competitive Bidding Sale
3. Assist in Selection/Procurement of Other Finance Team Members
   a. Trustee
   b. Printing
   c. Paying Agent
   d. Structured Financial Products
4. Assist in Coordination of Finance Team Members
5. Analyze Cost/Benefit of Using Credit Enhancement, including Bond Insurance, if appropriate
6. Develop and Implement Credit Strategy (Rating Agencies)
   a. Provide outline for presentation
   b. Assist with collection of data and presentation of written information
   c. Recommend presentation format
   d. Assist in preparation of presentation materials
   e. Conduct presentation rehearsal
7. Review Legal Documents and Offering Memorandum/Official Statement
8. Help Prepare Official Statement, Notice of Sale, and other required notifications
10. Assist in Competitive Internet Sale
    a. Timing of Sale
    b. Target Buyers
    c. Marketing information
       1) Disclosure documents
       2) Information meetings
       3) Marketing calls
11. Attend City Council/Senior Staff Meetings; Make Presentations, as Requested
12. Prepare Pre-Pricing Analysis; Review with the City
    a. Analysis of comparable issues
    b. Market conditions
    c. Calendar of economic events
    d. Market information
    e. Target pricing analysis
    f. Upcoming sale calendar
13. Conduct Competitive Sale Bidding
    a. Internet Competitive Public Sale
    b. Conventional Public Sale
14. Analyze Bids
15. Review Final Note/Bond Documents
16. Assist with Investment of Bond Proceeds (As Requested)
17. Assist with Transaction Closing

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