

**TENTATIVE AGENDA  
CITY OF SALEM, MISSOURI  
BOARD OF ALDERMEN  
CITY HALL COUNCIL CHAMBERS  
202 N. WASHINGTON ST.  
DECEMBER 27, 2022  
6:00 P. M.**

**ITEM I CALL TO ORDER**

**ITEM II ROLL CALL**

**ITEM III CONSENT AGENDA**

No Consent Agenda Items

**ITEM IV NEW AND MISCELLANEOUS BUSINESS**

Financial Update through November 30, 2022

**ITEM V BIDS**

Municipal Financial Advisor Services Approval

**ITEM VI READING OF BILLS AND RESOLUTIONS**

RESOLUTION NO. 50-2022- A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT BETWEEN THE CITY OF SALEM, MISSOURI, AND PIPER SANDLER & CO., FOR MUNICIPAL FINANCIAL SERVICES.

**ITEM VII REPORTS OF CITY OFFICIALS, BOARDS AND COMMITTEES**

**Sally Burbidge, Temporary City Administrator**

**Greg Parker, Mayor**

**Mark Nash, Public Works**

**Aldermen Reports**

**TENTATIVE AGENDA  
CITY OF SALEM, MISSOURI  
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202 N. WASHINGTON  
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6:00 P. M.  
PAGE TWO**

**ITEM VIII CLOSED SESSION**

Pursuant to Section 610.021(3) of the Revised State Statutes of the State of Missouri pertaining to the hiring, firing, disciplining or promoting of particular employees by a public governmental body when personal information about the employee is discussed or recorded.

Pursuant to Section 610.021(12) of the Revised State Statutes of the State of Missouri pertaining to sealed proposals and related documents or any documents related to a negotiated contract until a contract is executed, or all proposals are rejected.

**ITEM IX ADJOURNMENT**

# **Staff Summary Report**

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<b>MEETING DATE:</b>	12/27/2022
<b>AGENDA ITEM:</b>	
<b>AGENDA TITLE:</b>	FINANCIAL UPDATE

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<b>ACTION REQUESTED BY:</b>	STACEY HOUSTON
<b>ACTION REQUESTED:</b>	FOR REVIEW
<b>SUMMARY BY:</b>	Stacey Houston

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## **PROJECT DESCRIPTION / FACTS**

Financial update through 11/30/2022

## **PROCUREMENT**

NA/

## **FISCAL IMPACTS**

N/A

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<b>SUPPORT DOCUMENTS:</b>	Sales Tax Collected / Utility Consumption & Revenues / Treasurers Report through Nov 30, 2022
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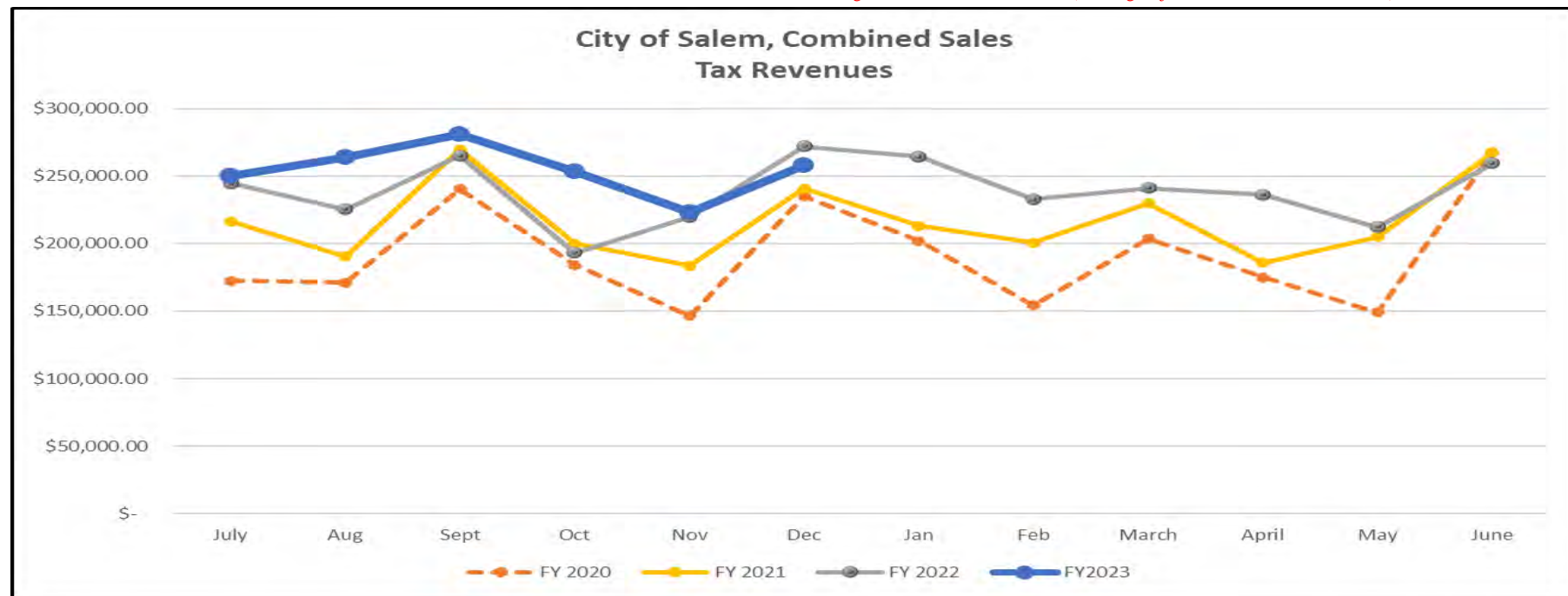
<b>DEPARTMENT'S RECOMMENDED MOTION:</b>	N/A
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# SALES TAX REVENUE

	2019-2020	2020-2021	2021-2022	2022-2023	2022-2023
	Actuals	Actuals	Actuals	YTD	Budget
Gen'l Fund	\$ 1,125,240	\$ 1,310,248	\$ 1,413,487	\$ 760,434	\$ 1,252,600
July-December	\$ 556,376	\$ 637,995	\$ 699,608	\$ 760,434	
Parks & Rec	\$ 421,958	\$ 491,424	\$ 530,008	\$ 285,158	\$ 425,000
July-December	\$ 209,175	\$ 239,100	\$ 262,366	\$ 285,158	
Cap Imp	\$ 562,620	\$ 655,124	\$ 706,743	\$ 380,217	\$ 650,000
July-December	\$ 278,901	\$ 318,998	\$ 349,804	\$ 380,217	

\*\*Through Dec 2022 as of 12/16/2022 (Pending Adjustments & Year End Transfers)





## UTILITY USAGE & REVENUE

	2019-2020 ACTUAL	2020-2021 ACTUAL	2021-2022 ACTUAL	2022-2023 BUDGETED	2022-2023 ACTUAL	Percent of Budget
Electric Consumption Sold	53,649,806	55,511,522	52,787,837		22,180,775	
Electric Sales Rev.	\$ 5,078,855	\$ 5,076,208	\$ 5,385,147	\$ 6,677,759	\$ 2,881,607	43%
Purchase of Power	\$ 3,101,409	\$ 3,636,738	\$ 4,135,284	\$ 4,321,372	\$ 1,971,643	46%
Water Consumption Sold	123,846,229	150,680,971	133,720,064		63,369,821	
Water Sales Rev.	\$ 787,185	\$ 950,933	\$ 839,084	\$ 768,908	\$ 411,748	54%
Sewer Consumption Sold	113,213,897	136,779,028	121,145,016		54,504,677	
Sewer Sales Rev.	\$ 748,333	\$ 901,523	\$ 777,868	\$ 728,759	\$ 388,873	53%

\*\*Through 11/30/2022 as of 12/16/2022 (Pending Adjustments & Year End Transfers)

	(----- ADJUSTMENTS -----)								
	BEGINNING	Y-T-D	Y-T-D	TRANSFERS	TRANSFERS	CASH BASIS	NET CHANGE	NET CHANGE	ACCRUAL BASIS
FUND	CASH BALANCE	REVENUES	EXPENDITURES	IN	OUT	ENDING BALANCE	OTHER ASSETS	LIABILITIES	ENDING BALANCE
100-GENERAL FUND	111,036.47	1,224,059.71	1,283,979.37	0.00	0.00	51,116.81	0.00 (	18,284.80)	32,832.01
120-EMERGENCY FUND	38,620.03	122.12	0.00	0.00	0.00	38,742.15	0.00	0.00	38,742.15
130-POST COMMISSION	1,257.32	505.56	0.00	0.00	0.00	1,762.88	0.00	0.00	1,762.88
201-SPECIAL STREET	410,440.05	104,722.05	21,600.69	0.00	0.00	493,561.41	0.00	0.00	493,561.41
210-PARK & RECREATION	335,066.45	285,693.03	262,620.67	0.00	0.00	358,138.81	0.00 (	1,237.00)	356,901.81
220-POLICE DEPT.LAW ENF.FUND	2,851.93	655.89	0.00	0.00	0.00	3,507.82	0.00	0.00	3,507.82
230-OFFICERS TRAINING FUND	1,209.67	99.96	0.00	0.00	0.00	1,309.63	0.00	0.00	1,309.63
240-FIREWORKS FUND	2,106.22	1.24	1,712.56	0.00	0.00	394.90	0.00	0.00	394.90
250-INMATE SECURITY FUND	983.79	99.25	0.00	0.00	0.00	1,083.04	0.00	0.00	1,083.04
255-CHDC GRANT FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
260-LOCAL LAW ENF. GRANT FUND	4.90	0.04	0.00	0.00	0.00	4.94	0.00	0.00	4.94
265-DELTA REGIONAL GRANT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
270-PROTEST ACCOUNT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
280-CDBG STORMWATER GRANT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
290-BUILDING PERMIT FUND	15,249.51	6,645.78	9,942.79	0.00	0.00	11,952.50	0.00	10,727.54	22,680.04
299-POLICE CONTRIBUTION FUND	436.40	1.38	0.00	0.00	0.00	437.78	0.00	0.00	437.78
301-CAPITAL IMP SALES TAX	457,726.60	324,612.80	270,854.26	0.00	0.00	511,485.14	0.00	579.75	512,064.89
501-ELECTRIC FUND	81,113.13	3,032,524.40	2,478,056.55	0.00	0.00	635,580.98	30,602.38 (	1,366.59)	603,612.01
502-ELECTRIC D & R FUND	75,896.73	239.98	0.00	0.00	0.00	76,136.71	0.00	0.00	76,136.71
503-ELECTRIC RESERVE FUND	19,221.04	60.78	0.00	0.00	0.00	19,281.82	0.00	0.00	19,281.82
510-WATER FUND	585,021.83	434,104.52	415,078.14	0.00	0.00	604,048.21	32,290.46 (	731.54)	571,026.21
511-WATER D & R FUND	204,232.95	645.78	0.00	0.00	0.00	204,878.73	0.00	0.00	204,878.73
512-WATER RESERVE	689,648.62	2,180.64	0.00	0.00	0.00	691,829.26	0.00	0.00	691,829.26
520-SEWER FUND	121,268.69	395,965.27	508,476.15	0.00	0.00	8,757.81	47,479.59 (	2,314.84) (	41,036.62)
521-SEWER D & R	176,064.82	556.71	0.00	0.00	0.00	176,621.53	0.00	0.00	176,621.53
522-SEWER RESERVE FUND	105,537.63	333.71	0.00	0.00	0.00	105,871.34	0.00	0.00	105,871.34
530-SANITATION	45,674.66	149,381.58	148,863.07	0.00	0.00	46,193.17	2,762.53	0.00	43,430.64
540-CEMETERY FUND	5,223.83	15,850.00	58,160.11	0.00	0.00 (	37,086.28)	0.00 (	337.74) (	37,424.02)
550-LANDFILL	395,879.70	1,251.76	0.00	0.00	0.00	397,131.46	0.00	0.00	397,131.46
560-AIRPORT FUND	209,638.17	2,040.13	10,454.14	0.00	0.00	201,224.16	0.00	13.37	201,237.53
601-INSURANCE CONTINGENCY	139,527.98	441.18	0.00	0.00	0.00	139,969.16	0.00	0.00	139,969.16
701-UTILITY DEPOSIT FUND	464,131.78	1,479.76	0.00	0.00	0.00	465,611.54	0.00	1,415.04	467,026.58
702-CEMETERY ENDOWMENT FUND	607,413.22	1,920.61	0.00	0.00	0.00	609,333.83	0.00	0.00	609,333.83
703-ECONOMIC DEVELOPMENT	19,320.76	20,368.60	47,913.26	0.00	0.00 (	8,223.90)	0.00 (	933.88) (	9,157.78)
GRAND TOTAL	5,321,804.88	6,006,564.22	5,517,711.76	0.00	0.00	5,810,657.34	113,134.96 (	12,470.69)	5,685,051.69

# **Staff Summary Report**

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**MEETING DATE:** December 27, 2022  
**AGENDA ITEM:** ITEM V BIDS  
**AGENDA TITLE:** MUNICIPAL FINANCIAL ADVISOR SERVICES

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**ACTION REQUESTED BY:** Temp City Administrator / Finance Director  
**ACTION REQUESTED:** Approval of Proposal for Municipal Financial Advisor Services  
**SUMMARY BY:** Sally Burbridge

## **PROJECT DESCRIPTION / FACTS**

A Request for Proposals was solicited with 4 Proposals received. With the following scoring (4 is Best) Scorers ranked the proposals 4-1 on each of the categories.

	<b>Experience &amp; Qualifications</b>	<b>Ability to Provide Services</b>	<b>Schedule of Fees</b>	<b>Total Score</b>
<b>McLiney And Company</b>	2	3	1	<b>6</b>
<b>Piper Sandler &amp; Co</b>	3	4	2	<b>9</b>
<b>Stifel</b>	4	2	3	<b>9</b>
<b>WM Financial Strategies</b>	1	1	4	<b>6</b>

## **PROCUREMENT**

Per the Purchasing Policy, VIII. Special Procurement Procedures, C. Professional Services - Requests for Proposals were solicited via The Salem News, salemmo.com, and direct emailed to multiple entities who can provide this service.  
4 proposals were received and are presented.

## **FISCAL IMPACTS**

See Contract approval item on this agenda.

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**SUPPORT DOCUMENTS:** Municipal Financial Advisor Proposals-Proposals are available in the packet download on the city website.

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**DEPARTMENT'S RECOMMENDED MOTION:** Move to Approve the Financial Services Proposal from Piper Sandler & Co.

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November 28, 2022

City of Salem, Missouri  
Office of City Clerk  
400 N. Iron Street  
Salem, Missouri 65560

Re: Municipal Financial Advisory Services

Dear Mayor and Council:

McLiney And Company, a division of SAMCO Capital Markets is pleased to submit our responses to The City of Salem's Request for Proposals for municipal advisory services. We are a national investment bank and work with clients from coast to coast, but our specialty for the last 56-plus years has been Missouri's municipalities, that includes working for Salem on two successful Certificates of Participation in 2017 and an issue in 1999.

McLiney And Company has been working for Salem on this wastewater project since January 19, 2021. At that time the City was looking at issuing Certificates of Participation (COP) to finance these improvements because: 1. no vote was needed 2. interest rates on a COP for Salem were comparable to SRF financing at that time.

According to Jeff Meadows, Archer Engineers, the City needs to put a Revenue Bond Issue on the April ballot to be sold to the SRF. It was understood that if the City needed to go the SRF route, McLiney And Company would switch from underwriter to municipal advisor. We are ready to assume that roll.

The professionals at McLiney And Company, founded in 1966, have a combined 160 plus years of experience in Missouri municipal finance. Our deep understanding of the Missouri municipal debt market allows us to develop finance programs that attract bids from not only Missouri underwriters (buyers), but from a national network of underwriters. We successfully, and regularly, conduct both negotiated and competitive sales for our clients securing low interest rates, favorable redemption provisions, and exceptionally low underwriting fees. This knowledge will be beneficial for issues that may follow the SRF issue.

The municipal advisor regulations instituted by the SEC Dodd-Frank financial regulations state that advisors are duty bound to maintain fiduciary loyalty and care to all of its advisory clients. To achieve this, municipal advisors must have the expertise to properly advise their clients. Three of McLiney And Company's advisors were used as "beta testers" for the national Series 50 exam which is explicitly designed to test the expertise of industry professionals.

The following pages provide information requested by the RFP. It should also provide a high-level view of our process when acting as a financial advisor along with our new agreement that will allow us to continue our work for Salem.

Thank you for your consideration.

Sincerely,



Edward D. McLiney  
Senior Managing Director



## **REQUESTED INFORMATION**

### **1. GENERAL DESCRIPTION**

McLiney And Company has been working for Missouri municipalities since 1966, and the McLiney family has been continuously serving Missouri municipalities since 1928. We are the only firm serving Missouri with four generations in the bond industry.

In October of 2019, McLiney And Company merged with another investment banking firm headquartered in Austin Texas, SAMCO Capital Markets, Inc. Not only did this bring two great firms together, but also brought the family together, as Mark McLiney is a senior managing director of SAMCO Capital, as well as one of their owners.

We are very proud that McLiney And Company is the sole firm in the State of Missouri that has never underwritten a municipal financing that has defaulted on a principal or interest payment. We are also the only firm in Missouri without any regulatory blemishes. Our perfect record includes both McLiney And Company and SAMCO Capital Markets. This is highlighted by the fact that neither has a single complaint in the FINRA or the SEC required complaint folder. We are one of a very small number of firms with such a pristine record of compliance, and the sole firm with this sort of perfect record operating in Missouri.

### **2. KEY PERSONNEL**

The team that will be responsible for the City of Salem effort will be led by Edward D. McLiney, Senior Managing Director. He will be supported by Heidi Orton, Vice President, and Max McLiney, Associate Banker.

There are few, if any, that can match Eddie McLiney's 38 years of experience in the Missouri municipal finance industry. In addition to the Series 50 (Municipal Advisor Representative) license, Mr. McLiney holds the General Securities Principal, General Securities Representative, Municipal Securities Principal licenses and all required State registrations.

Ms. Orton joined the McLiney And Company team in 1985. Heidi is a registered representative whose activities include bond sales and underwriting as well as overseeing the daily operations of the firm. She is integral to the coordination and closing of municipal bonds for McLiney And Company, a division of SAMCO Capital. Heidi is also responsible for submitting regulatory filings. She is registered with the Financial Industry Regulatory Authority as a General Securities Principal (Series 24), General Securities Representative (Series 7) and Uniform Securities Agent State Law (Series 63).

Mr. Max McLiney, Joey McLiney's son, is the fourth generation in his family to work in the municipal Bond Market in Missouri. He began his professional career with McLiney and Company in June of 2022 joining his family just after graduating from the University of Mississippi. He is currently studying for the series 50 as well as SIE and Series 7.

### 3. ADVISORY EXPERIENCE & CLIENT

McLiney And Company is capable of all the requirements laid out in the RFP. For the City of Salem, we would plan to be involved in the entire process of any issue, including the services listed below (if requested or needed):

- a) Develop the financing plan to meet the goals of the administration.
- b) Communicate the plan to the elected officials and citizens.
- c) Prepare documents to call and canvas the election, if required.
- d) Assist in formulating the information to be provided to the voters.
- e) Attend public meetings to educate the public
- f) Seek out (through an RFQ) a recognized bond firm to handle the required documentation.
- g) Determine the best type of debt to issue, revenue bonds, GOs, or lease purchase / COPs.
- h) Determine the best option for selling the bonds; competitive sale, negotiated sale, or private placement.
- i) Help prepare the offering documents including the Preliminary Official Statement (POS), Notice of Sale (NOS), and final Official Statement (OS).
- j) Secure a bond rating including preparing and presenting to the bond rating agencies (Standard & Poor's, Moody's, or Fitch).
- k) Review bond insurance options
- l) Market the proposed security through direct email, phone calls, Twitter and LinkedIn to ensure a wide, national distribution and exposure of the bond or COP.
- m) Meet with local banks to assist them in preparing a competitive bid so they will be on equal footing with the national investment banks.
- n) Receive bids via PARITY (the industry standard) in handling a competitive bid process, as well as receive bids via email to ensure local banks can participate if they desire.
- o) Calculate the True Interest Cost (TIC) and, if necessary, resize the bonds to ensure any premium or discount is considered and the desired net construction funds are realized.
- p) Manage the award of the bonds and coordinate all additional steps through the closing.
- q) Assist in establishing post-closing compliance.

There are instances where, to best assist our clients, we engage with other professionals to assist with marketing bonds to potential underwriters and help complete continuing disclosure. Those are decided on a case-by-case basis and would be done so with the advice and consent of the City.

Below is a partial list of Missouri Municipal Issues for which McLiney And Company has provided municipal bond services over the last four years:

\$20,000,000 Fenton, MO Fire Protection District General Obligation Bonds, Series 2019  
\$4,065,000 Saline County, MO Certificates of Participation, Series 2019  
\$642,000 Odessa, MO Equipment Lease Purchase, Series 2019  
\$3,455,000 Carrollton, MO Certificates of Participation, Series 2019  
\$1,108,000 Lathrop, MO Street General Obligation Bonds, Series 2019  
\$520,000 Miller, MO Waterworks & Sewerage System Revenue Bonds, Series 2019  
\$250,000 Concordia, MO Master Personal Property Lease Purchase, Series 2019  
\$2,055,000 Pleasant Hill, MO Refunding Certificates of Participation, Series 2019



\$868,000 Carrollton, MO Waterworks & Sewerage System Refunding Revenue Bonds, Series 2019  
 \$2,035,000 Seneca, MO R-7 School District Refunding General Obligation Bonds, Series 2020  
 \$1,665,000 Canton, MO Certificates of Participation, Series 2020  
 \$7,655,000 Peculiar, MO Street Refunding General Obligation Bonds, Series 2020  
 \$330,000 Carrollton, MO Truck Lease Purchase, Series 2020  
 \$1,190,000 Canton, MO Refunding General Obligation Bonds, Series 2020  
 \$1,865,000 Concordia, MO Waterworks & Sewerage System Refunding Revenue Bonds, Series 2020  
 \$830,000 DeKalb County, MO Refunding Certificates of Participation, Series 2020  
 \$9,090,000 Peculiar, MO Water & Sewer Refunding & Improvement Revenue Bonds, Series 2020  
 \$1,865,000 Peculiar, MO Refunding Certificates of Participation, Series 2020  
 \$556,000 Harrisonville, MO Equipment Lease Purchase, Series 2020  
 \$4,181,000 Carrollton, MO Water Refunding & Improvement Revenue Bonds, Series 2020  
 \$2,499,000 Hamilton, MO Water & Sewer Revenue Bonds, Series 2020  
 \$3,465,000 Lotawana, MO Fire Protection District General Obligation Bonds, Series 2020  
 \$5,500,000 Seneca, MO R-VII General Obligation Bonds, Series 2021  
 \$1,690,000 Fayette, MO Water & Sewer Refunding Revenue Bonds, Series 2021  
 \$2,920,000 Nodaway County, MO PWSD #1 Water Revenue Bonds, Series 2021  
 \$4,258,000 Chillicothe, MO Personal Property Lease Purchase, Series 2021  
 \$1,505,000 Owensville, MO Refunding General Obligation Bonds, Series 2021  
 \$349,900 Carrollton, MO Taxable Lease Purchase, Series 2021  
 \$190,000 Eldon, MO Municipal Temporary Note, Series 2021  
 \$910,000 Owensville, MO Water & Sewer Refunding Revenue Bonds, Series 2021  
 \$2,345,000 Miller County, MO Refunding Certificates of Participation, Series 2021  
 \$7,245,000 Howard County, MO Regional Water Commission Refunding Revenue Bonds, Series 2021  
 \$3,875,000 Southern Jackson County Fire Protection District Certificates of Participation, Series 2021  
 \$160,000 Carrollton, MO Fire Truck Lease Purchase, Series 2021  
 \$370,000 Mayview, MO Combined Waterworks and Sewerage System Revenue Bonds, Series 2021  
 \$8,720,000 Plattsburg, Missouri Water & Sewer Refunding & Improvement Revenue Bonds Series 2021  
 \$2,310,000 Sweet Springs Ambulance, MO District Taxable General Obligation Bonds, Series 2021  
 \$1,485,000 Lathrop, MO Certificates of Participation, Series 2021  
 \$1,195,000 Bevier, MO Water & Sewer Refunding Revenue Bonds, Series 2021  
 \$9,847,700 Odessa, MO Restructuring SRF Revenue Bonds, Series 2021  
 \$465,000 Savannah, MO Refunding General Obligation Bonds, Series 2021  
 \$2,235,000 Brookfield, MO Refunding Certificates of Participation, Series 2021  
 \$1,825,000 Savannah, MO Water & Sewer Refunding Revenue Bonds, Series 2021  
 \$360,000 Savannah, MO Refunding & Improvement Certificates of Participation, Series 2021  
 \$1,044,000 Miller, MO Water & Sewer Refunding & Improvement SRF Revenue Bonds, Series 2021  
 \$1,060,000 Concordia, MO Certificates of Participation, Series 2021  
 \$3,300,000 Vernon County, MO CPWSD #1 Refunding Revenue Bonds, Series 2021  
 \$1,900,000 Chillicothe, MO Taxable Lease Purchase, Series 2021  
 \$1,200,000 Odessa, MO City Hall Lease Purchase, Series 2022  
 \$999,000 Odessa, MO Amendment Lease Purchase, Series 2022  
 \$740,000 Clever, MO Water & Sewer Refunding Revenue Bonds, Series 2022  
 \$8,040,000 Mount Vernon, MO Certificates of Participation, Series 2022  
 \$11,740,000 Boone County, MO Regional Sewer District Sewer System Restructuring, Series 2022  
 \$970,000 Carrollton, MO Sewer System Revenue Bonds, Series 2022



\$4,855,000 Lawrence County, MO Emergency Services Board Certificates of Participation, Series 2022  
\$220,000 Eldon, MO Neighborhood Improvement District Bonds, Series 2022

Additionally, McLiney And Company has worked with several non-Missouri clients, from the City and Schools of Nome Alaska to the U.S. Virgin Islands and all of the states in between. We are one of the very few municipal advisors with multi-state experience and licensing. This is important because we have discovered that each individual state has different financing tools. Many are not currently utilized in Missouri municipalities. By working in multiple jurisdictions, McLiney And Company can offer more options to our clients than any other firm working in Missouri.

#### 4. REFERENCES

The table below is a partial list of Missouri clients for whom we have worked for several years. We are happy to provide additional references, including out of state references, upon request.

<u>Municipality</u>	<u>Contact</u>	<u>Phone</u>
Interstate Plaza/North Town Village TDD	Steve Ehrhardt, President	417-353-0694
City of St. Robert	Anita Ivey, City Adm.	573-451-2000
City of Houston	Don Romines, Alderman	417-217-0592
City of Billings	Chris Hopkins, Treasurer	417-744-2581
City of Mount Vernon	Joe Kelley, City Adm.	417-942-8046
City of Aurora	John Holmes, Adm.	417-678-5121

#### 5. SAMPLE CONTRACT - FEES AND EXPENSES

Attached is a draft of our Municipal Advisory Agreement which contains our typical fee schedule. We do not charge a retainer and are only paid upon successful issuance. We can work, and have worked, for a client for years before ever charging for services.

Lawyers have told us that it can save them and municipalities a lot of time by pointing first to the last line of our Municipal Advisory Agreement: "This Agreement can be terminated at any time, with or without cause, with simple written notice." In other words, if, at any time, the City is not happy with McLiney And Company's work, they may terminate our agreement without giving cause and with no penalty.

In our role as fiduciary, McLiney And Company reviews all options with regards to fees that come with a bond issuance, including ratings, insurance, bond counsel, offering documents, paying agent, etc. We have found that in many cases, issues involve fees that could be reduced or entirely avoided, saving the City thousands of dollars.

## **6. CONFLICTS OF INTEREST**

McLiney And Company has no conflicts of interest, current or potential, that would impact advisory services provided to The City of Salem.

Should a conflict of interest arise, our policy would have us disclose that conflict. Our Municipal Advisory Agreement (a draft of which is attached) allows the agreement to be terminated at any time, with or without cause.

## **7. SUPPLEMENTAL MATERIALS**

On the following pages, you will find a standard draft of our Municipal Advisory Agreement.



## MUNICIPAL ADVISORY AGREEMENT

Mayor & Council  
City of Salem  
400 N. Iron Street  
Salem, Missouri 65560

Dear Mayor & Council

1. McLiney And Company, a division of SAMCO Capital Markets Inc., understands that the City, from time to time, will consider the issuance of debt or lease obligations and that in connection with the authorization, issuance, sale, and delivery of such obligations you desire the McLiney And Company Municipal Advisory Team to perform professional services in the capacity of Municipal Advisors for the City.
2. We agree to provide all services related to the development and implementation of a debt and/or lease management plan. These services include, but are not limited to, the structuring of a bond model, the formulation of a bond program, the analysis and completion of refunding programs (if any), consultation regarding bond elections, consultation regarding bond ratings, consultation regarding the available types of financings, etc. The services will also include communicating and coordinating with other professionals involved in bond transactions and related services (e.g., bond counsel, rating agent, credit enhancement providers, verification agent, arbitrage rebate provider, etc.). The advice and assistance include serving as a fiduciary to the Issuer and representing the Issuer's interest in the sale and distribution of any debt or lease obligations.
3. We agree to direct and coordinate the entire program of financing herein contemplated. It is specifically understood and agreed, however, that this obligation on our part shall not cover payment of any expenses associated with the issuance of the obligations or the expenses of any litigation if such would occur.
4. As consideration for the services rendered by us and as reimbursement for the expenses which we are to incur, it is understood and agreed that the City is to pay a cash fee for such professional services in accordance with the fee schedule set forth on the following page. Such fee shall become due and payable simultaneously with the delivery of the bonds to the purchaser. It is understood that a miscellaneous expense will be added to the fee to cover reimbursables. This amount shall be capped at \$3,000.



## FEE SCHEDULE

The following schedule is an estimate of fees due for Municipal Advisory work. The actual fee will be more or less based upon work performed.

Base Fee – Any issue \$5,000

Plus \$12.50	per \$1,000 next	\$500,000	or	\$11,250	for	\$500,000	Bonds
Plus \$10.00	per \$1,000 next	\$500,000	or	\$16,250	for	\$1,000,000	Bonds
Plus \$6.00	per \$1,000 next	\$1,500,000	or	\$25,250	for	\$2,500,000	Bonds
Plus \$5.00	per \$1,000 next	\$2,500,000	or	\$37,750	for	\$5,000,000	Bonds
Plus \$3.50	per \$1,000 next	\$5,000,000	or	\$55,250	for	\$10,000,000	Bonds
Plus \$2.00	per \$1,000	thereafter					

Fees for Refunding Bonds, Revenue Bonds, Lease Purchases, Certificates of Participation, or Bonds issued to State or Federal Agencies shall be computed from the above schedule, plus 25%. For any issue of Refunding Bonds and/or other Debt Instruments *involving Escrow Agreements*, it is understood and agreed that our fee will be the fee schedule set out above plus 10%.

For special assessment bonds, (CIDs, TDDs, etc.), Economic Development Bonds, hospital revenue bonds/leases, Tax Increment Finance (TIF) bonds, or Direct Placement Bonds, the cost will be the greater of 2.00% of bonds issued or the schedule above.

At the request of the municipality, we will assist in investing funds of the municipality, including, but not limited to, general funds, proceeds from the municipal bond transaction including construction funds, debt service reserve accounts, capitalized interest accounts. The fee for this will not exceed nine (9) basis points.

McLiney And Company will bill the Issuer at Closing for each issue of obligations a net amount which will include a fee calculated on the above schedule as well as costs and expenses, where applicable, incurred on behalf of the Issuer for the Bond Attorneys, preparation, printing and distribution of the Notice of Sale, Official Statement, Uniform Bid Form or Private Placement Memorandum, independent consultants, information meetings, if any, presentations to rating agencies and rating fees, if any, printing of Obligations, and all appropriate costs and expenses associated with the closing and delivery of the Obligations.

5. If appropriate, we will assist with the annual filing of all documents related to the Securities Exchange Commission Rule 15c2-12 (Continuing Disclosure). It is understood that we are not your agent for Continuing Disclosure because McLiney And Company cannot be assured of being informed on a timely manner of all material events that require filing during the year. It is further understood that any fees due us for our work in this capacity will be determined on a case-by-case basis.
6. This Agreement will commence on the date of acceptance and shall remain in effect until terminated or replaced with a subsequent agreement. This Agreement can be terminated at any time, with or without cause, with simple written notice.

Respectfully submitted,

---

By: Edward (Eddie) McLiney  
Senior Managing Director

#### ACCEPTANCE

ACCEPTED and Adopted by, on this date, \_\_\_\_\_, 2022

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Authorized Signature

---

Witness



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/28/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**PRODUCER**  
Roach Howard Smith and Barton  
8750 N. Central Expressway, Suite 500  
  
Dallas TX 75231

**CONTACT NAME:** Ann Nordeen  
**PHONE (A/C, No, Ext):** (972) 744-2704 **FAX (A/C, No):** (972) 744-2804  
**E-MAIL ADDRESS:** anordeen@rshsb.com

**INSURER(S) AFFORDING COVERAGE** **NAIC #**  
**INSURER A:** XL Specialty Ins Co 37885

**INSURED** (512) 794-9100  
SAMCO Holdings, Inc.  
  
6805 Capital of Texas #350  
  
Austin TX 78731

**INSURER B:**  
**INSURER C:**  
**INSURER D:**  
**INSURER E:**  
**INSURER F:**

## COVERAGES

CERTIFICATE NUMBER: Cert ID 56089

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b>						<b>EACH OCCURRENCE</b> \$
	<input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						<b>DAMAGE TO RENTED PREMISES (Ea occurrence)</b> \$
							<b>MED EXP (Any one person)</b> \$
							<b>PERSONAL &amp; ADV INJURY</b> \$
	<b>GEN'L AGGREGATE LIMIT APPLIES PER:</b>						<b>GENERAL AGGREGATE</b> \$
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						<b>PRODUCTS - COMP/OP AGG</b> \$
	<b>OTHER:</b>						\$
	<b>AUTOMOBILE LIABILITY</b>						<b>COMBINED SINGLE LIMIT (Ea accident)</b> \$
	<input type="checkbox"/> ANY AUTO						<b>BODILY INJURY (Per person)</b> \$
	<input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS						<b>BODILY INJURY (Per accident)</b> \$
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						<b>PROPERTY DAMAGE (Per accident)</b> \$
							\$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR						<b>EACH OCCURRENCE</b> \$
	<b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE						<b>AGGREGATE</b> \$
	<b>DED</b> <input type="checkbox"/> <b>RETENTION \$</b>						\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A				<b>E.L. EACH ACCIDENT</b> \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						<b>E.L. DISEASE - EA EMPLOYEE</b> \$
							<b>E.L. DISEASE - POLICY LIMIT</b> \$
A	<b>Errors and Omissions</b>			ELU18322322	06/05/2022	06/05/2023	<b>Each Occurrence</b> \$ 1,000,000 <b>Aggregate</b> \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

## CERTIFICATE HOLDER

City of Salem, Missouri  
  
400 N. Iron Street  
  
Salem MO 65560

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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# City of Salem, Missouri

## Response to Request for Proposals



**Chris Collier**  
Managing Director  
314-726-7535  
chris.collier@psc.com

**Todd Goffoy**  
Managing Director  
913-345-3373  
todd.goffoy@psc.com

**Hannah Snyder**  
Assistant Vice President  
913-345-3302  
hannah.snyder@psc.com

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2. Organizational Overview
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4. References
5. Certificate of Professional Liability Insurance
6. Cost of Proposal
7. MSRB Disclosure Statements for Municipal Advisor

Appendix A: SRF Due Diligence Questionnaire and Checklist



## 1. Cover Letter

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8235 FORSYTH BLVD., SUITE 600  
CLAYTON, MO 63105  
1 314 726-7532  
Piper Sandler & Co.  
Since 1895. Member SIPC and NYSE.

November 30, 2022

Sally Burbridge  
Temporary City Administrator  
City of Salem  
400 North Iron Street  
Salem, MO 65560

Re: RFP Response for Municipal Financial Advisory Services for City of Salem, Missouri

Dear Sally,

We appreciate the opportunity to provide our proposal to serve as the City's financial advisor. We value the relationships we have with our clients and look forward to assisting the City with obtaining competitive financings for its Wastewater Treatment Plant and possible refunding of outstanding Certificates of Participation.

The top two selection criteria mentioned in the City's RFP are experience as a financial advisor to other Missouri cities and qualification and experience providing financial advisory services. We would like to briefly provide some expanded ideas in these areas and highlight a few other factors we believe would be important to the City in its selection process.

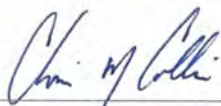
- **Reputation:** Having assisted over 170 Missouri municipalities with a wide range of financing needs our reputation is well documented among all market participants. Piper Sandler professionals regularly attend and support the activities of the Missouri Municipal League and Government Finance Officer's Association of Missouri, including attending and presenting at GFOA luncheons throughout the state. Our reputation throughout the Missouri financial marketplace is built on a high level of professionalism, sound judgment, timely and innovative ideas and confidence in the advice we provide.
- **Number One Municipal Advisor in Missouri by Number of Issues:** No firm has served as financial advisor on more Missouri bond issues in the past five years than Piper Sandler. While other firms have focused on providing underwriting services, we have long recognized the important nature of serving cities in a fiduciary manner and have developed specific skills and processes that are valuable to our clients as a municipal advisor.
- **Experienced and Qualified Project Team:** Chris Collier will be the primary advisor assigned to the City for Piper Sandler. Chris has 23 years of experience in the municipal bond business and serves as the primary advisor to many Missouri cities. The team serving in partnership with Chris will include Todd Goffoy, and Hannah Snyder, who have over 35 years of combined experience serving Missouri city clients. We believe the benefits of having a consistent team of senior-level advisors available to the City of Salem is substantial.

The dynamics in the financial market place are more challenging now than ever. There is no substitute for having a team of experienced financial guides to develop the surest paths to reach the City's financing goals. Our individual qualifications combined with the significant resources of a large, national firm, provide the City of Salem and its leaders with the confidence to adequately assess all financial situations and render the best advice possible to the Board of Aldermen.

- **Substantial and Meaningful Resources:** When you work with Piper Sandler, the resources at your disposal are not limited to a single advisor, but rather a team of industry experts. Piper Sandler has substantial resources available and dedicated to ensure the City is well-served as we provide municipal advisor services. This ranges from real-time access to the capital markets and all market participants, to knowledge of various structures of financial options being used in other parts of the country, to dedicated quantitative analysts serving Missouri Clients. These resources translate into a better skill set and the highest quality and most timely work product.
- **Accessibility:** The importance of being accessible should not be overlooked. We encourage regular communication with our clients and truly enjoy our conversations regarding current events and the financial markets. A strong rapport with City staff and a level of confidence with elected officials is vital when providing investment banking services. With response times and deadlines being compressed even further, it is imperative that City staff have access to other professionals at the firm beyond the primary contact. On a regular basis we have made other Piper Sandler professionals available to staff as needed in order to provide timely information and advice.

Thank you for this opportunity to submit our proposal to serve as the City of Salem's Advisor. We are deeply committed to providing you and the City with extensive financial advisory services of the highest quality.

Sincerely,



Chris Collier, Managing Director  
314-726-7535  
[chris.collier@psc.com](mailto:chris.collier@psc.com)



## 2. Organizational Overview

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### Our Firm

Founded in 1895 and headquartered in Minneapolis, Minnesota, Piper Sandler Companies (NYSE: PIPR) is a client-focused, full-service investment banking firm dedicated to delivering superior financial advice, transaction execution and investment products within selected sectors of the financial services marketplace. Piper Sandler is divided into two primary segments: 1) public finance and fixed income services, and 2) investment banking and equities. Public finance-related revenues account for approximately 33% of firm revenues, making it a key business line for Piper Sandler.

### Ownership and Philosophy

Piper Sandler & Co. is a subsidiary and the primary operating entity of the holding company Piper Sandler Companies. Piper Sandler is regionally based, with offices primarily in the Midwest, Rocky Mountain, Southwest, Eastern and Pacific Coast states. Piper Sandler's 1,687 employees serve corporations, government, non-profit entities and institutional investors on an international basis. Piper Sandler is a national leader in our areas of focus.

### Guiding Principles

Piper Sandler has a philosophy that emphasizes steady growth through financial strength, honoring a commitment to client service, and providing a quality work environment for its employees. These values are reflected in the company's guiding principles below.

*We create and implement superior financial solutions for our clients. Serving clients is our fundamental purpose. We earn our clients' trust by delivering the best guidance and service. Great people working together as a team are our competitive advantage.*

### As we serve, we are committed to these core values:

- Always place our clients' interests first
- Conduct ourselves with integrity and respect and treat others with respect
- Work in partnership with our clients and each other
- Attract, retain and develop a diverse group of the best people in a high-quality, inclusive environment
- Contribute our talents and resources to serve the communities in which we live and work

### Forbes Most Trustworthy

Each year, Forbes takes a look at the companies that rate the most trustworthy, based on accounting and governance practices. Forbes' list is assembled by MSCI ESG Research, which compiles data from 700 publicly traded companies with market caps above \$250 million. MSCI assesses factors like "high-risk events, revenue and expense recognition methods, SEC actions and bankruptcy risks" as indicators of a firm's credibility. Piper Sandler made the list of the top 50 most trustworthy companies in 2015 and 2017 as a result of our commitment to ethics and integrity. At Piper Sandler, all employees share the responsibility to conduct ourselves with integrity and place our clients' interests first. We cannot feel safe in assuming that we are putting our clients' interests first simply because we are following the letter of the law and/or industry custom and practice. Rather, we must make decisions that follow our Guiding Principles and do the right things for our clients. All employees are required to complete a training module on "Putting Clients' Interest First" which helps employees learn to identify and appropriately address situations where our values or clients' interests may be challenged. We also maintain an Ethics Hotline and an Ethics Mailbox that employees may use to report violations or suspected violations of the company's Code of Ethics and Business Conduct, employment-related concerns, and concerns regarding questionable accounting or auditing matters.

### Special Expertise

**Private Placement** - In addition to traditional public offerings (both negotiated and competitive), Piper Sandler is very knowledgeable regarding the recent increased activity in the private placement market. It is important to understand the circumstances that favor a placement as well as the impact they may have on future obligations of the City and impact upon the bond rating process.

**Economic Development** - Another area of expertise that is critically important to our clients is in the area of economic development. With the ebb and flow of various economic development tools, issuers need to be aware of each development tool's long term impact upon the City's finances and the vibrancy of the community. It is critical that issuers have a fiduciary representing the issuer's interests and not rely on a developer and its representatives.



**SRF Program** – Of particular interest to the City of Salem, we have been involved with the SRF program from the inception of the program in 1990. With today's competitive process for funding through the SRF/DNR loan program, our vast experience with this water and wastewater revolving loan program sets us apart from other Financial Advisors in Missouri.

**Ongoing Compliance** – The municipal bond market has experienced ever increasing regulatory scrutiny ranging from continuing disclosure requirements to random audits to the new SEC Municipal Advisor Rule. Piper Sandler has an in-house Compliance department that is not only important to Piper Sandler but all of our clients. We monitor all new regulations and make sure that we are apprising our clients as well. At a time when enforcement has become a focus, issuers are best served to have help in this area.

**Rating Process** – As mentioned in the Qualifications section, our focus and experience in the rating process is a valuable asset, as the rating agencies have incorporated criteria changes and implemented new processes for surveillance.

**Debt Policy** – Piper Sandler's Missouri bankers have helped many issuers craft and revise debt policies, assisting issuers with crafting policies that conform to best practices and rating agency guidelines. Upon being retained as Financial Advisor for City of Salem, Missouri (the "City"), we will meet with appropriate City Staff to develop timelines for each of the proposed tasks and, if necessary, prioritize each task. By reference hereto, we agree to provide the Scope of Services requested and included in the City's RFP. Piper Sandler has vast experience providing the services described in the Request for Proposal for a broad range of projects, including major infrastructure and economic development projects for Missouri cities.

## Midwest Presence

Piper Sandler has been a leading financial advisor of municipal issues in this region since 1990. This is a direct result of our strong presence in the Midwest, including our headquarters in Minneapolis, and offices in Barrington, Chicago, Des Moines, Kansas City, Lincoln, Milwaukee, Omaha and St. Louis. A total of 43 investment banking professionals work with a wide variety of clients in these and other states in the region in several specialty areas including housing, healthcare, higher education finance and state & local government, including school and special districts.

## Missouri Municipal Advisory Experience

Piper Sandler brings a team approach to its Financial Advisory engagements. Members of the team that will be engaged with the City have vast experience with providing financial advice, having helped build the number one ranked financial advisory practice in Missouri by number of issues.

Over the past five years, Piper Sandler has been the most active financial advisor in the Missouri market, completing 130 financings with a combined par amount of approximately \$2 billion. Piper Sandler's Missouri advisors bring a wealth of experience with annual appropriation debt paid from sales taxes and with economic development debt.

Missouri Financial Advisor Long Term Transactions  
Competitive, Negotited, Private Placements Combined  
Ranked By Number of Issues  
2017 - 2021

Rank	Firm	# of Issues
1	Piper Sandler & Co	130
2	Columbia Capital Management*	87
3	WM Financial Strategies	63
4	McLiney & Co	33
5	Hilltop Securities	30
6	Sentry Financial Services LLC	29
7	PFM Financial Advisors LLC	24
8	Baker Tilly Municipal Advisors	22
9	CSG Advisors Incorporated	19
10	Moody Reid	18

\* 24 Financings were as advisor to MOHEFA (Conduit Issuer)



### 3. Qualifications

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Upon being engaged as Financial Advisor for the City of Salem, Missouri, we will meet with appropriate staff to review and discuss all anticipated capital improvements. Our goal will be to enhance our current understanding of the financial position and objectives of the City so that we may be able to provide advice that is consistent with the needs of the City.

Piper Sandler has multiple analysts available for quantitative support in the Kansas City office, with the ability to provide financing alternatives and analyses upon the City's request, taking into account market conditions and the City's ability to pay out of existing revenue sources or the consideration of additional revenue streams,

When the City makes the decision to move forward with the financing, Piper Sandler will take the following actions:

1. **Financing Plan** - Develop a financing plan that will include recommendations with respect to the timing of the sale, maturity schedule, redemption features and other terms required to market the debt.
2. **Document Preparation** - Assist the City and its Bond Counsel and Disclosure Counsel in the development of the authorizing resolutions, sale documents, POS and any other documents needed.
3. **Paying Agent Selection** - Assist the City in selecting the Paying Agent through a competitive proposal process.
4. **Competitive Sale** - Piper Sandler has completed many competitive sales and is currently working on several for Missouri issuers. In a competitive sale, we view ourselves as the marketing liaison between the City and prospective bidders. We make certain that all documents are made available on the Parity bidding system well in advance of the sale date and directly communicate with bidders to ensure that all questions are answered and encourage as many high-quality bids as possible. Piper Sandler enjoys a strong reputation in the competitive sale market as a result of our attention to detail and communication with the bidding community.

On the day of the sale, if desired, we will be on site with the City to receive and analyze bids and quickly communicate with market participants and counsel once complete. We coordinate the closing process so that the funding process is smooth.

5. **Negotiated Sale** - A financial advisor's role is very important in a negotiated sale as well. Again, having an industry-wide respected advisor is beneficial because underwriters are aware that we are market savvy. And, because we also maintain an underwriting desk, we have accurate and timely market knowledge immediately available. This allows us to negotiate with an underwriter (either selected by RFP process or otherwise) both from a fee standpoint, and more importantly, on interest rates.

In order to negotiate optimal pricing for our clients, we prepare by gathering interest rate information for all comparable transactions as well as other market statistics. We also focus on call provisions and assist in negotiating the best calls without cost to the issuer.

The bottom line in negotiated underwriting is using knowledge as power to negotiate the best terms for our clients. Piper Sandler is experienced in arming our clients with the market knowledge necessary to negotiate the most optimal terms of their financing.

6. **Rating** - Piper Sandler has a great deal of experience in working with the rating agencies. Our work has ranged from preparing cities for their first rating to working with the highest rated issuers in the country. As a result of our activity in public finance, we have developed personal relationships with the analysts at the rating agencies who perform research on issuers in this region. This has proven to be very beneficial to our clients, as we are aware of the factors which are important to various analysts in reaching their recommendations on a rating.

In approaching the credit rating process, several important factors must be considered. First of all, some of the factors that drive a credit rating are out of the City's control (i.e., economic and demographic criteria), so we advise our clients to focus on the factors over which they have control. Those factors are primarily related



to financial management and include items like budgeting practices, fund balance policies, debt management practices and policies and capital planning. In addition, while we cannot change a client's financial position, we can focus on providing high quality, accurate information that emphasizes the City's strengths in each of the five general areas which the rating agencies concentrate on during their evaluation.

These areas are:

- ◆ debt factors
- ◆ governmental factors
- ◆ the local economy
- ◆ financial performance
- ◆ financial management practices

Piper Sandler will assist staff in preparing, evaluating and presenting information which will be submitted to the rating agencies to enhance the City's credit profile. We also encourage site visits when feasible so that the rating agency may see the City itself and meet the staff; however, we have found that timing often prohibits such a visit.

7. **Structuring the Issue** – We will advise the City on the optimal structure for its issue, matching revenues available with the proper amortization. We will consider coupons and call provisions as important structuring considerations for today, as well as future decision points for the City.

8. **Market Analysis** – In order to appropriately advise the City on the establishment of a desirable sale date and to keep the City abreast of the cost of the financing plan under development, we shall monitor and perform the following:

- i. The general condition and trends in the economy.
- ii. The condition of capital markets including the imposition of any unusual restraints on monetary supply by the Federal Reserve System.
- iii. The status of recently sold municipal issues.
- iv. The supply of issues coming to market.
- v. Mathematical Computations.

9. **Maturity Schedules** – We will prepare maturity schedules and other schedules showing mathematical results including the source and disbursement of funds, yield calculations and tax impact.

Our technical capabilities are a combination of state-of-the art software and, more importantly, experienced professionals who have worked on multitudes of transactions and are encouraged to use creativity to provide additional value to our clients. Our team approach and firm resources recognize that there is more than one way to complete and to analyze issues, providing better information from which to provide recommendations. Our clients can best make truly informed decisions when armed with all of their options.

10. **Meeting Attendance** – Attend meetings to explain the progress of the transaction and the various documents to be adopted by the City.

11. **Continuing Disclosure Obligation** – We will review prior debt undertakings and provide current compliance assessment, education of the City regarding disclosure obligations and ongoing advice concerning any material event notice.

12. **Closing Services** – We will provide services required to effectuate the debt closing. The services will include assisting with the establishment of accounts if necessary, transfer of funds at the time of the closing, and obtaining CUSIP identification numbers.

## **Governmental Experience**

### **Water and Sewer Projects**

Piper Sandler has assisted many clients financing major water and sewer improvements, including new treatment plants and related infrastructure. Recent projects include financing a new sewerage treatment plant that is in process for the City of Rolla on which the City recently closed on financing through the SRF Program, a new water treatment



plant that is in process for the Sikeston Board of Municipal Utilities, and a new sewerage treatment plant for the City of Liberty.

### Recent Water and Sewer Project- City of Liberty

The City of Liberty historically collected sewage from the city and sent the sewage to Kansas City for treatment. Over time, the cost of this arrangement increased, and Liberty decided to explore other options, including building and operating their own treatment plant.

Piper Sandler worked in partnership with city staff to examine financing options, including issuing conventional voted revenue bonds, voted revenue bonds issued through the State Revolving Fund program, and non-voted lease-purchase financing. Taking into account other existing sewer system debt, we modeled different payment options and how they would affect the City's rate structure.

As is often the case, a State Revolving Fund loan offered the lowest interest rate. The city chose this option, and Piper Sandler guided the city in its acquisition of a \$79 million State Revolving Fund loan. Traditionally, the program offers 20 year loans with level annual payments. This structure wasn't optimal for Liberty, as it would have required large immediate rate increases. Piper Sandler worked with the City to negotiate an alternative structure with Missouri DNR, which allowed the City to use capitalized interest during construction, and to start off the loan with a low annual payment that increased each year for the first five years before leveling off. This structure allowed the City to ease its customers into the rate structure required to fund the new treatment plant.

### State Revolving Fund Experience – Water and Sewer Financing

Piper Sandler's personnel has been involved with the SRF program from the inception of the Missouri program in 1990. With today's competitive process for funding through the SRF/DNR loan program, our vast experience with this water and wastewater revolving loan program sets us apart from other Financial Advisors in Missouri.

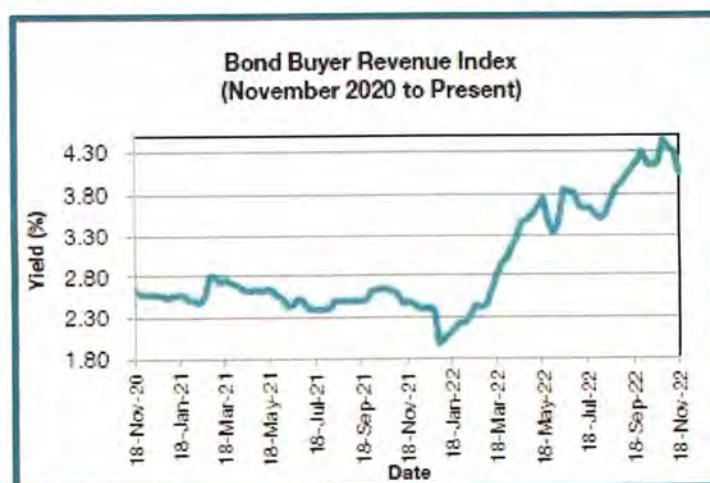
SRF has several nuances and has undergone numerous changes and formats since its inception. Recently, we assisted the City of St. Joseph with a 30 year amortization that was the first time SRF approved such a structure. We also recently assisted the City of Liberty with a unique SRF financing for a sewer treatment plant, as discussed previously, as well many other sewer projects such as the City of Kirksville and Jefferson City. Given the breadth of our experience, the City can feel confident that the financing analysis includes an accurate review of all SRF considerations.

Please see in **Appendix A** for a copy of the SRF Due Diligence Questionnaire and Checklist. During the process, Piper Sandler will work with the City to complete each document as you progress through the financing.

### City of Salem's Series 2017 and Series 2017B Refunding

Once hired as the City's advisor, we will meet with the City's leadership to discuss the goals and objectives of any potential refunding, look at timing, and review other financing plans being contemplated by the City. The goal will be to ensure the City moves appropriately given recent interest rate movement to maximize potential savings while fitting into any additional debt plans that might occur in the near future.

In preparation of this proposal, we updated the refundings that we last ran for the City in August. Interest rates have steadily increased since August, which has negatively impacted the City's potential savings.



Given the outstanding financings had a Debt Service Reserve Fund, we believe that the City should utilize those reserves to pay down the outstanding bonds. This will help in lowering the annual payments, and assist with improving the overall savings for the City. We used recent rates obtained from our underwriting desk and some feedback we have received from potential banks. Given the outstanding amortization of the bonds, along with the par amount of the refunding, we estimate a True Interest Cost (or "TIC") for the refunding of 3.97% for a Public Offering and a 4.50% for a Direct Placement. As detailed below, these rates resulted in total negative savings of -\$393,000 for the Public Offering. This calculates to a Present Value Savings of -\$349,008 or -5.11% of the outstanding par amount.

<b>City of Salem, Missouri</b> <b>Refunding Certificates of Participation, Series 2022</b> <b>Savings Summary</b>				
	Series 2017 and 2017B COP's (August 2022)		Series 2017 and 2017B COP's (November 2022)	
	Direct Placement	Public Offering	Direct Placement	Public Offering
Par Amount	\$7,585,000.00	\$7,200,000.00	\$7,050,000.00	\$6,825,000.00
Premium	<u>\$0.00</u>	<u>\$380,754.80</u>	<u>\$616,987.00</u>	<u>\$840,175.10</u>
Total Sources:	\$7,585,000.00	\$7,580,754.80	\$7,666,987.00	\$7,665,175.10
Refunding Escrow	\$7,436,385.36	\$7,436,385.36	\$7,518,121.67	\$7,518,121.67
Est Cost of Issuance	\$145,000.00	\$145,000.00	\$145,000.00	\$145,000.00
Rounding Amount	<u>\$3,614.64</u>	<u>\$768.65</u>	<u>\$3,865.33</u>	<u>\$2,053.43</u>
Total Uses	\$7,585,000.00	\$7,582,154.01	\$7,666,987.00	\$7,665,175.10
True Interest Cost (TIC)	3.15%	3.31%	4.50%	3.97%
Gross D/S Savings	\$177,020.27	\$43,671.94	<b>-\$733,022.50</b>	<b>-\$393,294.50</b>
Net Present Value Savings (\$)	\$159,275.93	\$45,612.26	<b>-\$575,778.46</b>	<b>-\$349,008.45</b>
Net Present Value Savings (%)	2.10%	0.63%	<b>-8.17%</b>	<b>-5.11%</b>

While the refunding would currently result in substantial negative savings, the table above demonstrates how quickly interest rates could change, resulting in positive savings for the City. If selected as the City's advisor, we will continue to monitor interest rates and keep the City aware of any potential savings as things progress.



## 4. References

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### ***City of Chesterfield***

690 Chesterfield Parkway West  
Chesterfield, MO 63017  
Jeannette Kelly, Finance Director  
636-537-4726

[jkelly@chesterfield.mo.us](mailto:jkelly@chesterfield.mo.us)



Chesterfield has been a long-standing client of Piper Sandler. Over the years, we have assisted the City of Chesterfield with General Obligation Bonds, Certificates of Participation, Transportation Development Districts, Community Improvement Districts, and Neighborhood Improvement Districts. These financings have been structured and sold in multiple different ways including negotiated public offerings, competitive sales, and direct placements to banks. Each approach was discussed with the City to maximize investor participation and improve the overall cost structure. In addition, we have assisted the City in reviewing their financial policies (including debt policies, investment policies, fund balance policies, and capital planning policies) to ensure these policies reflect the ever changing needs of the City while matching current trends of peers and what the rating agencies key on when looking at the city's credit rating. The end result is the City maintaining a "Aaa" rating from Moody's.

### ***City of O'Fallon***

100 N. Main Street  
O'Fallon, MO 63366  
Vicki Boschert, Director of Finance  
636-379-5522

[vboschert@ofallon.mo.us](mailto:vboschert@ofallon.mo.us)



In 2020, the City of O'Fallon issued Special Obligation Bonds to provide funding to improve their Water and Sewer facilities. The timing of the transaction was on a tight schedule because the City wanted to sell the bonds prior to the presidential election on November 4<sup>th</sup> 2020 due to concern about possible market disruption from the uncertainty surrounding the election. As the City's independent advisor, we worked to quickly gather information and assisted putting together the POS and information for rating agency. We then reached out to S&P (who rated the City's previous transactions) to set up a ratings call. Unfortunately, due to scheduling issues S&P could not accommodate a call until the middle of November (well past the time the City wanted to sell the bonds). Therefore, we quickly pivoted and recommended the City use Moody's as the rating agency. We reached out to Moody's obtained the necessary approvals, and was able to hold the ratings call to accommodate our schedule. The rating of the bonds was obtained a week prior to the sale, and resulted in the City receiving an upgrade in rating (from Aa2 to Aa1). This was the highest rating achieved by the City.

While there was historical large volume of municipal bonds pricing the week before the election, the improved rating of the City, along with our market outreach prior to the sale, resulted in an aggressive bid of 1.942% TIC from Wells Fargo, which was the lowest TIC obtained on any of the City's previously sold bonds.

**City of Clayton**

10 N. Bemiston Avenue  
Clayton, MO 63105  
David Gipson, City Manager  
314-290-8400  
[dgipson@claytonmo.gov](mailto:dgipson@claytonmo.gov)



Throughout the spring and summer of 2019, Piper Sandler assisted the City of Clayton with planning a financing of the City's portion of renovating the Center of Clayton Community Recreation Center, which the City shares with Clayton School District. City's portion of the renovation financing cost \$5.3 million, and the City desired to pay for the renovations over 12 years out of its ½ cent parks and storm water sales tax.

After analyzing the City's options of both public market financing and direct bank placement financing and reviewing the City's outstanding debt for refinancing opportunities, Piper Sandler recommended combining the Center of Clayton project with a refinancing of the City's outstanding Series 2009B Special Obligation Bonds, creating a \$12.43 million combined financing that would allow the City to combine costs of issuance and focus staff time on one issuance, and create a financing sized to attract large underwriter interest with a public bond sale.

The bonds were issued as special obligation bonds, which are an annual appropriation obligation of the City and are not backed by a leasehold interest in any property. Piper Sandler guided the City through the bond rating process, which resulted in a lofty 'AA+' rating. With the rating secured and a strong bond market with significant underwriter interest in purchasing competitively offered bonds, Piper Sandler recommended the City issue the bonds through a competitive bond sale, under which the City received sealed bids from underwriters on September 24 at 10:00 am and awarded the bonds to the best bidder. The City's bonds received 8 strong underwriting bids, with underwriters both locally and across the country competing for the chance to purchase the bonds. The underwriting bids ranged from a low interest cost of 1.77% to a high interest cost of 1.95%.



## 5. Certificate of Professional Liability Insurance



### CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/05/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hays Companies 80 South 9th Street Suite 700 Minneapolis, MN 55402	1-612-333-3323	CONTACT NAME Dawn Heinemann or Melody Kronbach PHONE (A/C, No, Ext) 612-333-3323 FAX (A/C, No) 612-373-7270 E-MAIL dheinemann@hayscompanies.com
INSURED Piper Sandler Companies Attn: Eric Emmette 800 Nicollet Mall Minneapolis, MN 55402-7020	INSURER(S) AFFORDING COVERAGE INSURER A: TRAVELERS CAS & SURETY CO INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

#### COVERAGES

CERTIFICATE NUMBER: 64304282

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (if a occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (if a accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			105976032	12/31/21	12/31/22	Limit/Aggregate 10,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of insurance.

#### CERTIFICATE HOLDER

#### CANCELLATION

Evidence of Insurance	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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ACORD 25 (2016/03)  
ddeburr  
64304282

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## 6. Cost of Proposal

The following table sets forth our fee for providing financial advisory services: Our fee will be contingent upon the successful closing of an issue and if for any reason the issue does not close, no fee would be payable to Piper Sandler.

Principal Amount	General Obligation Bond Fee	Appropriation Financings & Utility Revenue Bond Fee
Under \$5,000,000	\$15,000	\$22,500
\$5,000,001 - \$10,000,000	\$17,500	\$29,000
\$10,000,001 and higher	To be determined on a case by case basis with mutual consent between the City and Piper Sandler	

We will not charge the City any fee for general consulting advice between issues. We are glad to be a resource to our clients and routinely provide bond related information that is helpful to our clients. In addition, we will not charge any fee for preliminary debt calculations, outstanding bond issue spreadsheets, feasibility calculations or other general information. Our fee is contingent upon the successful closing of an issue and will be payable after such closing.

The proposed fees shall be valid during the entire initial term of the contract. There will be no other reimbursable expenses. CUSIP fees and expenses related to posting and distribution of any offering document will be paid by the City from bond proceeds as ordinary costs of issuance. The proposed fee structure is subject to further discussion and negotiation with the City.



## 7. MSRB Disclosure Statements for Municipal Advisor

The following is being provided to you in accordance with Municipal Securities Rulemaking Board (MSRB) Rule G-42, (which we refer to herein as the Rule), effective June 23, 2016, which applies to Piper Sandler in its capacity as a financial advisor or municipal advisor to you. The Rule requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in the Rule, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by us, Piper Sandler is required to provide a written statement to that effect.

Accordingly, we make the following disclosures with respect to actual or potential material conflicts of interest, together with explanations of how we address or intend to manage or mitigate each conflict. As a broker dealer with a client oriented business, our success and profitability over time is based on assuring the foundations exist of integrity and quality of service. Furthermore, Piper Sandler's supervisory structure, utilizing our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of Piper Sandler potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

**Compensation-Based Conflicts.** While we have not finalized the terms of our engagement with you, we are required to provide you with disclosures of potential conflicts related to compensation models we may mutually agree to. If the fees expected to be paid by you are based on the size of an issue, while this form of compensation is customary in the municipal securities market, it may present the appearance of a conflict or the potential for a conflict because it could create an incentive for Piper Sandler to recommend unnecessary financings or financings that are disadvantageous to you, or create an incentive for Piper Sandler to advise you to increase the size of the issue. If the fees expected to be paid by you are in a fixed amount established at the outset of the agreement, the amount is usually based upon an analysis by you and Piper Sandler of, among other things, the expected duration and complexity of the transaction and the scope of services to be performed by Piper Sandler. This form of compensation presents the appearance of a conflict or a potential conflict of interest because, if the transaction requires more work than originally contemplated, Piper Sandler may suffer a loss. Thus, Piper Sandler may have an incentive to recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. If the fees expected to be paid by you are based on hourly fees of Piper Sandler's personnel, with the aggregate amount equaling the number of hours worked by such personnel times an agreed-upon hourly billing rate, this form of compensation presents the appearance of a conflict or a potential conflict of interest if the Client and Piper Sandler do not agree on a reasonable maximum amount at the outset of the engagement, because Piper Sandler does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In addition, any contingent-based compensation based upon the successful delivery of the issue, while customary in the municipal securities market, may present the appearance of a conflict or the potential for a conflict because it could create an incentive for Piper Sandler to recommend unnecessary financings or financings that are disadvantageous to you. We believe that each of these potential conflicts of interest are mitigated by our duty of care to you and by the general mitigations related to our duties to you, as described above.

**Transactions in Client's Securities.** As a municipal advisor, Piper Sandler cannot act as an underwriter in connection with the same issue of bonds for which Piper Sandler is acting as a municipal advisor. From time to time, Piper Sandler or its affiliates may submit orders for and acquire your securities issued in an issue under an agreement from members of the underwriting syndicate, either for its own trading account or for the accounts of its customers. Again, while we do not believe that this activity creates a material conflict of interest, we note that to mitigate any perception of conflict and to fulfill Piper Sandler's regulatory duties to you, Piper Sandler's activities are engaged in on customary terms through units of Piper Sandler that operate independently from Piper Sandler's municipal advisory business, thereby eliminating the likelihood that such investment activities would have an impact on the services provided by Piper Sandler to you.

**Disclosures of Information Regarding Legal Events and Disciplinary History.** The Rule requires that all municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to a client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. We do not believe there are legal or disciplinary events that are material to your evaluation of Piper Sandler or the integrity of Piper Sandler's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC. Piper Sandler's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <http://www.sec.gov/edgar/searchedgar/companysearch.html>. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required

information already filed by Piper Sandler in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by Piper Sandler on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and Piper Sandler's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such BrokerCheck reports or Form ADV, Piper Sandler's CRD number is 665.

Piper Sandler & Co.

By: 

Title: Managing Director

Date: November 30, 2022

Piper Sandler & Co. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board ("MSRB"). A brochure is posted on the website of the MSRB, at [www.msrb.org](http://www.msrb.org) that describes the protections that may be provided by MSRB rules and how to file a complaint with an appropriate regulatory authority.



Appendix A: SRF Due Diligence Questionnaire and Checklist

STATE REVOLVING FUND DIRECT LOAN

DUE DILIGENCE REQUEST FORM

(Governmental Participant)

The Missouri Department of Natural Resources, Financial Assistance Center ("Department") requests the following information from each participant ("Participant") that is applying for financial assistance. The information is also needed as part of the due diligence review required by federal and state securities laws. It is necessary to obtain the following information for the Department to assess loan participant's financial background information. By executing this questionnaire, the Participant certifies that responses provided are true, correct, complete and do not contain material misstatements or omissions.

If one of the following questions is not applicable, please indicate so. Attach additional sheets of paper or extend the form electronically, as needed, to answer the following questions. Return the completed form to:

Missouri Department of Natural Resources  
Financial Assistance Center  
P.O. Box 176  
Jefferson City, MO 65102-0176  
Phone: (573) 751-1192  
Fax: (573) 751-9396  
fac@dnr.mo.gov

Please confirm the description of project to be financed with the State Revolving Fund (SRF) Direct Loan: *[Refer to the project description from DNR's FONSI or CATEx]* \_\_\_\_\_

I. General Information

1. Legal Name of Participant: \_\_\_\_\_

Nature of governmental entity of the Participant (county, city, village, public water district, public sewer district, or combination): \_\_\_\_\_

Authorized Representative/Daily Contact Person: \_\_\_\_\_

SAM.gov UEI Number: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

E-mail: \_\_\_\_\_

2. Does any member of the Participant's governing body or any of its key administrative personnel have a potential conflict of interest regarding the project to be financed with the Direct Loan by reason of such membership or position?

☐ Yes

☐ No

If yes, state whom and the nature of such conflict. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Date of Participant's fiscal year end: \_\_\_\_\_

4. Participant's Taxpayer Identification Number: \_\_\_\_\_

5. Has the Participant ever failed to comply with any of the informational reporting responsibilities contained in any financing document or instrument intended to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (regarding municipal securities disclosure)?

☐ Yes

☐ No

If yes, please describe: \_\_\_\_\_

6. Participant's local bond counsel:



Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

E-mail: \_\_\_\_\_

7. Participant's financial advisor:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

E-mail: \_\_\_\_\_

II. Bond Authorization Information

1. What is the source of repayment of the Participant's bonds securing the direct loan?:

- ☐ Combined Waterworks and Sewerage System Revenues (Revenue Bonds)
- ☐ Waterworks System Revenues (Revenue Bonds)
- ☐ Sewerage System Revenues (Revenue Bonds)
- ☐ Unlimited Property Tax Revenues (General Obligation Bonds)
- ☐ Capital Improvement Sales Tax Revenues (Sales Tax Revenue Bonds)
- ☐ Capital Improvement Sales Tax Revenues (annual appropriation) [Note – an additional source of repayment is required - must also check another box] [If checked, please alert project manager – additional information may be required]
- ☐ Other (describe): \_\_\_\_\_

2. Please provide a list of the Participant's outstanding bonds that are secured by the same source of revenues that will secure repayment of the direct loan indicated in II-1 above.

Series	Original Par Value	Outstanding Balance	Type of Security (Sewer Rev, Water Rev)	Final Maturity Date

3. Describe the amount and type of any authorized but unissued bonding capacity for the type of bonds secured by the same source of revenues that will secure repayment of the direct loan, including the bonds to be issued in connection with this financing. \_\_\_\_\_

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4. Does the Participant anticipate issuing any bonds simultaneously with or within one year after the bonds to be issued by the Participant in connection with this direct loan?

☐ Yes

☐ No

If yes, please describe and provide an official statement, if available: \_\_\_\_\_

---

5. Does the Participant have any outstanding U.S. Department of Agriculture, Rural Development (USDA-RD) debt related to the system?

☐ Yes

☐ No

If yes, please provide a copy of USDA-RD Form RD 465-1, Application For Partial Release, Subordination, or Consent that has been submitted to USDA-RD regarding the proposed SRF financing.

6. Participant bonds:

Are revenues available to pay interest on the Participant's bonds from date of issuance?

☐ Yes

☐ No

If no, please describe special circumstances: \_\_\_\_\_

### III. Project and Finance Structure Information

#### 1. Expected Project Sources and Uses:

Description	SRF Direct Loan	SRF Grant	Other Sources <sup>†</sup>	Total
Land and easement acquisition				
Engineering				
Refinancing outstanding debt				
Construction				
Contingency <sup>[1]</sup>				
Capitalized interest <sup>[2]</sup>				
<b>Subtotal Construction Costs</b>				
Local bond counsel				
Local financial advisor				
Paying/Escrow Agent				
Master Trust Bond Expense <sup>[3]</sup>				
Program bond counsel <sup>[4]</sup>				
<b>Subtotal Financing Costs</b>				
<b>TOTAL</b>				

<sup>†</sup> Participant funds or other financing source (e.g. DNR rural sewer/water grant, CDBG, etc.)

<sup>[1]</sup> 10% of construction costs

<sup>[2]</sup> Non-standard – requires justification in 2. below

<sup>[3]</sup> 0.6% of Direct Loan Total

<sup>[4]</sup> Available from DNR Project Coordinator



2. **Note: Question 2 is applicable only if the Participant is refinancing outstanding notes/bonds with the direct loan.**

Does the project include a refinancing of outstanding notes or bonds?

☐ Yes

☐ No

If yes, check all that apply.

☐ Planning and Design Loan

☐ Other notes or bonds

*Please contact your project manager as more information will be needed.*

Are there any unexpended proceeds from the bonds or notes being refinanced?

☐ Yes

☐ No

If yes, please provide an expected disbursement schedule. (Include the last date on which any remaining proceeds from the bonds or notes to be refinanced may be disbursed.)

IV. System Information and Revenues

1. Other than the project being financed with this direct loan, describe generally any plans to expand, improve or equip the system within the next two years: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Ten (10) largest users and % of system use.

User	% of System Use	% of System Revenues

Are there major users (users greater than 5% of the system use and/or revenues) that if they ceased operations might jeopardize the applicant’s ability to provide adequate debt service coverage?

☐ Yes

☐ No

If yes, please answer the following questions and/or evaluate the applicant’s debt service coverage without the user’s revenue:

How long has each major user been a water customer? \_\_\_\_\_

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Are you aware of any plans major users have to expand their facilities, or have they recently expanded?

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Are you aware of any plans to close part or all of the facility or that would jeopardize their continued operations?

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Are you aware of any major users having a history of late or delinquent payments in the past 5 years?

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3. Has there been a 5% or greater change in the number of system users during the past two-year period? ☐ Yes

☐ No

If so, please explain. \_\_\_\_\_

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4. Identify system use (gallons per day) for billing purposes, actual billings, and collections for each of last five (5) years. If the system is a combined waterworks and sewerage system, please provide the following information separately for the waterworks and sewerage components of the combined system. Please indicate whether the calendar year or fiscal year was used when reporting the information below. If the collection rate is less than 95% or over 100% please provide a comment below the table explaining the discrepancy.

Year	System Use (gal.)	Billings (\$)	Collections (\$)	Collection Rate (Collections/Billings )
				%
				%
				%
				%
				%

5. Current and Proposed Rate Structure. - Please provide the Participant's current rate structure and its effective date and proposed new rate structure and date the new user rate was adopted.

	Current Rate Schedule	Effective Date	Proposed Rate Structure	Date of Adoption
Residential users				
Commercial users				
Industrial users				
Other				

Please provide a copy of the ordinance imposing the most recent rate increase in connection with the current SRF financing.

If the Participant has a combined waterworks and sewer system, the rate structure for both water and sewer users should be included.

	Current Rate Schedule	Effective Date	Proposed Rate Structure	Date of Adoption

10. Has the Participant entered into or plan to enter into an agreement with another entity to manage the system or the project proposed to be financed? (For example, does a private entity operate the system on behalf of the Participant)

☐ Yes

☐ No

If Yes, please explain and provide a copy of the agreement(s) \_\_\_\_\_

11. Has the Participant entered into or plan to enter into an agreement with an individual or entity that grants special legal rights to the system or the project proposed to be financed (include take or pay or other output-type contracts)?

☐ Yes

☐ No

If Yes, please explain and provide a copy of the agreement(s) \_\_\_\_\_

## V. Litigation and Other Proceedings

1. Provide a description of all bond or loan covenants or contracts of the Participant under which any default has occurred or is claimed to have occurred. \_\_\_\_\_

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

2. Describe (1) any pending or possible litigation and contractual disputes and (2) any consent decrees, prospective judgments, writs, injunctions, court orders, settlement agreements or judgments, or correspondence regarding the same, to which the Participant either is or has been a party within the past three (3) years or that are threatened against the Participant. Supply copies of all letters concerning any litigation against the Participant that have been provided by all legal counsel to the Participant's independent public accountants in connection with audit opinions for the last three (3) fiscal years. \_\_\_\_

\_\_\_\_\_

3. Has the Missouri Department of Natural Resources initiated or threatened any enforcement action against the Participant with regard to the system?

☐ Yes

☐ No

## **VI. Requested Documents**

Please provide a copy of the following:

1. All annual reports or audited financial statements and auditor's reports, including any management letters, for the Participant, and for the Participant's system, if available, for the last two (2) fiscal years (if available on a website, please indicate so and provide a web address).
2. Any bond ordinances or resolutions adopted in connection with outstanding system revenue bonds or any other document that contains restrictions on the use of system revenues. The most recent official statement, if any, regarding a bond issue or other financing.
3. All reports prepared by or for the Participant (including reports by inside or independent consultants) that describe or evaluate the Participant or its system. Include all reports that detail future operating costs of the system for the next five (5) years, such as any recent rate studies or operating budget or engineering reports.
4. Any agreements relating to any grants and/or loans to the Participant relating to its system, including any USDA Rural Development loans/grants and/or HUD Community Development Block Grants.
5. If not already provided, documentation related to the bond election and sales tax election (if applicable) including, but not limited to: the minutes and notice of the meeting approving the ordinance/resolution calling the election; the ordinance/resolution calling the election; the notice to the election authority; a copy of the official ballot; abstract of votes/certification of election results; affidavit of publication of the notice of election; the minutes and notice for the meeting approving the results of the election (if available); and signed letter from the Participant's local bond counsel verifying the validity of the bond election and amount of voted bonding authority remaining.
6. One copy of this completed form, including supporting documentation, on a compact disk (CD) or flash drive in Acrobat Adobe (pdf) format.
7. Please provide a certificate or other evidence of insurance coverage against the risks of property and casualty loss, public liability, and any other insurance maintained by the Participant, including type of coverage, amount of coverage, annual premiums, name of insurer, and term.



Executed this \_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
[Participant Name]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Clean Water State Revolving Fund (SRF) Checklist

Checklist Item		
	Date	Comment
Application		
Facility Plan/Engineering Report		
Useful Life worksheet (produced by Dept.)		
<a href="#">Cost and Effectiveness</a>		
<a href="#">Fiscal Sustainability (if applicable)*</a>		
<a href="#">Applicant Assurance of Local Share</a>		
<a href="#">Business Entity Certification</a>		
<a href="#">Affidavit of Work Authorization</a>		
<a href="#">E-verify documentation</a>		
<a href="#">Authorized Representative Resolution</a>		
Bond Election Documentation		
<a href="#">Anti-Lobbying Certification</a>		
<a href="#">Disclosure of Lobbying Activities</a>		
Certification Regarding Debarment and Suspension Form		
(System for Award Management) <a href="#">SAM Checked</a>		
Project Schedule		
Intermunicipal Agreement (if applicable)		
Environmental Clearance (if applicable):		
1. Division of State Parks		
2. Division of State Parks, Historic Preservation**		
3. U.S. Dept. of Interior, Fish and Wildlife		
4. Corp of Engineers District Office		
5. A-95 Clearinghouse		

6. MO Geological Survey		
7. Missouri Department of Conservation		
Environmental Information Document (EID)		
Environmental Impact Meeting/Hearing		
1. Complete record of the meeting/hearing		
2. 30 day Public Notice Period (provide documentation)		
3. List of Attendees		
User Charge Hearing		
1. Transcript, Recording, or Other Complete Record		
2. 30 day Public Notice Period (provide documentation)		
3. List of Attendees		
FONSI/CATEX Approved		
Facility Plan Approval		
<a href="#">User Charge Received</a>		
<a href="#">User Charge Approval Letter Sent</a>		
Sewer Use Ordinance Received		
<a href="#">Sewer</a> Use Ordinance Approval Letter Sent		

<a href="#">AE Agreement Checklist</a>		
1. <a href="#">Certification and Procurement</a>		
2. System for Award Management (SAM) checked		
3. <a href="#">Anti-Lobbying Certification Form</a>		
4. <a href="#">Disclosure of Lobbying Activities</a>		
5. <a href="#">Business Entity Certification</a>		
6. <a href="#">Affidavit of Work Authorization</a>		
<a href="#">7. E-verify documentation</a>		



<a href="#">8. Cert. Regarding Debarment and Suspension Form</a>			
9. Contracts: Planning/Design/Construction			
10. Contract Concurrence Letter			
Easement Acquisition Certifications (Prior to Loan & Grant Award)			
1. <a href="#">Applicant Assurance with Respect to Acquisition of Real Property Including Easements</a>			
2. <a href="#">Certificate as to Title to Project Site</a>			
3. Eligible Land or System Purchase if Applicable			
<a href="#">Due Diligence Questionnaire</a>			
Construction Permit			
Plan & Specifications Checklist			
1. Contract 1			
2. Contract 2			
3. Addenda			
<a href="#">Bid Documents</a>			
<a href="#">Executed Contract Review</a>			
1. Contract 1			
2. Contract 2			
Small Purchase (\$25,000 or less)			

\*A fiscal sustainability plan or certification is not required when the Department is purchasing debt obligations (e.g. municipal bonds).

\*\* Clearance letter from the State Historic Preservation Office is required for all SRF projects.



**Response to Request for  
Proposal**

**City of Salem, Missouri**

*November 30, 2022*

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**STIFEL** | Public Finance



November 30, 2022

City of Salem, Missouri  
Office of City Clerk  
400 N. Iron Street  
Salem, MO 65560

Re: Proposal to provide Municipal Financial Advisory Services to the City of Salem, Missouri

On behalf of Stifel, Nicolaus & Company, Incorporated (Stifel), thank you for the opportunity to present our qualifications to the City of Salem, Missouri (City) to serve as Municipal Financial Advisor. If selected, my immediate team and I would provide services to the City.

**Unparalleled Commitment to Missouri.** Working with local government across Missouri is a core practice of the Stifel professional teams. We have an understanding of local government finance and operations in Missouri that is unparalleled, and we are uniquely qualified to serve the City. The experienced professionals at our Firm have developed excellent reputations with Missouri issuers and with Missouri investors through their dedication to detail, accessibility, analytical skills, and knowledge of state laws. We have a strong presence in Missouri, employing hundreds of people in the state at our Corporate Headquarters located in St. Louis, our western office in Kansas City, and in southwest Missouri in Springfield and Joplin. Our headquarters is home to the firm's CEO, other top management, as well as our Missouri underwriting and trading desks, dedicated municipal sales personnel and public finance bankers.

Personally, I have extensive experience working with Missouri local jurisdictions such as the City. My role as a past County Commissioner (Platte 1995-2004) provides me with a unique perspective in working with local government.

**Creative Financing Solutions.** With a vast wealth of relevant experience and senior banking personnel to draw upon, Stifel bankers are well equipped to design financings that are tailored to the unique circumstances that each project may bring. We will work collaboratively with the City to find the optimal accommodation of sound public policy, market-acceptable structures and low-cost financing. We have expertise with not only traditional fixed rate tax-exempt financings, but also taxable issues, lease purchases, private placements, and other financing structures for the City to consider in addressing their capital improvement needs in a challenging fiscal environment. These creative financing solutions have benefited Stifel's municipal advisory clients, including the issuance of more than \$36 billion of bonds for which Stifel has served as municipal advisor on since 2012 for over 1,000 separate issuers.

We are confident we can offer the City the highest quality advisory services, augmented by decades of capital markets expertise that standalone advisory firms and other less active regional or local firms are not able to offer. We have the largest, most experienced Public Finance staff in the State and ample resources to help our clients accomplish their financing objectives in the most cost-effective and timely fashion possible.

We pride ourselves on being well organized and responsive to our clients, so that every client is confident that its financing goals and objectives will be accomplished. As Municipal Advisor, we work with our clients to manage the entire financing process from initial planning to closing.

Our approach to serving our clients, in a municipal financial advisory capacity, is to offer a solid primary team and make available any and all resources of the Firm when required by specific circumstances. The following is a brief list of the various services and components of a financing in which we participate and have demonstrated expertise.



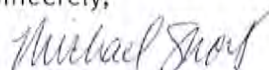
- Developing of City parameters and policies for debt
- Providing assistance in reviewing proposals
- Phasing / sizing / structuring / capacity analyses
- Legal counsel consultation & coordination
- Yield comparison & cost analysis
- Developing financing plans / strategies / timetables
- Review of proposed project feasibility studies
- Compilation / review of Official Statements
- Due diligence / compliance facilitation
- Credit rating analysis / presentation / facilitation
- Market data / investor communications
- Pricing timing / strategy / structuring analysis
- Consultation with credit rating agencies
- Creating / providing budget & planning records
- Escrow & Tax analysis
- Closing facilitation & coordination

Stifel's wealth of resources and client first approach has attracted new clients to Stifel, as discussed in greater length in the RFP. Stifel's superior services and resources are evidenced by Stifel's national and state rankings. Stifel's commitment to the public finance industry is unfaltering and led to Stifel's position in 2021 as the #1 underwriter of negotiated bonds nationally by number of issues and #1 underwriter of Missouri negotiated bonds by par amount. We bring this experience in the municipal capital markets to our work for our municipal advisory clients.

We have reviewed the City's prior financings and recent audit. Our team is experienced in evaluating debt for refunding and/or restructuring. We note the City has a recent history of building financial reserves.

Again, we are pleased to be given this opportunity and believe you will find the depth of our experience, approach, knowledge and commitment to the City, and the quality of our service to be the right combination for Stifel to serve the City as its financial advisor. We understand the Scope of Services being requested and are prepared to provide those services. If you should have any further questions or need additional information, please feel free to contact us. We look forward to hearing from you.

Sincerely,



Michael L. Short | Managing Director

cc: Conner Swanson | Associate



## City of Salem, Missouri

### Request for Proposal for Municipal Financial Advisory Services

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## ORGANIZATIONAL OVERVIEW

**Overview of Firm.** Stifel is a wholly owned subsidiary of Stifel Financial Corp., headquartered in St. Louis, Missouri. We are a publicly traded company providing financial advisory services, securities brokerage, investment banking, research, trading, investment advisory, and related financial services to municipalities, individual investors, professional money managers, and businesses throughout the country. Stifel Financial Corp. shares were publicly listed in 1983 and trade on the NYSE under the ticker symbol “SF.”

Stifel was founded in 1890 and with its affiliated companies has more than 8,500 employees globally with over \$4.5 billion in annual revenue.

Stifel believes in helping municipal clients better serve their communities. Stifel’s public finance professionals specialize in raising capital to build and maintain essential infrastructure. **Stifel has local knowledge with a national presence.** From some of the nation’s largest states, cities, and counties to rural school districts, small towns, and nearly everything in between, our municipal finance professionals work with issuers to develop and implement financing strategies that allow them to operate and optimize the important work they do.

**Municipal Finance.** Stifel’s Municipal Securities Group has over 350 employees, including its Public Finance Department which serves clients across the nation through 38 offices and five municipal bond underwriting desks. Stifel’s Public Finance Department provides financial advisory, underwriting, and placement services to hundreds of municipal clients on an annual basis including securities backed by a wide variety of revenue and credit attributes. Stifel’s Municipal Securities Group includes one of the largest distribution platforms in the municipal securities industry, and is the most active underwriter of negotiated municipal bonds in the nation.

### Public Finance is a core line of business for Stifel.

Unlike many of our competitors who have downsized their Public Finance business, Stifel has expanded the scope of its Public Finance practice. Stifel has continued its commitment to municipal finance by adding new offices across the country. In September 2019, Stifel nearly doubled the size of its Public Finance Department with the acquisition of certain assets of George K. Baum & Company. Stifel’s Public Finance department now has over 200 experienced investment bankers and support staff in our 38 public finance offices across 25 states. **In 2021, for the eighth consecutive year, Stifel ranked #1 serving as senior or sole manager for negotiated municipal bond issues, annually pricing more than one in every ten negotiated issues in the nation on a Stifel desk.**

## Key Statistics

	2022	2005	Increase
Total Capital	\$1.56 bil	\$194 mil	8.0x
Annual Revenue	\$4.7 bil	\$270 mil	17.4x
Global Employees	8,500	1,800	4.7x
Institutional & Retail Traders	30	10	3.0x
Institutional Sales	230+	78	3.0x
Client Assets	\$350.6 bil	\$26 bil	13.5x
Retail Professionals	2,400+	644	3.7x
Retail Offices	384	92	4.2x
Public Finance Bankers	193	19	10.1x

2022 numbers as of December 31, 2021.

### Stifel National Lead Managed Negotiated Issue Rankings (SDC – Full to Book Equal if Joint)

Year	Rank			
	Issues	Par	Issues	Par Amount
2021	1	5	1,031	\$23,693,600,000
2020	1	8	929	\$18,246,900,000
2019	1	7	803	16,263,400,000
2018	1	9	536	10,197,800,000
2017	1	7	781	18,068,800,000
2016	1	7	801	16,924,300,000
2015	1	6	811	16,718,300,000
2014	1	8	587	11,402,800,000

Source: SDC (Full to Book Equal if Joint) negotiated transactions ranked by number of Issues. As of January 4, 2022.



Having an active underwriting desk is essential to Stifel's financial advisory practice as well, allowing advisors to speak with the underwriting desk and receive constant feedback on how the market is reacting. Being a part of a broker/dealer is a factor distinguishing our services as municipal advisor from many of our competitors.

In addition to being a national leader in Public Finance, **we are easily the leading municipal finance firm in the state of Missouri, having financed many of the notable public infrastructure and community projects in the state.** Highlights of that experience for the team proposed for the City are noted below in individual bios.

## PERSONNEL

The following professionals will be available to serve the City and execute the scope of services. Stifel does not intend to use the services of any other organization to perform the services identified in this RFP.

### Senior Day-to-Day Banker



**Michael Short, Managing Director | Kansas City, Missouri**  
**Branch Manager | Kansas City & Springfield, Missouri; Wichita, Kansas**

Email: [shortm@stifel.com](mailto:shortm@stifel.com)

Telephone: (816) 203-8739

4801 Main St., Suite 530 | Kansas City, MO 64112

**Michael Short** is a Managing Director with Stifel's Government Finance practice in Kansas City. Mr. Short has specialized knowledge in assisting local government jurisdictions in the state of Missouri in financial planning and the eventual issuance of public financing. He has been involved in financings for the City of Kansas City for many years, including the new KCI Terminal, the downtown redevelopment district, phase one streetcar financing, Kauffman Performing Arts Center parking structure, and various sewer and water revenue bonds. Mr. Short served as lead banker on financings in Buchanan County, Butler County, Clay County, Cole County, Jackson County, Platte County, Greene County, and for the cities of Springfield, MO, Parkville, MO, and Savannah, MO. He also served districts such as the Stone County Library District, the Raytown Fire Protection District, and the Southern Platte Fire Protection District.

Mr. Short and his team serve, or have served, as **Financial/Municipal Advisor** to: Buchanan County (Lifeline Foods IDRBs); Park University (Series 2017A&B refundings); Cass County Public Library; Christian County Library District; the Mid-Continent Public Library District; Ozark Technical Community College; City of Strafford, MO; Lawrence County, MO; Tillamook County (OR); and Jackson County, MO.

Mr. Short served 10 years as a Platte County Commissioner, where he supervised a number of public building projects. In addition, he served six years on the Park Hill School District Board of Education, was Chairman of the Kansas-Missouri Metropolitan Cultural District Commission, and served on the Kansas City Metropolitan Arts Council, the Board of Citizens Association, and as a Commissioner on the Kansas City Area Transportation Authority. He currently serves on the Boards of Feed Northland Kids, Inc. and the Northland Community Foundation.

Mr. Short is a graduate of the University of Central Missouri and University of Missouri - Kansas City School of Law. He holds Series 7, 50, 53, 54 and 63 FINRA registrations. Mr. Short will lead the firm's efforts on behalf of the City.



## Bond Pricing Advisors



**Mark Shamleffer, Managing Director, Municipal Underwriting | St. Louis, Missouri**

Email: [shamlefferm@stifel.com](mailto:shamlefferm@stifel.com)

Telephone: (314) 342-2740

One Financial Plaza | 501 N. Broadway | Saint Louis, MO 63102

**Mark Shamleffer** joined Stifel in July 2008 from A.G. Edwards and has underwritten many billions of bonds throughout the nation over the past twenty years, and specializes in competitive and negotiated underwriting in the Midwest. Annually under his leadership, Stifel's St. Louis underwriting desk has been a top underwriter of tax-exempt and taxable Missouri municipal and non-profit bonds. Mr. Shamleffer's role as lead underwriter includes providing insight to market conditions, structuring, and participating in the pre-pricing and pricing calls with the City.

Mr. Shamleffer graduated from the University of Missouri-Columbia with a B.S.B.A. in Finance. Mr. Shamleffer is a licensed Registered Representative (Series 7) and Series 54 of FINRA and holds the CFA (Chartered Financial Analyst) Designation since 1993.



**Trisha Duncan, Vice President, Municipal Underwriting | St. Louis, Missouri**

Email: [duncant@stifel.com](mailto:duncant@stifel.com)

Telephone: (314) 342-2740

One Financial Plaza | 501 N. Broadway | Saint Louis, MO 63102

**Trisha Duncan** is a Vice President on Stifel's St. Louis municipal syndicate desk. Trisha joined Stifel in 2005 on the secondary municipal trading desk. She has priced deals across the Rocky Mountain Region, Midwest, East Coast and focuses on Midwest transactions out of our St. Louis underwriting desk. Annually, the St. Louis underwriting desk has been a top underwriter of tax-exempt and taxable municipal and non-profit bonds. Ms. Duncan received a Bachelor of Science in Finance from Oklahoma State University. She holds a Series 7, Series 63 FINRA registrations.

## Quantitative Analyst & Support Banker



**Conner Swanson, Associate | Kansas City, Missouri**

Email: [swansonc@stifel.com](mailto:swansonc@stifel.com)

Telephone: (816) 203-8731

4801 Main St., Suite 530 | Kansas City, MO 64112

**Conner Swanson** joined the Public Finance Department in September of 2020. As an Associate, Mr. Swanson assists the firm's banking teams in creating issuer profiles, providing new money and refunding analyses, spearheading transaction execution, and building complex cash flow and debt financing models. Mr. Swanson focuses in the K-12, City & City space, and has successfully supported over 90 transactions during his time with the firm.

Mr. Swanson earned his Bachelor of Science degree in Finance from Kansas State University with a minor in Economics, and is a current graduate student at Wichita State University earning his Master of Business Administration. He is a registered Financial Advisor Representative (Series 50), Municipal Securities Representative (Series 52), and Uniform Securities State Agent (Series 63) through FINRA.



## EXPERIENCE

**References.** Client references provide the best measure of performance, and Stifel encourages the City to call any of our clients to hear their personal perspective of our level of service. The following information pertains to Mr. Short and the team that is proposed to serve your City:

References			
Name	Title	Phone	Email
Kathy Fairchild	County Treasurer – Lawrence County, Missouri	(417) 466-2662	<a href="mailto:lawrencecountytreasurer@yahoo.com">lawrencecountytreasurer@yahoo.com</a>
Jeff Scott	Budget Director – Greene County, Missouri	(417) 799-1446	<a href="mailto:JScott@greencountymo.gov">JScott@greencountymo.gov</a>
Martha Smartt	City Administrator – City of Strafford, Missouri	(417) 736-2154	<a href="mailto:ca@straffordmo.net">ca@straffordmo.net</a>
David Holtmann	Director of Finance – City of Springfield, Missouri	(417) 864-1632	<a href="mailto:DHoltman@springfieldmo.gov">DHoltman@springfieldmo.gov</a>

As mentioned above, Stifel is the leading municipal finance firm in the state of Missouri. Stifel's experience in the state over the past five years is attached as an appendix to this proposal.

## SERVICE CAPABILITY

**Municipal Financial Advisor Approach.** As a company that consistently completes more individual transactions per year in the municipal market than any other firm, we have developed unique strengths to offer our municipal clients as financial advisor. Locally, we serve as advisor or underwriter in the neighborhood of 100 transactions per year. Our success as an underwriter, we believe, gives us a significant advantage in advising our financial advisory clients on their bond sales as we know the market intimately. We know the investors for Missouri bonds who are most apt to pay the highest prices for bonds (and the lowest yields), and we know the structuring features the institutions prefer to ensure the best prices are obtained for the City. We think this is a distinct advantage over standalone financial advisors who don't trade in the market, take no capital risks, and have to rely on comparable sales results to advise their clients on bond pricing and structure recommendations. This "bigger picture" perspective is just part of what Stifel can deliver as financial advisor.

Our underwriters, Mark Shamleffer and Trisha Duncan, are very involved in all of our **municipal advisory engagements** in Missouri, participating in the pre-pricing and pricing calls and preliminary conversations with issuers to discuss market conditions, FOMC rate actions, structuring preferences, market inflows and outflows, supply issues, as well as other factors that influence the day-to-day pricing of debt obligations.

### National Lead Managed Financings 2021 Negotiated Issues (Ranked by # of Issues)

Rank	Firm	# of Issues	Mkt. Share	Par Amount (US\$ mil)
1	STIFEL	1,031	13.2%	\$23,693.6
2	Piper Sandler	756	9.7	16,246.1
3	RBC	601	7.7	27,313.7
4	Raymond James	476	6.1	15,865.0
5	D A Davidson	453	5.8	4,920.6
6	Robert W Baird	377	4.8	5,666.8
7	BAML	361	4.6	49,486.5
8	Citi	248	3.2	37,567.3
9	J P Morgan	220	2.8	23,646.9
10	Morgan Stanley	186	2.4	22,839.3

Source: SDC (Full to Book Equal If Joint) negotiated transactions ranked by number of issues. As of January 4, 2022.



Stifel has reviewed the scope of services contained in the RFP, specifically pages 3-6 and appendices and is prepared to provide all of those services including, but not limited to:

- Overall Transaction Guidance and Management
- Comprehensive Debt Management Tool updated annually detailing outstanding debt issues on a calendar year and fiscal year basis, detailed debt dashboard and call date analysis
- Continuing Disclosure Updates and Management
- Bond Market Analysis
- Implementation of Financial Plan/Financial Management Policies
- Cash Flow/Tax Levy Analysis
- Bond Defeasance Analysis
- Attend Meetings as required by the City
- Refunding Analysis/Monitor
- Credit Rating Presentation development and preparation. Attend meetings and presentations as necessary.
- Credit Enhancement Analysis – Municipal Bond Insurance Analysis
- Work with bond counsel and special tax counsel concerning tax issues and necessary IRS compliance issues
- Assist and coordinate post-issuance compliance in conjunction with bond counsel, trustee and escrow agent (if applicable) on an on-going basis to advise the City regarding continuing disclosure issues, sufficiency and structure of any escrow funds, refunding opportunities and other issues relating to the financing.

The scope of services discussed above are just some of the services provided by Stifel that adds value to our issuer clients. Below is a summary of some focused services provided by Stifel that differentiates us from our competitors and will enable Stifel to provide the City with the best possible services.

**Developing the Financing Plan.** We understand that a successful public financing begins with a thorough understanding of the City's financing objectives, financial concerns and political constraints. The development of a noteworthy financing plan is a collaborative process with individuals and firms who have a wide variety of expertise. Stifel will manage this team effort with integrity and will promote open and consistent communications with all parties. We will work with the team to ensure the transaction meets all capital financing objectives, is structured to provide the lowest possible borrowing cost under prevailing market conditions, and is completed in a timely fashion.

Our starting point in the financing process is a meeting with City staff and key decision makers for an orientation on its capital improvement plans. We then conduct a thorough review of the available project information. In particular, with estimated project costs in hand, our team will prepare initial bond sizing analyses and cash flow impacts based on various financing alternatives. Alternative financing structures will be developed based on City objectives with regard to the specific source of revenue(s) and debt repayment, future capital needs, prevailing market conditions and applicable State laws. We will work with the City's Bond Counsel in their review to ensure each financing structure adheres to requisite legal requirements, at both the federal and state levels.

Armed with an understanding of the business points, we will prepare a draft financing plan. This document will contain a summary of the key features for a financing, major credit considerations, financial analysis, sources and uses of funds schedule and a financing timeline. With input from staff, we then prepare a final financing plan for presentation.

**Debt Implementation Management.** While keeping the big picture in mind, we carefully manage each financing with the objective of creating a financing structure that is equitable and results in the most efficient and innovative financing possible. Once a particular financing is underway, our team will coordinate all elements of the process: providing financing schedules and distribution lists; preparing credit presentations and interacting with analysts;



reviewing and commenting on all legal and policy documents related to the financing; providing market information on interest rates and preferable structures; generating debt capacity scenarios; and maintaining the City's debt profile. While this aspect of any financing is often tedious, all transactions require good coordination to ensure efficient use of team resources, avoid unnecessary delays and maximize flexibility for the City at the time of pricing.

**Preparation and Support of Legal and Financing Documents.** Stifel will assist in the preparation and/or review of all relevant financing documents including the official statements, disclosure agreements, and the bond indenture. We will assist with preparation of the official statement, offering memoranda and other documents related to the marketing and issuance of debt and the execution of related financing transactions. Our bankers are well versed in the preparation of comprehensive disclosure documents. We will work closely with the team and the City to ensure the documents are carefully reviewed and in compliance with Rule 15c(2)-12.

**Credit Due Diligence and Financial Analyses.** Stifel will review with City staff various techniques to refine the financing to achieve the lowest cost of funds. Our work will start with an overview of available financing structures and an analysis of the financial and credit considerations for each option. In developing the optimum financing structure and depending on the type of financing, we will advise the group on such critical areas as fixed or stepped coupon bonds, redemption provisions (important), serial versus term bonds, and other covenants. Stifel will also assist with the preparation for and participate in information meetings and conference calls with prospective investors prior to the issuance of debt and, of course, will manage the underlying credit rating presentations and related communications with the goal of securing the highest rating possible.

**Ongoing Market Updates.** We attribute a large portion of our success in the municipal marketplace to the quality, professional work we provide our clients and the information we provide to investors and other market participants. Stifel's underwriters in St. Louis will also be available at any time throughout the financing process to discuss their thoughts on the market's most probable reaction to financing alternatives and provide an ongoing update of market conditions.

**Investment of Bond Proceeds.** Stifel's Specialty Financial Products Desk ("SFPD") works closely with Stifel's public finance bankers and can serve as Bidding Agent for issuers to help optimize earnings on bond proceeds relating to project funds, capitalized interest funds and debt service reserve funds. As Bidding Agent, the SFPD group designs bid specs to meet permitted investment requirements and runs an RFP process to maximize participation and yield. This allows the City to take advantage of rising interest rates and maximize proceeds from available funds.

**Post-Sale Services.** Our commitment to the financing does not end on the day of closing. We understand that the life of a bond issue does not end the day funds are delivered or when proceeds are spent. Consistent with our long-term client relationship perspective, Stifel is responsive to issuers following closing, being mindful of industry regulatory requirements. We will assist the City in understanding its options and responsibilities regarding the bonds after they are issued and remain outstanding. This includes any additional analyses or schedules as requested by the City. In addition, we will monitor the bonds and the underlying credit to take advantage of refunding opportunities and make recommendations to the City regarding available options. Services post issuance and between sales include:

- Assistance with rating agency surveillance reviews and presentations
- On-going vigilance and analysis of refinancing opportunities
- Periodic analysis of property values, property tax levy rates and sales tax collection history and projections
- Notices of material state/federal/regulatory changes
- Assistance with *arbitrage rebate consultants*



## Competitive Versus Negotiated

**Bond Sale Process Alternatives and Execution.** Depending on the transaction (credit structure, economics and market conditions at or around the time of sale), the City may wish to consider alternative bond sale processes. As Municipal Advisor, Stifel works with our clients to understand the potential options available and the advantages and disadvantages of each. In recent years, many transactions have found effective financing in the private placement market. Both the private placement and public markets are dynamic at this point and need to be carefully analyzed and discussed for each transaction. In the public market, issuers may sell bonds through a competitive or negotiated process. Again, there are potential advantages and disadvantages associated with each process that warrant discussion at the time the transaction is being prepared. Most larger, sophisticated issuers use negotiated sales so as to better control the financing process, the structure of their deals, the firms retained to sell their bonds and the distribution of their debt to investors (i.e. retail, pro retail, institutional, etc.). In a competitive sale situation, Stifel will assist the City and bond counsel with the development of the important notice inviting bids for the sale of bonds along with the Official Statement disclosure. In negotiated sale situations, as the City's Municipal Advisor, Stifel will take a very active role in the underwriter selection process (if desired), helping size the syndicate for the offering, and market preparations. In this type of sale, the Municipal Financial Advisor's role involves reviewing and providing input on the underwriter's proposed marketing plan; pre-pricing thoughts and takedown schedules; and ensuring strong execution of the marketing plan at the time of pricing.

## Pricing Process for a Negotiated Sale

Stifel's work as a municipal advisor on negotiated sales gives Stifel the most flexibility to offer advice and impact the bond sale process. Stifel's underwriting desk offers advice on the optimal time to price the bonds, but it does not end there. Stifel's desk is available to comment on the underwriter's proposed scale and re-pricing changes. Furthermore, the use of pricing comparisons allows Stifel to ensure that the rates proposed by the underwriter are in line with the current market. The same is true for the underwriter's proposed underwriter's discount.

If a negotiated bond sale is determined to be the optimal sales approach, Stifel will assist with drafting a request for bond underwriting proposals/term sheets to underwriters and banks as well as answer questions related to such requests. Stifel will work with the City's staff to evaluate such proposals so they meet the objectives of the City.

Prior to printing the POS, estimated interest rates are provided to the Municipal Advisor from the selected underwriter. Stifel's underwriting desk will evaluate the rates and discuss them with the selected underwriter's desk. In the days leading up to pricing, Stifel will coordinate conference calls to discuss preliminary feedback on interest rates. A pre-pricing call is held the day prior to pricing the Bonds, during which market conditions, investor feedback, if any, and comparable issues are discussed and compared. Stifel will prepare pricing comparisons to use as a benchmark for evaluating the selected underwriter's proposed rates. During the pre-pricing call, the City, Stifel representatives and the underwriter will determine initial offering yields for market entry the following morning. On the day of pricing, Stifel will ensure the underwriter will run a fair, competitive, open book order period. Following the order period, Stifel will coordinate a pricing call with the underwriter and the City to review the order book. During this final pricing call and review of the order book, a decision will be made on any adjustment of interest rates. Stifel will also review the allotments made by the underwriter. Following the pricing, Stifel will update the information on comparable pricings for the City, and will indicate how those transactions priced in relation to the MMD Index.



## **Pricing Process for a Competitive Sale**

While Stifel will have greater control over results in a negotiated sale, there are still several factors that can be controlled in a competitive sale. In a competitive sale, Stifel will evaluate market conditions to determine the best date for the competitive sale. This will be done with the assistance of Stifel's underwriting desk located in St. Louis. We will offer advice on the optimal time to price the bonds to take advantage of favorable market conditions and working around other competing bond sales and economic news releases. Setting the date of pricing is the key factor to determining optimal pricing in a competitive sale.

Stifel works with counsel to draft the notice of sale with bid requirements that satisfies the City's financing objectives without constricting bidders too narrowly so as to limit a structure that would provide the City with the lowest cost of funds. This typically manifests itself in the purchase price stipulations, which drives the project fund deposit to the City in the case of new money issues and also restricts a bidder's couponing flexibility.

Stifel will work with I-deal to get the issue ready for competitive sale on the Parity platform. On the day of sale, Stifel will provide the City with access to the Parity website to watch the bidding process. This will allow Stifel to evaluate the bids received by the City and officially award the sale to the winning bidder. Included in the bidding process on Parity is a calculation of the True Interest Cost ("TIC") on all of the bids. TIC is essentially the cost of borrowing for the City, so the lower the TIC the better. This allows the City and Stifel to evaluate the bids on the transaction as a whole. While the rates and underwriter's discount may vary, TIC offers a common denominator to evaluate the bids. Although one bid may have a higher underwriter's discount, lower rates could cause the TIC to be lower than a bid with comparatively less underwriter's discount. Stifel will input the proposed rates and underwriter's discount into DBC to certify that the TIC is correct on Parity. Then, the final bid can be awarded.

## **FEE PROPOSAL**

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The decision to retain a municipal advisor should be made on the basis of skill and qualifications. Fees are a consideration, of course, and Stifel's fees are always competitive. If selected to serve as the City's financial advisor, Stifel proposes the following fee structures:

### **General Work (Regardless of future financing in the municipal capital markets)**

Review and Preparation of Financial Management Policies	\$2,500.00
Analysis of Existing tax revenues, future projections and financing capacity	\$2,500.00

Review of the City's current financial management policies (Fund Balance, Capital Financing and Debt Management and Investment) are key to 1) transparency; 2) good fiscal management and 3) securing the best possible opinion and rating from the national credit rating agencies.

A comprehensive review of the City's existing tax revenues, projections and evaluation of financing capacity is critical to any financing decisions facing the City.

We believe these work items are crucial for every public jurisdiction as a matter of good fiscal management. They can be critical if financing of public improvements is planned but should be undertaken regardless of future financing. That is why we separate out this scope of work.

## Transaction Financing

For Stifel's municipal advisory services in processing transactions in the municipal capital markets, Stifel proposes a fee calculated as follows:

Temporary Notes: 0.05% of the principal amount of the notes issued;

General Obligation Bonds: 0.1% of the principal amount of bonds issued with a minimum fee of \$10,000.00;

Revenue Bonds or Lease Purchase Certificates of Participation (COPs): 0.2% of the principal amount of bonds issued with a minimum fee of \$15,000.00;

Tax Increment or other Economic Development Financing: 0.2-0.3% of the principal amount of the bonds sold depending on credit enhancement (if any), source of revenues, financing structure and security pledges.

If multiple series of bonds and notes are sold simultaneously, the fee will be based on the aggregated principal amount. This amount does not include traditional expenses of the costs of issuance, ie: underwriting fees, bond counsel, credit rating fee, printing, trustee services, which are paid from proceeds of the transaction financing.

All fees will be paid at the completion of the sale of the Bonds.

## Ongoing Services Fee

Stifel's fee for analysis and consulting work under this agreement outside of those identified above and transactions will be computed at the following hourly rates and will be paid by the Issuer within thirty (30) days of receipt of an invoice from Stifel:

Hourly rate for: Managing Director	\$250.00
Hourly rate for: Director	\$225.00
Hourly rate for: Vice President	\$175.00
Hourly rate for: Associate/Analyst	\$125.00
Hourly rate for: Administrative	\$50.00

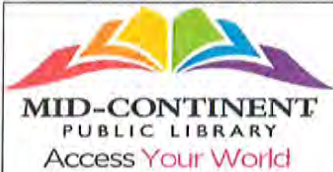
Prior to the commencement of any work utilizing this hourly structure, Stifel would seek direction and permission from the City and discuss a proposed budget for the scope of work.

One of the distinct advantages that Stifel brings to the role of municipal advisor early in the financing process is the ability to assist an issuer in controlling the costs of issuance. By utilizing a competitive process for selection of bond counsel and bond underwriter(s), we can often lower the overall costs of issuance for a bond offering.

A recent example was the Lawrence County Series 2022 financing for that County's new law enforcement center. Previously, the County incurred total costs of issuance of 2.16% for a 2010 financing. We worked hard to manage the costs of issuance for the Series 2022 financing and brought that in at less than 1%.

Another example is the financing completed for Mid-Continent Public Library in 2018 where Mr. Short and his team served as municipal advisor. The following chart illustrates a comparison of costs of issuance for other transactions compared to the MCPL transaction which we managed as municipal advisor.





## Summary of comparable Costs of Issuance

Issue	Structure	Size	Rating	Total COI	COI %
St. Louis Co PL Series 2016 COPs	COPs	\$ 79,445,000.00	Aa2/AA	\$ 1,861,603.85	2.3433%
Kirkwood, MO Mun LD Series 2017	COPs	\$ 5,580,000.00	AA-	\$ 124,378.60	2.2290%
Christian County, MO Series 2017	SOBs	\$ 9,330,000.00	AA-	\$ 139,552.96	1.4957%
Scenic Regional Library District	COPs	\$ 18,210,000.00	A	\$ 260,908.36	1.4328%
St. Louis Co PL Series 2013 COPs	COPs	\$ 55,900,000.00	Aa2/AA	\$ 518,374.30	0.9273%
KCMO Series 2018B Sewer Ref Rev	Rev	\$ 42,055,000.00	AA/Aa2	\$ 369,002.13	0.8774%
City of St. Charles, MO Series 2017	COPs	\$ 43,615,000.00	Aa3	\$ 344,663.75	0.7902%
<b>MCPL Series 2018</b>	<b>COPs</b>	<b>\$ 72,925,000.00</b>	<b>Aa3</b>	<b>\$ 573,957.02</b>	<b>0.7871%</b>
KCMO Series 2017A-D	SOBs	\$ 175,000,000.00	Aa3	\$ 1,332,511.80	0.7614%
KCMO Series 2018A Sewer Rev	Rev	\$ 165,000,000.00	AA/Aa2	\$ 1,115,459.58	0.6760%

The City previously issued debt in 2017 (Series 2017 & 2017B COPs). The costs of issuance percentage on the 2017 Series was 4.58% and the costs of issuance percentage on the 2017B Series was 3.78%. As the City's financial advisor, Stifel would work to drastically lower those costs.

## CERTIFICATE OF LIABILITY INSURANCE





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/6/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Arthur J. Gallagher Risk Management Services, Inc. 12444 Powerscourt Drive Saint Louis MO 63131	<b>CONTACT NAME:</b> Lora K. Redford <b>PHONE (A/C, No, Ext):</b> 314-800-2247 <b>E-MAIL ADDRESS:</b> Lora_Redford@ajg.com <b>INSURER(S) AFFORDING COVERAGE</b> INSURER A : Houston Casualty Company INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :	<b>FAX (A/C, No):</b> <b>NAIC #</b> 42374
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**INSURED**  
Stifel Financial Corp.  
501 North Broadway  
11th Floor  
Saint Louis MO 63102-2131

STIFFIN-01

**COVERAGES****CERTIFICATE NUMBER:** 1487143368**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE <b>DED</b> <input type="checkbox"/> <b>RETENTION \$</b>						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below <input type="checkbox"/> Y/N <input type="checkbox"/> N/A						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Errors & Omission			14MG22A15621	6/29/2022	6/29/2023	Limit \$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

FOR INFORMATIONAL PURPOSES ONLY

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**APPENDIX A**

**Missouri Experience.** The below list shows all of Stifel's Missouri clients since the beginning of 2018. Within that time-frame, Stifel has conducted over 430 transactions as financial advisor or lead underwriter for over \$7.4 billion in bonds which leads the State.

Stifel Missouri Experience		
Clay Consol Pub Lib Dt #3	Cole Co (Jefferson City) SD	Southern Boone Co (Ashland) SD #R-I
St Charles Co (Wentzville) SD R-IV	Marshfield City-Missouri	Newton Co (Diamond) RSD R-IV
Missouri School Boards Assoc	Christian Co Library Dt	Dellwood City-Missouri
Jefferson Co (Festus) SD #R-VI	Greene Co (Willard) RSD #R-II	Missouri Hlth & Ed Facs Authority
Jasper Co (Joplin) SD	Clay Co (Smithville) #R-II SD	Southern Platte Fire Protect Dt
Metropolitan Park & Recreation Dt	Brentwood City-Missouri	Missouri Housing Dev Commission
Maryland Heights Fire Protect Dt	Harrisonville City-Missouri	Maryland Heights City Indl Dev Auth
Ozark Tech College Pub Bldg Corp	St Charles Co (Fort Zumwalt) SD	Greene Co-Missouri
Cass (Raymore-Peculiar) SD #R-II	St Louis Co (Riverview Gardens) SD	Jackson Co (Independence) SD
Jackson Co-Missouri	Caldwell Co (Polo) #R-VII SD	Northpark Lane Comm Imp Dt
Florissant City-Missouri	Camden Co (Osage) SD	Jackson Co (Blue Springs) RSD #4
Kansas City Land Clear Redev Au	Clay Co (Liberty) PSD #53	Ray Co (Lawson) RSD #R-XIV
Kansas City Industrial Dev Au	Taney Co (Hollister) RSD #R-5	St Louis Co (Ferguson-Florissant) RSD #R-2
Jackson Co (Raytown) CSD #2	St Louis Co (Pattonville) R-III SD	Clay Co-Missouri
Camden Co (Camdenton) RSD #3	Boone Co (Hallsville) R-IV SD	Country Club Village-Missouri
St Louis Land Clear Redev Auth	Webster Co (Marshfield) RSD #R-I	St Louis Co (Maplewood-Richmond Hts) SD
Cass Co (Belton) SD #124	Christian Co (Chadwick) SD #R-1	Hannibal Muni Assist Corp
St Peters City-Missouri	St Louis Co (Brentwood) SD	St Charles Co (Francis Howell) SD #R-III
Cole Co-Missouri	Jefferson Co (Northwest) SD #R-1	Eureka Fire Protection Dt
Sedalia City-Missouri	Springfield City-Missouri	Pattonville Fire Protection Dt
Cape Girardeau Co RSD #R-II	St Louis City-Missouri	St Louis Co Industrial Dev Auth
Jackson Co (Fort Osage) SD #R-I	Newton Co (Neosho) RSD #R-V	Chesterfield Valley Transport Dev Dt
St Louis City Industrial Dev Auth	Clinton Co (Lathrop) SD #R-II	Joplin Industrial Dev Auth
Valley Park City-Missouri	St Louis Municipal Library Dt	St Louis Co (University City) SD
Fenton Fire Protect Dt	Cass Co (Archie) SD R-V	New Melle Fire Protection Dt
Butler Co (Poplar Bluff) SD #R-1	St Louis Co (Ritenour) SD	Knob Noster R-VII SD Johnson Co
Valley Park Fire Protection Dt	Lawrence Co-MO	West Overland EMS & Fire Dt
Shawnee R-III SD	Stone Co (Reeds Spring) SD #R-IV	Sedalia Jr College Dt
Saline Co-Missouri	Franklin Co (Meramec Valley) SD R-III	Jefferson Co (Fox) CSD #6
Jackson Co (Center) SD #58	Hickory Co (Skyline) SD R-1	Bridgeton City-Missouri
Polk Co (Pleasant Hope) R-VI SD	Taney Co (Branson) RSD #R-IV	Normandy Sch Collab of St Louis Co
Arnold City-Missouri	St Louis Co (Jennings) SD	Jennings-Missouri



Greene (Logan-Rogersville) RSD # R-8	Bates Co (Adrian) SD #R-III	Plaza at Noahs Ark Comm Imp Dt
Cape Girardeau SD #63	Central Jackson Co Fire Prot Dt	Rock Creek Public Sewer Dt
Bowling Green Sd R-I	Greene Co (Fair Grove) SD #R-X	Community Memorial Hosp Dt
Greene Co (Springfield) SD #R12	Waynesville City-Missouri	Missouri Env Imp & Energy Res Au
Crawford Co (Steelville) SD R-III	St Charles City-Missouri	Platte Co RSD #3
Franklin Co (Washington) SD	Newburg RSD #R-II	Spanish Lake Fire Prot Dt
Lafayette Co (Higginsville) SD #C-1	Clay Co (Excelsior Spr) SD #40	Northeast Ambulance & Fire Prot Dt
Clinton Co (Plattsburg) SD #R-III	St John City-Missouri	Missouri Development Fin Board
Stone Co (Hurley) SD #R-1	Riverview Fire Protection Dt	Ozark Fire Protection Dt
Laclede Co (Lebanon) SD #R-3	Bates Co (Butler) SD #R-V	Greendale-Missouri
Christian Co (Sparta) R-III SD	Jasper Co (Carthage) SD #R-IX	Jackson Co Reorg SD #R-IV
Christian Co (Ozark) RSD #RVI	Ralls Co #R-II SD	Jefferson Co Pub Wtr Sup Dt #6
Raytown Fire Protection Dt	Jackson Co (Lee Summit) RSD #7	Jefferson (Hillsboro) SD #R-III
Taney Co (Forsyth) SD #R-III	Webster Co (Fordland) SD #R-III	Citizens Memorial Hosp Dt
Marthasville Fire Protection Dt	Henry Co (Clinton) SD #124	Lake St Louis Fire Protection Dt
Christian Co (Nixa) PSD	Maryland Heights City-Missouri	Washington Industrial Dev Auth
Jefferson City Indust Dev Auth	Crawford Co (Bourbon) RSD #1	Howard Bend Levee Dt
Grundy Co (Trenton) SD #R-9	Livingston (Chillicothe) SD #R-II	Greene Co Reorganized SD #3
Franklin Co-Missouri	St Charles Co (Orchard Farm) R-V SD	Warrenton City-Missouri
Metro West Fire Protection Dt	St Louis Co (Hazelwood) SD	Columbia Mall Trans Dev Dt
Stone Ridge Transportation Dev Dt	Phelps Co (Rolla) SD #31	Republic City-Missouri
Arnold Retail Corr Transp Dev Dt	Bates Co (Ballard) SD #R-II	University City Muni Lib Dt
Lawrence Co (Aurora) SD #R-VIII	Newton Co (Neosho) SD	St Louis Board of Education
Florissant Valley Fire Protect Dt	Berkeley-Missouri	St Charles Co-Missouri
Polk Co (Bolivar) SD #R-I	Monarch Fire Protection Dt	Ozark City-Missouri
Manchester-Missouri	Crystal City-Missouri	Riverside City Industrial Dev Auth
St Charles Co Ind Dev Authority	Mineral Area Community Coll Dt	Dardenne Prairie City-Missouri
Robertson Fire Protection Dt	Boone Co (Centralia) SD #R-VI	Hannibal Board of Public Works
Manchester Highland Transpo Dev Dt	Cass Co (Sherwood Cass) R-VIII SD	Kansas City-Missouri
St Charles City SD	M150 & 135th St Trans Dev Dt	Warren Co (Wright City) SD #R-2
Webster Groves Muni Lib Dt	St Louis Co (Valley Park) SD	Strafford Fire Protection Dt
No Central Missouri Reg Wtr Comm	Jackson Co (Hickman Mills) C-1 SD	Humansville R-IV SD
Bridgeton Industrial Dev Auth	Hanley Rd Corridor Transpo Dev Dt	Barry Co (Purdy) RII SD
St Louis Co Special SD	Jasper Co (Webb City) R-VII SD	Ebenezer Fire Protection Dt
Black Jack Fire Protection Dt	Greene Co (Republic) SD #R-3	Park Hills City-Missouri
Sparta #R-III SD Bldg Corp	St Louis Co Community Fire Dt	No Jefferson Co Ambulance Dt
Randolph Co (Moberly) SD #81	Poplar Bluff City-Missouri	Big River Ambulance Dt

Source: SDC Lead Manager & Financial Advisor. Includes deals completed by George K. Baum. As of November 15, 2022.







# WM Financial Strategies

---

11710 ADMINISTRATION DRIVE  
SUITE 7  
ST. LOUIS, MISSOURI 63146  
(314) 423-2122

November 30, 2022

Ms. Sally Burbridge, Temporary City Administrator  
and Ms. Tammy Koller, City Clerk  
City of Salem  
400 N. Iron Street  
Salem, Missouri 65560

Dear Ms. Burbridge and Ms. Koller:

WM Financial Strategies is pleased to submit a proposal for serving as your Municipal Financial Advisor.

WM Financial Strategies' only business is providing financial advice to governmental entities rather than selling securities. Unlike underwriters who occasionally serve as financial advisors, WM Financial Strategies' only business is as an independent financial advisor acting in a fiduciary capacity to its governmental clients. Accordingly, its expertise is in providing advisory services 100% of the time rather than selling securities most of the time. In addition, unlike brokerage and investment banking firms that commit their efforts and priorities to the sale of securities, the sale of services in a fiduciary capacity is WM Financial Strategies only business.

The primary benefits to the City from engaging WM Financial Strategies would include selection of the best financing approach, interest rate savings, and financial flexibility. WM Financial Strategies does not underwrite bonds or sell securities; accordingly, objectivity of its findings and recommendations are guaranteed. WM Financial Strategies will work to assure the City of achieving the best financing package by selecting the underwriter through a competitive process based on financing terms and rates; rather than a financing plan designed to appeal to a specific underwriter, bank or purchaser.

In addition to its principal role of improving the financing structure and lowering cost, WM Financial Strategies provides a comprehensive approach to service delivery. These services include, among others, structuring the issue, selecting the underwriter, selecting the trustee, obtaining the rating and arranging the closing. These services will make it possible for you to continue operating the City without the stressful disruption of designing and marketing a securities issue.

## ***Summary of Benefits with WM Financial Strategies***


- **Expertise.** WM Financial Strategies has served as financial advisor to over 40 units of government on transactions just like yours.
- **Results!** WM Financial Strategies delivers exceptional results by (i) managing the rating process in a fashion that results in the highest rating possible, (ii) aggressively marketing the issue in order to obtain below market interest rates, and (iii) developing transaction structures that meet or exceed objectives.

- Service and excellence. WM Financial Strategies combines personalized service with state-of-art technology to bring the best results to each financing. The company has a demonstrated track record for:
  - Providing comprehensive services that minimize the client's project related workload.
  - Developing and implementing low cost successful financings.
  - Completing each project in a timely fashion.
  - Presenting financing options in a personal and easy to understand fashion.
- Guaranteed Objectivity. As an independent financial advisor, WM Financial Strategies works exclusively in the interest of the client without any underwriting conflict of interest.
- Competition. WM Financial Strategies brings competition to either a competitive or negotiated bond sale. Clients receive the assurance of obtaining the lowest combined discount and interest rates through competitive bidding or a highly competitive proposal process in the case of a negotiated sale.
- Competency. Joy Howard is one of only two individuals in Missouri that is designated as a Certified Independent Professional Municipal Advisor by the National Association of Municipal Advisors.
- Long-Term Relationships. WM Financial Strategies is committed to establishing long-term relationships with each client that extends beyond a specific bond financing.

WM Financial Strategies is extremely well qualified and prepared to provide all of the services set forth in the City's request for proposals.

Please let me know if you have any questions regarding my proposal. I look forward to hearing from you and hope to have the opportunity to serve as your Municipal Financial Advisor.

Sincerely,

  
Joy A. Howard  
Principal





## WM Financial Strategies

---

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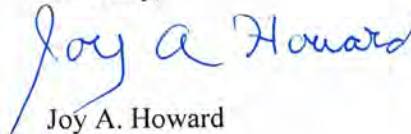
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Please let me know if you have any questions regarding my proposal. I look forward to hearing from you and hope to have the opportunity to serve as your Municipal Financial Advisor.

Sincerely,



Joy A. Howard  
Principal

**MUNICIPAL ADVISOR  
PROPOSAL FOR**

**THE CITY OF  
SALEM, MISSOURI**



---

**WM FINANCIAL  
STRATEGIES**

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**November 30, 2022**



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# SECTION 1. – OVERVIEW OF WM FINANCIAL STRATEGIES

- 
1. *Organizational Overview: A description of the applicant's organization, years in existence, structure, and composition.*
- 

## Summary Description

<b>Firm Name:</b>	Joy A. Howard /dba/ WM Financial Strategies
<b>Formation:</b>	Formed in Missouri in 1989.
<b>Areas of Operation:</b>	Missouri and Illinois.
<b>Address:</b>	11710 Administration Drive Suite 7 St. Louis, Missouri 63146
<b>Telephone Number and Email:</b>	314-423-2122 Email: Jhoward@munibondadvisor.com
<b>Contact:</b>	Joy A. Howard

## General Description of WM Financial Strategies

Established in 1989 to provide independent financial advice to government entities, WM Financial Strategies has developed a superior set of practices and services designed to minimize costs while maximizing convenience and savings for its clients. In selecting a municipal advisor, the City should consider that WM Financial Strategies acts exclusively as municipal advisor in a fiduciary capacity to its clients every day, all of the time.

### *WM Financial Strategies' Only Business is Serving as a Municipal Advisor*

WM Financial Strategies is an independent municipal advisory firm registered with the Securities Exchange Commission and the Municipal Securities Rulemaking Board. Specializing in bond and lease financing, WM Financial Strategies also offers other highly specialized services including capital planning, analysis of fees and tax structures, demographic studies, analysis of capital formation alternatives, financial management services, and secondary market disclosure.

Joy A. Howard formed WM Financial Strategies in order to satisfy a need by local governments to obtain independent financial advice. Since establishing WM Financial Strategies, the use of independent municipal advisors has grown. This is in part due to concerns regarding the conflicts of interest that exist when an underwriter provides financial advice. Unlike WM Financial Strategies that acts in a fiduciary capacity to issuers, an underwriter must represent the conflicting interests of



the issuer (whose goal is to obtain low interest rates) and investors (whose goal is to obtain high interest rates).

As an independent municipal advisor, WM Financial Strategies is not affiliated with any underwriting or investing institution. Unlike underwriters (banks and brokerage firms) whose primary objective is selling bonds or making loans, WM Financial Strategies is involved in all aspects of the capital formation process including planning. Whether engaged for a capital plan or a specific capital project, WM Financial Strategies provides impartial financial advice without any potential for conflicts of interest. Its sole commitment is to identify the capital needs of its clients and to implement the most feasible approach to capital formation. When bond financing is involved, the goal of WM Financial Strategies is to achieve precise, feasible financial results without any bias toward a specific financing plan or approach to capital financing. WM Financial Strategies has no inherent interest in designing a particular financing to suit particular investors, nor in the method, type or size of the financing.

At the time of formation, WM Financial Strategies was Missouri's only independent financial advisory firm. Today, WM Financial Strategies is a registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Ms Howard is also a registered Municipal Advisor Principal having passed the requisite test of the Municipal Securities Rulemaking Board. In addition, WM Financial Strategies is a member of the National Association of Municipal Advisors (NAMA) and Joy Howard is one of only two NAMA Certified Independent Professional Municipal Advisors located in Missouri. As a Certified Independent Professional Municipal Advisor (CIPMA), Joy Howard has demonstrated an elevated dedication to continuing education and ethics in her work for state and local governments, entities, and obligated persons.

Public officials should have confidence in the integrity and knowledge of the individuals that advise them. Accordingly, Joy A. Howard will be involved in all aspects of the transaction, from meetings to the actual structuring of the transaction. The following is a detailed description of Ms. Howard's qualifications:

## **Resume for Joy A. Howard, CIPMA**

### **Career Summary and Background**

Joy A. Howard, Certified Independent Professional Municipal Advisor, has a career devoted entirely to public finance. Ms. Howard began as a municipal bond intern at a Minneapolis, Minnesota regional investment bank while still in college. She later became an Assistant Vice President at Centerre Bank (now Bank of America, St. Louis) and, prior to establishing WM Financial Strategies, was a Vice President with a major St. Louis, Missouri, regional investment bank. Ms. Howard's experience includes capital planning and analysis, statistical research for comprehensive annual financial statements, bond defeasance, tax increment planning and analysis, project planning, tax and revenue studies, comprehensive fund balance policies, and secondary market disclosure. Ms. Howard's bond and lease experience includes general obligation bonds, lease revenue bonds, certificates of participation, debt certificates, alternate bonds, water revenue bonds, sewer revenue bonds, electric revenue bonds, "double barrel" bonds, tax increment bonds, advance refunding bonds, current refunding bonds, tax and revenue anticipation notes, and a variety of special assessment bonds. Ms. Howard has completed debt issues totaling nearly one billion dollars including several innovative first time financings such as a privatization of an Illinois Municipal Sewer System, the first competitive sale of Capital Appreciation Bonds in



Missouri and the first publicly sold tax increment bond issue in Missouri. She was a pioneer in the use of leasehold revenue bonds in Missouri and Alternate Bonds in Illinois.

While Ms. Howard's career began in an investment banking environment, her experience, career emphasis, and goals have principally been in the area of municipal advisory services. A proponent of high quality advisory services for debt financing, Ms. Howard has also been active in seeking non-debt solutions to financial problems. As noted above, she has been actively involved in providing advisory services in such areas as capital planning and analysis, bond defeasance, tax increment planning and continuing disclosure. As an experienced computer programmer, she has developed numerous programs for obtaining solutions to complex financial problems.

Ms. Howard is a graduate of the University of Minnesota, with a Bachelor of Arts degree in International Economic Development and has completed several graduate courses in business administration at the University of Missouri, St. Louis.

### **Task Force Appointments**

State of Illinois, Governor Appointed, East St. Louis Financial Advisory Board

State of Illinois, Governor Appointed, task force for Southwestern Illinois Economic Development

State of Illinois, Department of Economic Development, Commerce and Community Affairs, task force on Tax Increment Financing

### **Speaking/Television/Publications**

Appearance on Bloomberg Television – Competitive Bond Sales

Bond Buyer's 2007 North Central Municipal Finance Forum - Competitive vs. Negotiated Bond Sales

Government Finance Officers Association - SEC Disclosure Rules

Illinois Municipal Treasurers Associations' 2007 Annual Conference - Competitive Bond Sales - A Method of Saving Taxpayers Money

Illinois Municipal Treasurers Associations' 2007 Institute - Bond Sales Methods - Beyond the Basics

Illinois Municipal Treasurers Associations' 2009 Annual Conference - Bonds Gone Wild - Impact of the Financial Crisis on Municipal Bonds

Illinois Redevelopment Official's Organization - Tax Increment Financing

Illinois State University at Normal - Privatization

Missouri County Treasurers' Association - Cash Flow Financing

Missouri Government Finance Officers Association, 2012 Spring Conference - Municipal Bonds - Regulatory & Market Update



Missouri Government Finance Officers Association - 2011 Spring Conference - Financial Regulatory Reform and How It Affects Local Governments

Missouri Government Finance Officers Association - Bonds Gone Wild - 2009 Speech Regarding the Impact of the Financial Crisis on Municipal Bonds

Missouri Government Finance Officers Association - Competitive Bond Sales - A Method of Saving Taxpayers Money

Missouri Government Finance Officers Association - Choosing and Using Financial Advisors

Missouri Government Finance Officers Association – Bonds 101

Missouri Government Finance Officers Association – 2014 New Municipal Advisor Rules and How it Affects Local Governments

Missouri Government Finance Officers Association - Recent Trends in Municipal Finance

Missouri Association of School Business Officials - Tax Increment Financing

Missouri Government Finance Officers Association - Municipal Bonds - Beyond the Basics

Missouri Association of School Board Officials - Tax Increment Financing

Missouri Association of School Board Officials - Advance Refunding

Missouri Association of School Board Officials - Competitive Bonds Sales - A Method of Saving or a Bad Idea

Missouri Tax Increment Financing Association - TIF Administration

Missouri Association of Firefighters - Alternative Financing Methods

National Association of Redevelopment Official's Organization - Tax Increment Financing

Southern Illinois Mayor's Association - Tax Increment Financing

Southwestern Illinois Regional Planning Commission - Tax Increment Financing

St. Louis County Municipal League - Bonds and Other Mysteries

St. Louis Chapter of the Missouri Government Finance Officers Association - Bonds Gone Wild - Impact of the 2008 Financial Crisis on Municipal Finance

St. Louis Chapter of the Missouri Government Finance Officers Association - Post Traumatic Bond Market – 2010 Status of the Bond Market

St. Louis Chapter of the Missouri Government Finance Officers Association - 2011 – Continuing Disclosure – What You Don't Tell May Hurt You

St. Louis Chapter of the Missouri Government Finance Officers Association - 2012 – Municipal Bonds; the Bright Side of 2011

St. Louis Chapter of the Missouri Government Finance Officers Association - 2013 – Bond Ratings: What Moody's Looks for in Local Governments



St. Louis Chapter of the Missouri Government Finance Officers Association -  
2016 – Tax Increment Finance and the Role and Responsibilities of Finance Officers

St. Louis Chapter of the Missouri Government Finance Officers Association -  
2016 – Municipal Market Trends and Hot Topics

St. Louis Chapter of the Missouri Government Finance Officers Association -  
2017 – Municipal Market Trends and Hot Topics

St. Louis Chapter of the Missouri Government Finance Officers Association -  
2018 – Role of a Municipal Advisor

St. Louis Chapter of the Missouri Government Finance Officers Association -  
2018 – Municipal Market - Year in Review and Forward View

State of Illinois Department of Economic Development, Commerce and  
Community Affairs - Tax Increment Financing

University of Missouri Government Extension Program - Cash Flow Financing

Women in Public Finance – 2011 – Navigating the Current Legal Environment

*Capital Planning Chapter* - Illinois Government Finance Officers Association's – financial  
handbook.

*Bonds Gone Wild* – Missouri Municipal Review Magazine

## Memberships

Missouri Municipal League

Government Finance Officers Association

National Association of Municipal Advisors

National Society of Compliance Professionals

Illinois Government Finance Officers Association

Missouri Government Finance Officers Association

Illinois Downstate Government Finance Officers Association

## Certifications and Registrations

WM Financial Strategies is a registered Municipal Advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Having passed the Municipal Securities Rulemaking Board's Series 54 test, she is additionally a registered municipal advisor principal.

WM Financial Strategies is a member of the National Association of Municipal Advisors (NAMA). As a Certified Independent Professional Municipal Advisor, Ms. Howard has demonstrated her commitment to exceed industry standards relating to a Municipal Advisor's continuing education requirements and professional code of ethics.



## SECTION 2. – QUALIFICATIONS

- 
2. *Provide a summary of the key strengths and qualifications of your firm and an overview of the capabilities your firm would offer in delivering the requested services and scope..*
- 

Joy A. Howard /dba/ WM Financial Strategies is pleased to submit its qualifications to **serve exclusively as municipal advisor** to the City of Salem, Missouri (the “City”). WM Financial Strategies serves exclusively as an independent municipal advisor to local governments in Missouri and Illinois and is extremely well qualified to provide all of the services described in the City’s request for proposals. The primary benefits to the City from engaging WM Financial Strategies are the selection of the best financing approach, interest rate savings, financial flexibility and public transparency. WM Financial Strategies does not underwrite bonds or sell securities; accordingly, objectivity of its findings and recommendations are guaranteed. WM Financial Strategies will work to assure the City of achieving the best financing transactions based on financing terms and rates; rather than a financing plan designed to appeal to specific underwriters, banks or purchasers.

Established in 1989 to provide independent financial advice to government entities, WM Financial Strategies has developed practices and services designed to minimize costs while maximizing convenience and savings for its clients. In selecting a municipal advisor, the City should consider that WM Financial Strategies acts exclusively as municipal advisor in a fiduciary capacity to its clients every day, all of the time.

As an independent financial advisor (now often referred to as a “municipal advisor”), WM Financial Strategies is not affiliated with any underwriting or investing institution. Unlike underwriters (banks and brokerage firms) whose primary objective is selling bonds or making loans, WM Financial Strategies is involved in all aspects of the capital formation process including planning. Whether engaged for a capital plan or a specific capital project, WM Financial Strategies provides impartial financial advice without any potential for conflicts of interest. Its sole commitment is to identify the capital needs of its clients and to implement the most feasible approach to capital formation. When bond financing is involved, the goal of WM Financial Strategies is to achieve precise, feasible financial results without any bias toward a specific financing plan or approach to capital financing. WM Financial Strategies has no inherent interest in designing a particular financing to suit particular investors, nor in the method, type or size of the financing.

The services provided by WM Financial Strategies are not the same as those provided by underwriters or by broker-dealers that periodically serve as municipal advisors. **As previously described, WM Financial Strategies acts in a fiduciary capacity to issuers every day, all of the time.** This is significantly different from underwriters that primarily represent investors (whose goal is to obtain high interest rates) in conflict with your interest to obtain low interest rates. WM Financial Strategies only role is to provide services and results to governmental entities with a duty of loyalty and a duty of care.

Although brokerage firms may employ individuals that periodically serve as municipal advisors the City should consider the following: (1) Will this firm seek to become an underwriter for future transactions? (2) Is this firm’s priorities its brokerage activities or its advisory activities? (3) Will selection of this firm as a Municipal Advisor eliminate an otherwise favorable underwriter from bidding on your securities? (4) Would you rather work with a firm that represents investors’ interests most of the time or someone that represents the issuers’ interests all of the time?



In addition to its principal role of improving the financing structure and lowering cost, WM Financial Strategies provides a comprehensive approach to service delivery. These services will make it possible for you to continue running the City without the stressful disruption of designing and marketing a securities issue. Banks, investment banks, and most municipal advisors redistribute a significant amount of the bond issue work back to the client. In fact, the transfer of bond issue work back to the issuer is now substantially greater than in the past due to new Securities and Exchange Commission rules that limit the advice (and services) that may be provided by underwriters. In contrast, WM Financial Strategies' sole business is to provide service and results and WM Financial Strategies is not subject to rules that limit the advice it can provide.

WM Financial Strategies also serves to enhance the client's profile. Most citizens expect governing bodies to employ experts for projects outside their day-to-day expertise. Just as you employ an architect to assure that a building is well designed, a financial expert can assure that a financing is well designed and cost effective. As part of this role, WM Financial Strategies assists in public relations efforts by presenting findings and recommendations at public meetings and assisting with the preparation of press releases. Documentation and findings are presented in "Plain English."

## Areas of Expertise

WM Financial Strategies is an expert in providing the following services.

### Capital Financing and Debt Issues

- Revenue Bonds
- Refunding Bonds
- General Obligation Bonds
- Lease-Purchase Financing
- Tax Increment Obligations
- Tax & Revenue Anticipation Notes
- Special Assessment Bonds (e.g. NIDs)
- State Revolving Loan Funds Financing

### Demographic, Economic and Statistical Studies

- Studies for Economic Development
- Statistics and Assistance in Obtaining a GFOA Certificate of Achievement

### Financial Services

- Bond Defeasance
- Cash-Flow Analysis
- Fund Balance Policies
- Long-Term Budgeting
- Continuing Disclosure
- Rating Review Assistance
- Debt Management Policies
- Capital Improvement Plans
- Project Feasibility Analysis
- Utility Rate Surveys and Studies
- Tax Increment Financing Studies
- Financial Software Development

A more detailed discussion of WM Financial Strategies' debt management and capital planning services is included hereinafter.:



## Debt Management

- Reviewing and analyzing long-term financial plans to determine whether new revenues will be required to support future debt and examining the timing and opportunities to obtain voter approval of no tax increase bond issues.
- Implementing “Bond Defeasance” transactions to reduce reserve funds and insure that the debt service tax levy will not be reduced.
- Assisting in developing financial management policies that improve the issuer’s credit standing and, potentially, bond ratings. These include reserve policies and debt policies.
- Assisting in rating reviews (rating surveillances) in order to maintain or upgrade ratings.
- Reviewing, updating, and preparing continuing disclosure filings and reports to insure that such information is consistent with the issuers 15c2-12 disclosure undertakings. Failure to comply with undertakings can prevent the sale of bonds. (Underwriters are not permitted to underwrite bonds of issuers that have material non-compliance.)
- WM Financial Strategies will assist the City in reviewing opportunities to refinance and restructure its existing debt in order to reduce costs or to otherwise implement the City’s financial objectives.

## Capital Planning

WM Financial Strategies provides capital budget programming services. The services that are available to clients include (i) comprehensive capital plans that encompass a three to five-year period. These plans are not linked to the issuance of bonds and enable governments to determine how to effectively use existing funds, borrowing and new revenue source to pay for future capital expenditures. (ii) Capital projects planning which addresses methods on how to finance a specific capital project.

## Bond Experience

WM Financial Strategies serves **exclusively as a financial advisor** to public entities providing a broad spectrum of advisory services. The following is a list of Ms. Howard’s bond experience for the last 3 years. **(Note that because WM Financial Strategies provides many services that are not linked to the sale of municipal securities, serves governments in Illinois, and serves numerous governments in Missouri in addition to cities the following list only partially reflects the company's public finance experience.)**



<b>Year</b>	<b>Client</b>	<b>Transaction</b>
In Progress	City of Warrenton, Missouri	Approximately \$14,000,000 Sewerage System Revenue Bonds
In Progress	City of St. Charles, Missouri	Approximately \$37,000,000 Riverpoint Neighborhood Improvement District
In Progress	Fon Du Lac Park District, Illinois	Approximately \$1,000,000 General Obligation Bonds
In Progress	City of St. Ann, Missouri	\$12,300,000 General Obligation Bonds (Park Project)
In Progress	O'Fallon Fire Protection District, Missouri	General Obligation Bonds (Capital Planning to Determine amount is now underway)
In Progress	City of Wentzville, Missouri	Certificates of Participation (Capital Planning to Determine amount is now underway)
2022	St Louis Zoo	\$138,580,000 Annual Appropriation Bonds
2022	City of St. James, Missouri	\$2,395,000 Sewerage System Revenue Bonds, State of Missouri Revolving Loan Fund
2022	Cottleville Fire Protection District, Missouri	\$9,635,000 General Obligation Bonds
2022	City of Kirkwood, Missouri	\$17,290,000 Certificates of Participation (Electric and Public Safety Project)
2022	Lincoln County Fire Protection District, Missouri	\$4,065,000 General Obligation Bonds
2022	Pacific Fire Protection District, Missouri	\$2,000,000 Loan for New Station
2022	City of Dardenne Prairie, Missouri	\$5,440,000 Certificates of Participation (Street Project)
2022	City of Warrenton, Missouri	\$5,345,000 Tax Increment Financing Bonds
2022	City of Hannibal Board of Public Works	\$12,000,000 Certificates of Participation (Electric Project)
2022	Fon Du Lac Park District, Illinois	\$1,150,000 General Obligation Limited Tax Park Bonds, Series 2022



<b>Year</b>	<b>Client</b>	<b>Transaction</b>
2022	City of St. Charles, Missouri	\$3,500,000 Neighborhood Improvement District Bonds
2021	City of St. Charles, Missouri	\$1,160,000 Neighborhood Improvement District Bonds
2021	Fon Du Lac Park District, Illinois	\$2,440,000 General Obligation Refunding Bonds (Alternate Revenue Source)
2021	City of Olivette, Missouri	\$8,280,000 General Obligation Refunding Bonds
2021	City of St. Charles, Missouri	\$20,000,000 General Obligation Bonds
2021	St. Charles County Ambulance District, Missouri	\$21,400,000 General Obligation Bonds
2021	City of Warrenton, Missouri	\$5,310,000 Combined Waterworks and Sewerage System Revenue Bonds
2021	Rock Township Ambulance District, Missouri	\$9,370,000 General Obligation Bonds
2021	City of Highland, Illinois	\$1,840,000 General Obligation Sewerage System Refunding Bonds (Alternate Revenue Source)
2021	City of Boonville, Missouri	\$3,490,000 Lease Refunding Obligations
2021	St. Charles Community College, Missouri	\$27,955,000 General Obligation Bonds
2021	Lincoln County Fire Protection District #1, Missouri	\$9,905,000 General Obligation Bonds
2021	Lincoln County Ambulance District, Missouri	\$5,740,000 General Obligation Bonds
2021	City of St. Charles, Missouri	\$9,050,000 Refunding Certificates of Participation
2021	Fon Du Lac Park District, Illinois	\$1,140,000 General Obligation Park Bonds
2021	City of West Plains, Missouri	\$1,935,000 Refunding Certificates of Participation
2021	City of Ferguson, Missouri	\$4,480,000 Refunding General Obligation Bonds



<b>Year</b>	<b>Client</b>	<b>Transaction</b>
2020	City of St. James, Missouri	\$2,195,000 Sewerage System Refunding Revenue Bonds
2020	O'Fallon Fire Protection, Missouri	\$5,805,000 General Obligation Refunding Bonds
2020	St. Charles County, Missouri	\$22,810,000 Refunding Special Obligation Bonds
2020	City of West Plains, Missouri	\$2,005,000 Sewerage System Refunding Revenue Bonds
2020	City of Osage Beach, Missouri	\$2,330,000 Tax Increment Refunding Revenue Bonds
2020	City of St. Ann, Missouri	\$1,300,000 Equipment Lease financing
2020	City of Wentzville, Missouri	\$3,890,000 Refunding Certificates of Participation (Park Project)
2020	Cottleville Fire Protection District, Missouri	\$6,365,000 General Obligation Bonds
2020	City of St. Charles, Missouri	\$10,500,000 Special Obligation Bonds
2020	City of Belleville, Illinois	\$6,975,000 General Obligation Refunding Bonds
2020	City of Olivette, Missouri	\$15,635,000 General Obligation Bonds (Park and Community Center Project)
2020	St. Charles, Missouri	\$3,735,000 Neighborhood Improvement District Bonds
2020	City of Manchester	\$7,000,000 General Obligation Bonds (Street Projects)
2020	City of St. Charles, Missouri	\$65,095,000 Refunding Certificates of Participation (Water and Sanitary Sewer Project)
2020	City of Highland, Illinois	Approximately \$2,680,000 Refunding General Bonds (Alternate Revenue Source)
2020	City of Dardenne Prairie, Missouri	\$3,000,000 Certificates of Participation (Park Project)

<b>Year</b>	<b>Client</b>	<b>Transaction</b>
2020	City of Boonville, Missouri	\$2,405,000 Refunding Certificates of Participation
2020	City of St. Charles, Missouri	\$17,340,000 Certificates of Participation (Park and Stormwater Project)
2020	City of Hannibal, Missouri	\$4,655,000 Sewerage System Refunding Revenue Bonds
2020	City of St. Peters, Missouri	\$14,350,000 Refunding Certificates of Participation
2020	City of Highland, Illinois	\$8,475,000 Debt Certificates (Public Safety Building Project)
2020	Fon Du Lac, Illinois	\$1,100,000 General Obligation Park Bonds
2019	City of Manchester, Missouri	\$24,195,000 Tax Increment Revenue Refunding Bonds
2019	Franklin County, Missouri	\$26,035,000 Refunding Certificates of Participation
2019	Franklin County, Missouri	\$20,025,000 Certificates of Participation Refunding (Public Safety Building Financing-including new jail and 911 Center)
2019	City of Webster Groves, Missouri	\$4,810,000 General Obligation Bonds
2019	City of St. Ann	\$3,705,000 Refunding Certificates of Participation
2019	Wentzville, Missouri	\$36,925,000 Certificates of Participation (Recreation Center Project)
2019	City of St. Peters, Missouri	\$3,890,000 Waterworks and Sewerage System Refunding Revenue Bonds
2019	City of Highland, Illinois	\$9,900,000 Refunding Electric System Revenue Bonds
2019	City of St. Ann	\$2,900,000 General Obligation Bonds (Park Project)
2019	City of Hannibal Board of Public Works, Missouri	\$9,915,000 Waterworks Revenue Bonds



Year	Client	Transaction
2019	City of Kirkwood, Missouri	\$3,355,000 Refunding Certificates of Participation (refunding of BABs)
2019	City of St. Peters, Missouri	\$3,610,000 General Obligation Refunding Bonds
2019	Rock Community Fire Protection District, Missouri	\$6,900,000 General Obligation Refunding Bonds
2019	Rock Township Ambulance District, Missouri	\$11,650,000 General Obligation Bonds
2019	Fon Du Lac Park District, Illinois	\$1,075,000 General Obligation Limited Tax Park Bonds

## Advantages of Selecting WM Financial Strategies

**Objectivity and Independence.** WM Financial Strategies works solely in the interest of the client. The company is not affiliated with the purchasers of debt in any underwriting, legal or financial capacity. Accordingly, WM Financial Strategies is able to guarantee objectivity and independence of its findings and recommendations.

**Service.** WM Financial Strategies is committed to providing superior service on a cost-effective basis. Since its entire business involves the sale of service, WM Financial Strategies cannot afford the luxury of providing acceptable services; it must rely on excellence.

**Creative Yet Practical Solutions.** When appropriate, WM Financial Strategies will explore the use of creative financing alternatives. WM Financial Strategies is not bound by any corporate tradition resulting in cookie-cutter structures frequently employed by large firms. At the same time, the company seeks practical solutions, which may include the most traditional forms of financing. In all cases, the financing vehicle recommended will be consistent with the desires of the client.

**Professional.** Public officials should have confidence in the integrity and knowledge of the individuals that advise them. Accordingly, Joy A Howard will be involved in all aspects of the transaction, from meetings to the actual structuring of the transaction.

**Competition!** WM Financial Strategies brings competition to the selection of the bond underwriter or purchaser. Local governments use competition to procure small items. It is only logical that competition should also be used for reducing the cost of a bond issue.

**Certified Municipal Advisor.** Joy A. Howard is a Certified Independent Professional Municipal Advisor with the National Association of Municipal Advisors. Ms. Howard has met the Association's demanding membership criterion based on her experience and complete independence, ethically and actually, from bond underwriters, securities dealers, brokerage firms, and banks that buy tax-exempt bonds for resale.

**Exclusive Municipal Advisory Business.** Unlike broker-dealers and other individuals who occasionally serve in a municipal advisory capacity, WM Financial Strategies' only business is serving as a municipal advisor on transactions just like yours.

**Plain English.** Ms. Howard's reports and presentations will reflect "plain English" that the City's staff, elected officials, media and public will understand. Bells, whistles and jargon that dazzle, but do not inform the client, are avoided.

**Results.** WM Financial Strategies delivers exceptional results to its clients by (i) managing the rating process in a fashion that results in the highest rating possible, (ii) aggressively marketing the issue in order to obtain yields below the prevailing market, and (iii) developing transaction structures that meet or exceed objectives.

**Long-Term Relationships.** WM Financial Strategies is committed to establishing long-term relationships with its clients that extend beyond a specific financing. Through its long-term relationships WM Financial Strategies is able to provide services which enhance the capital formation, accumulation, and implementation process.

**Experience.** WM Financial Strategies serves as municipal advisor to more than 40 municipal entities in Missouri and several municipal entities in Illinois on transactions just like yours.



## SECTION 3. – REFERENCES

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3. *Provide a minimum of three references being municipal or state government entities of with which your firm has provided similar services*
- 

**City of St. Peters**

Ms. Beth French, Finance Director  
Russ Batzel, City Administrator  
636-298-2550 Ext. 222

**City of Kirkwood**

Ms. Sandra Stephens, Finance Director  
314-822-5833  
Mr. Russell B. Hawes, City Manager  
314-822-5806

**City of Wentzville**

Mr. Jeff Lenk  
Director of Finance  
636-327-5101

**City of Olivette**

Ms. Barbara Sondag, City Manager  
Mr. Darren Mann, Finance Director  
314-993-0444

**City of Farmington**

Mr. Greg Beavers  
City Administrator  
573-756-1701

**City of St. Charles**

Jennifer O'Conner  
Interim Director of Finance  
636-949-3210

**St. Charles County**

Mr. Robert Schnur  
Assistant Director of Administration  
636-949-7465

**City of Warrenton**

Ms. Brandie Walters  
City Administrator  
636- 456-3535

## SECTION 4. – INSURANCE

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### 4. *Provide a Certificate of Professional Liability Insurance*

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WM Financial Strategies is asking for a waiver of the insurance requirements set forth in the City's Request for Proposal. In granting the waiver, please consider the following.

Although Municipal Advisors that are also investment advisors carry insurance to cover their activities as investment advisors; most municipal advisors do not carry insurance because there are generally no policies available covering their activities. Stated differently insurance policies typically exclude liabilities arising out of a breach of the Securities Exchange Act of 1934 or services relating to the structuring or issuance of municipal securities. (The services that would be provided Salem).

A few years ago, the Municipal Securities Rulemaking Board considered requiring Municipal Advisors to acquire insurance but subsequently dropped the requirement from their proposed rule since most Municipal Advisors were unable to find an insurer writing policies that covered anything beyond investments (coverage for investment advisors.) Accordingly, Municipal Advisors like WM Financial Strategies that are not investment advisors nor broker-dealers generally do not carry such insurance because policies covering such activities are not generally available.

The City should be aware that any firm suggesting that it has liability insurance most likely does not have coverage that is applicable to the City's transaction. Accordingly, the City should read the policy exclusions and not rely on any representations by any firm that suggests they maintain liability insurance.

Although WM Financial Strategies does not have liability insurance, it should be noted that while many Missouri securities firms have been involved in litigation or regulatory investigations (including actions relating to auction rate securities, guaranteed investment contracts, bid rigging, improper gift giving and the sale of synthetic collateralized debt obligations) WM Financial Strategies has never been a party to any litigation, regulatory proceeding or complaint.



## SECTION 5. - FEES AND SERVICES

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*To address the City's Request for Proposal questions relations to fees and services, the following is a sample agreement that addresses these questions..*

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### FINANCIAL ADVISORY AGREEMENT

This Financial Advisory Agreement (the "Agreement") dated as of \_\_\_\_\_, is between WM Financial Strategies and the City of Salem, Missouri (the "City"). The City agrees to hire WM Financial Strategies and WM Financial Strategies agrees to act as financial advisor to the City on the terms set forth below:

1 **PROJECT FINANCING.** WM Financial Strategies agrees to assist in obtaining financing for the \_\_\_\_\_ projects (the "Projects"). Financing for the Projects may be in the form of a state revolving fund loan, State of Missouri Department of Natural Resource loan, revenue bonds, or lease obligations (each referred to herein as a "Bond" or "Loan").

2 **AGREEMENT TO PROVIDE INFORMATION.** The City agrees to provide WM Financial Strategies with information including financial statements, budgets, outstanding loan documents and bond documents, Project descriptions and other information required to provide the services set forth in this Agreement.

3 **ADVISORY FEES.** For capital planning services, WM Financial Strategies shall receive an hourly fee of \$150 which shall be billed monthly and due within 30 days after the billing date. In the event bonds are sold to the State under a Loan Program (SRF) then WM Financial Strategies shall receive a fee equal to \$4,000. For Projects requiring funding with publicly sold revenue bonds or lease obligations, WM Financial Strategies shall receive a fee of \$10,000 per issuance. These fees include out-of-pocket expenses for courier, in-house reproductions, telephone, travel and postage. The fees will be payable and contingent upon the closing of the sale of the Bond or Loan transaction.

4 **PROPERTY OWNERSHIP.** All reports, studies and data obtained or compiled as part of this Agreement shall be the property of the City. All such reports, studies and data shall be delivered promptly to the City as completed. The City may additionally request receipt of partially completed reports, studies and data in order to assess the status of completion of services.

5 **TERMINATION.** This Agreement shall terminate upon the completion of financing of the Projects but not later than December 2024 for any financing that has not commenced at that time.

6 **PAST DUE BALANCES.** Any balance that is thirty days past due shall be subject to a finance charge computed at the rate of .50% per month, which is an annual percentage rate of 6%.

7 **SCOPE OF SERVICES.** The City hires WM Financial Strategies to provide the services set forth in herein.



## I. Capital Planning and Refinancing

WM Financial Strategies will review and evaluate the City's existing capital financing plans to determine whether the current borrowing strategy needs to be amended. As part of its evaluation, WM Financial Strategies shall review management and operations of the wastewater system, user charges, financial statements, engineering reports relating to the proposed project and other information that may impact upon the timing, sizing and payment sources for the proposed project. Thereafter, WM Financial Strategies will work with the City in developing a financing plan that will include the project time schedule and required financing dates, an analysis of financing alternatives taking into consideration the probability of obtaining State funding or loans on the dates needed, interim funding requirements, an analysis of the cost of various financing options and the cost of combining multiple financing sources, and the impact such alternatives will have on system user charges.

Thereafter, WM Financial Strategies will prepare a financing plan identifying alternative funding mechanisms for the project, costs of issuance and any ongoing administration fees, a proposed maturity schedule for each funding mechanism, projected debt service costs for each alternative and other funding requirements such as reserves and depreciation accounts. The financing plan will include recommendations regarding the financing alternative to be selected.

WM Financial Strategies will be available to provide a comprehensive power point training program to the City on all aspect of financing. In addition, WM Financial Strategies shall attend meetings as feasible to educate the City of any financing under development.

The following is a brief summary of some of the specific terms which WM Financial Strategies will assist in developing.

*Issue Sizing.* In advising on size, WM Financial Strategies will take into consideration project costs and availability of funds on hand. In addition, WM Financial Strategies will explore the timing of expenditures to insure that the funds can be spent in a time-frame consistent with the Internal Revenue Code rules relating to municipal financing.

*Maturity Schedule.* WM Financial Strategies will work with the City in developing the maturity schedule.

*Debt Coverage.* Debt coverage refers to the amount of revenues required to support debt service. WM Financial Strategies shall review the operations of the system and outstanding revenue bond covenants to determine whether the appropriate coverage requirement can be met and, if not, advise on steps for compliance.

*Reserve and Depreciation Accounts.* WM Financial Strategies shall determine the amounts required for these accounts to comply with State requirements or to market the issue in the case of publicly sold Bonds. WM Financial Strategies will also recommend the mechanisms to be used for funding these accounts.

*Redemption Provision.* A redemption provision should be included in the Bond documents to provide future flexibility for refunding debt for savings, voluntarily reducing outstanding debt or debt reorganizations. While the options will be predefined for State loans, there are numerous options available for structuring a redemption provision for publicly sold bonds. WM Financial Strategies will carefully analyze redemption alternatives taking into consideration your needs and any adverse effect the provision may have on interest cost.



Other Terms. WM Financial Strategies will assist in the development of other financial and investment provisions for inclusion in the bond documents. These terms include, among others, establishment of bond accounts, bond issue dates, and bond payment dates.

WM Financial Strategies will also assist the City in reviewing opportunities to refinance and restructure its existing debt in order to reduce costs or to otherwise implement the City's financial objectives.

## **II. STATE (SRF OR DNR LOAN) FUNDING**

In the event the City obtains all or part of its financing through State funding, WM Financial Strategies will provide the following services.

### **A. Applications and Credit Reports**

WM Financial Strategies will assist the City in preparing applications relating to the financing structure and City's credit.

### **B. Maturity Schedule**

Develop alternative maturity schedules that are within the parameters established by SRF. These schedules will be prepared using the computer systems and proprietary software maintained by WM Financial Strategies. The maturity schedule selected will be updated from time to time to reflect any changes required by the State.

### **C. Preparation of Time Schedule and Management of Activities**

WM Financial Strategies will prepare a schedule of events and assign specific dates to the timetable. In addition, WM Financial Strategies monitors progress in completing the steps set forth on the schedule and coordinates the work of the parties to the transaction to insure that each step is completed on a timely basis.

### **D. Documents**

WM Financial Strategies shall review the documents completed by or for State and will advise the City of the content and insure that any agreed upon financing terms are accurately reflected in such documents.

### **E. Mathematical Computations**

Throughout the financing process, WM Financial Strategies shall make mathematical computations with respect to the debt service on the bonds, cash flow analysis and the source and disbursement of funds.



### **III. Publicly Sold Bonds or Lease Obligations**

For publicly sold bonds or lease obligations, WM Financial Strategies shall provide the following services:

#### **A. Preparation of Time Schedule and Management of Activities**

WM Financial Strategies will prepare a schedule of events and assign specific dates to the timetable. In addition, WM Financial Strategies will monitor the progress of the steps set forth in the schedule and will coordinate the work of the parties to the transaction to insure that each step is completed on a timely basis.

#### **B. Market Analysis**

In order to appropriately advise the City on the establishment of a desirable sale date and to keep the City abreast of the cost of the financing plan under development, WM Financial Strategies shall monitor the following: (i) the general condition and trends in the economy, (ii) the condition of capital markets including the imposition of any unusual restraints on monetary supply by the Federal Reserve System, (iii) the status of recently sold competitive bond issues including the yield on the bonds, and (iv) the supply of issues coming to market.

#### **C. Document Preparation**

WM Financial Strategies will work with the City and Bond Counsel in the development of the authorizing ordinance and the other bond documents. WM Financial Strategies' primary role in this matter is to insure that the financing terms desired for the transaction are accurately stated in the authorizing documents.

#### **D. Official Statement**

WM Financial Strategies will assist the City in preparing the portions of the Preliminary and Final Official Statement (collectively the "Official Statement") relating to the City with data provided or reviewed by the City. In addition, WM Financial Strategies will review the portions of the Official Statement prepared by Disclosure Counsel to be used in conjunction with the sale of Bonds. As an alternative, and for an addition \$4,000 fee, WM Financial Strategies can prepare the Official Statement except for summaries of the bond documents. Regardless of the party responsible for preparing the Official Statement, WM Financial Strategies will not be responsible for the completeness or accuracy of the Official Statement.

#### **E. Rating**

Advise the City whether the Bonds should be sold unrated, rated, or secured with a municipal bond insurance policy. WM Financial Strategies will make arrangements for applying for credit enhancement or a rating and use its best efforts to obtain the highest possible rating for the City.

In applying for the rating, WM Financial Strategies will use the following rating strategy:

- Prepare the Official Statement in a form consistent with the Government Finance Officers Association's Disclosure Guidelines to assure that a complete picture of the quality of the issue is available.



- Perform an independent credit review of the City in order to advise the City of possible rating questions and concerns.
- Advise upon all information, in addition to the official statement, to be submitted to the rating agency.
- Determine whether an in-person meeting with the rating agency is feasible either at the offices of the rating agency or at the issuer's offices.
- Prepare a rating outline, supervise and directs rating rehearsals, and prepare supplemental reports, if feasible, in anticipation of the rating presentation to the rating agency.

## **F. Bond Marketing**

WM Financial Strategies shall recommend whether to sell the securities by negotiation or competitive bidding.

For a negotiated sale, WM Financial Strategies shall prepare a request for proposals to identify the underwriter or purchaser, recommend the firm to be selected and negotiate the terms of the borrowing in the best interest of the City.

For a competitive sale, WM Financial Strategies shall develop a marketing plan which shall include: (a) identification of the information to be distributed to prospective underwriters (bidders), (b) printing and distribution of the official statement, notice of sale and bid form, (c) assisting in the arrangements for advertising the sale, and (d) recommending the date and time for the sale. The date of sale shall be based on current and anticipated market conditions with particular attention to the timing requirements of the City. In addition, WM Financial Strategies shall personally contact prospective bidders to stimulate interest in the City's issue. WM Financial Strategies shall represent the City at the time of the sale in tabulating and comparing bids and in recommending acceptance or rejection of bids.

## **G. Paying Agent and Bond Counsel**

WM Financial Strategies assists in the selection the bank or trust company to serve as paying agent/registrar. WM Financial Strategies can also assist in the selection of Bond Counsel and Disclosure Counsel. For each service provider, WM Financial Strategies will prepare a list of qualified firms, prepare and distribute a request for proposals, analyze the proposals received, and make recommendations with respect to the firm to be engaged.

## **H. Closing Services**

Supervise and assist in providing the technical services required to complete the financing such as the opening of bank accounts, investing borrowed funds prior to expenditure, obtaining CUSIP identification numbers, and wiring funds at the time of the closing.

## **I. Mathematical Computations and Sale Report**

Throughout the financing process, WM Financial Strategies will prepare mathematical reports with respect to the debt service on the Bonds, cash flows and the source and disbursement of funds. Following the sale WM Financial Strategies will prepare a sale report that contains information relating to market conditions prior to and following the sale and comparable sale

information. The report will also include complete mathematical computations including the final debt service schedule, arbitrage yield, costs of issuance and the source and disbursement of funds.

## **J. Post Sale Services**

WM Financial Strategies shall assist the City in selecting the firm to provide arbitrage rebate services if required (annual issuance of more than \$5,000,000). In addition, WM Financial Strategies can assist the City in the preparation of its annual disclosure report and act as dissemination agent for the filing of the same. The fee described herein before includes preparation and filing of the first annual disclosure report.

The City of Salem, Missouri

WM Financial Strategies

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_ Principal \_\_\_\_\_



## SECTION 6. – REGULATORY DISCLOSURES

WM Financial Strategies, is a registered municipal advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). The Municipal Securities Rulemaking Board requires disclosures relating to (a) conflicts of interest, (b) disciplinary events filed with the Securities and Exchange Commission, and (c) fee arrangements. These disclosures are set forth below:

- (a) WM Financial Strategies has no known conflicts of interest relating to this transaction.
- (b) Joy A. Howard has not been the subject of any disciplinary event.
- (c) This engagement may include contingent fees payable upon the closing of the securities transactions. The Municipal Securities Rulemaking Board has identified fees contingent on the closing of a transaction as a potential conflict of interest since it could encourage proceeding with a transaction that may not be feasible; however, WM Financial Strategies has a fiduciary duty to serve in your best interest which should mitigate the potential conflict of interest.

WM Financial Strategies is required to provide its clients the following information at least once in any calendar year during the term of its engagement:

- (a) Notice that as a client of a registered municipal advisor you have certain protections from the MSRB.
- (b) The City may access a brochure regarding its protections and how to file a complaint are available on the MSRB’s website at <http://www.msrb.org>.

# Staff Summary Report

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<b>MEETING DATE:</b>	December 27, 2022
<b>AGENDA ITEM:</b>	ITEM IV READING OF BILLS AND RESOLUTIONS
<b>AGENDA TITLE:</b>	RESOLUTION NO. 50-2022

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<b>ACTION REQUESTED BY:</b>	Temp City Administrator / Finance Director
<b>ACTION REQUESTED:</b>	Approval of Contract for Municipal Financial Advisory Services
<b>SUMMARY BY:</b>	Sally Burbridge

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## **PROJECT DESCRIPTION / FACTS**

Salem's Wastewater Treatment Plant needs a second round of upgrades in order to meet new requirements set forth through the EPA. To finance the required upgrades, it will be necessary for the City to Bond for a portion of the required funds. A breakdown of potential funding of the upgrades is below:

Total Phase 2 cost estimated at	\$9,512,000
Less the DNR ARPA Grant	<u>-\$5,000,000</u>
<b>Remaining amount necessary</b>	<b>\$4,430,000</b>

**Would need to place a bond on the April Ballot for the above amount. If Bond is successful, the City may then apply for:**

Potential SRF Grant (must apply prior to Bond election, but application will not be viable unless bond passes)	\$2,000,000
Potential Community Development Block Grant (CDBG)	<u>\$750,000</u>

Subtract these two grants, these equals amount the bond would close for **\$1,762,000**

We need a Municipal Financial Advisor to assist through the steps of the actual bonding.

## **PROCUREMENT**

Per the Purchasing Policy, VIII. Special Procurement Procedures, C. Professional Services - Requests for Proposals were solicited via The Salem News, salemmo.com, and direct emailed to multiple entities who can provide this service.  
4 proposals were received. Upon review and scoring of the received proposals, a contract was requested of the top scoring proposal.

## **FISCAL IMPACTS**

As shown in the attached contract, given the amount from above of \$4,430,000 that the initial Ballot Question would be for, the Utility Revenue Bond Fee is stated as \$22,500.

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<b>SUPPORT DOCUMENTS:</b>	Proposal Scoring Sheet Piper Sandler & Co Financial Services Agreement
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**DEPARTMENT'S RECOMMENDED MOTION:** Move to Approve the Financial Services Agreement with Piper Sandler & Co.

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## **RESOLUTION NO. 50-2022**

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT BETWEEN THE CITY OF SALEM, MISSOURI, AND PIPER SANDLER & CO. FOR MUNICIPAL FINANCIAL SERVICES.**

***WHEREAS***, Piper Sandler is engaged by the City of Salem, to provide services with respect to the planned issuance of the City of Salem, Missouri bonds to be issued from time to time during the term set forth in EXHIBIT A attached hereto;

***NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AS FOLLOWS:***

### **Section 1.**

Compensation is contingent on size bond issue or nominal value of product and contingent on closing. Compensation is payable in immediately available funds at closing.

### **Section 2.**

This Resolution shall take effect and be in full force from and after its passage and approval.

**PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AND APPROVED BY THE MAYOR THIS 27<sup>th</sup> DAY OF DECEMBER 2022.**

APPROVED:

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**Greg Parker**  
Mayor

ATTEST:

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**Tammy Koller**  
City Clerk

APPROVAL AS TO FORM:

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**James K. Weber**  
City Attorney

## **EXHIBIT A**



## FINANCIAL SERVICES AGREEMENT

This Financial Services Agreement, (the Agreement) is entered into on \_\_\_\_\_, 2022, by and between City of Salem, Missouri (the Client) and Piper Sandler & Co. (Piper Sandler or the Financial Services Provider). This Agreement will serve as our mutual agreement with respect to the terms and conditions of our engagement as your financial services provider, effective on the date this Agreement is executed (the Effective Date).

### **I. Scope of Services.**

- (A) **Services to be provided.** Piper Sandler is engaged by the Client to provide services with respect to the planned issuance of the Client's bonds to be issued from time to time during the term of this Agreement (the Issue(s)).
- (B) **Scope of Services.** The Scope of Services to be provided respecting the Issue(s) may consist of the following, if directed by the Client:
1. Evaluate options or alternatives with respect to the proposed new Issue(s),
  2. Consult with and/or advise the Client on actual or potential changes in market place practices, market conditions or other matters that may have an impact on the Issues or Products.
  3. Assist the Client in establishing a plan of financing
  4. Assist the Client in establishing the structure, timing, terms and other similar matters concerning the Issue
  5. Prepare the financing schedule
  6. Provide assistance as to scheduling, coordinating and meeting procedural requirements relating to any required bond referendum
  7. Consult and meet with representatives of the Client and its agents or consultants with respect to the Issue
  8. Attend meetings of the Client's governing body, as requested
  9. Advise the Client on the manner of sale of the Issue
  10. In a competitive bid sale, prepare the bid package, obtain CUSIP numbers, assist the Client in collecting and analyzing bids submitted by underwriters and in connection with the Client's selection of a winning bidder
  11. In a negotiated sale, coordinate pre-pricing discussions, supervise the sale process, advise the Client on matters relating to retail or other order periods and syndicate priorities, review the order book, and if directed by the Client, advise on the acceptability of the underwriter's pricing and offer to purchase
  12. Assist the Client in identifying an underwriter in a negotiated sale or other deal participants such as an escrow agent, accountant, feasibility consultant, etc. to work on the Issue
  13. Respond to questions from underwriters
  14. Arrange and facilitate visits to, prepare materials for, and make recommendations to the Client in connection with credit ratings agencies, insurers and other credit or liquidity providers
  15. Coordinate working group sessions, closing, delivery of the new Issue and transfer of funds
  16. Prepare a closing memorandum or transaction summary

**For Services Respecting Official Statement.** Sandler has not assumed responsibility for preparing or certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to written information about Piper Sandler as the municipal advisor if provided by Piper Sandler in writing for inclusion in such documents.

**II. Limitations on Scope of Services.** In order to clarify the extent of our relationship, Piper Sandler is required under MSRB Rule G-42<sup>1</sup> to describe any limitations on the scope of the activities to be performed for you. Accordingly, the Scope of Services are subject to the following limitations:

The Scope of Services is limited solely to the services described herein and is subject to limitations set forth within the descriptions of the Scope of Services. Any duties created by this Agreement do not extend beyond the Scope of Services or to any other contract, agreement, relationship, or understanding, if any, of any nature between the Client and the Financial Services Provider.

Unless explicitly directed by you in writing, the Scope of Services does not include evaluating advice or recommendations received by you from third parties.

The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Issue or Product or in connection with any opinion or certificate rendered by counsel or any other person at closing and does not include review or advice on any feasibility study.

**III. Amending Scope of Services.** The Scope of Services may be changed only by written amendment or supplement. The parties agree to amend or supplement the Scope of Services promptly to reflect any material changes or additions to the Scope of Services.

**IV. Compensation.** Compensation is contingent on size of bond issue or nominal value of product and contingent on closing. Compensation is payable in immediately available funds at closing.

<b>Principal Amount</b>	<b>General Obligation Bond Fee</b>	<b>Appropriation Financings &amp; Utility Revenue Bond Fee</b>
Under \$5,000,000	\$15,000	\$22,500
\$5,000,001 - \$10,000,000	\$17,500	\$29,000
\$10,000,001 and higher	To be determined on a case by case basis with mutual consent between the City and Piper Sandler	

**V. IRMA Matters.** If the Client has designated Piper Sandler as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), the extent of the IRMA exemption is limited to the Scope of Services and any limitations thereto. Any reference to Piper Sandler, its personnel and its role as IRMA in the written representation of the Client contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) is subject to prior approval by Piper Sandler and Client agrees not to represent, publicly or to any specific person, that Piper Sandler is Client’s IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, outside the Scope of Services without Piper Sandler’s prior written consent.

**VI. Piper Sandler’s Regulatory Duties When Servicing the Client.** MSRB Rule G-42 requires that Piper Sandler undertake certain inquiries or investigations of and relating to the Client in order for Piper Sandler to fulfill certain aspects of the fiduciary duty owed to the Client. Such inquiries generally are triggered: (a) by the requirement that Piper Sandler know the essential facts about the Client and the authority of each person acting on behalf of the Client so as to effectively service the relationship with the Client, to act in accordance with any special directions from the Client, to understand the authority of each person acting on behalf of the Client, and to comply with applicable laws, regulations and rules; (b) when Piper Sandler undertakes a determination of suitability of any recommendation made by Piper Sandler to the Client, if any or by others that Piper Sandler reviews for the Client, if any; (c) when making any representations, including with regard to matters pertaining to the Client or any Issue or Product; and (d) when providing any information in connection with the preparation of the preliminary or final

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<sup>1</sup> See MSRB Rule G-42(c)(v).



official statement, including information about the Client, its financial condition, its operational status and its municipal securities or municipal financial products. Specifically, Client agrees to provide to Piper Sandler any documents on which the Client has relied in connection with any certification it may make with respect to the accuracy and completeness of any Official Statement for the Issue.

Client agrees to cooperate, and to cause its agents to cooperate, with Piper Sandler in carrying out these duties to inquire or investigate, including providing to Piper Sandler accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties.

In addition, the Client agrees that, to the extent the Client seeks to have Piper Sandler provide advice with regard to any recommendation made by a third party, the Client will provide to Piper Sandler written direction to do so as well as any information it has received from such third party relating to its recommendation.

**VII. Expenses.** Piper Sandler will be responsible for all of Piper Sandler's out-of-pocket expenses. In the event a new issue of securities is contemplated by this Agreement, Client will be responsible for the payment of all fees and expenses commonly known as costs of issuance, including but not limited to: publication expenses, local legal counsel, bond counsel, ratings, credit enhancement, travel associated with securing any rating or credit enhancement, printing of bonds, printing and distribution of required disclosure documents, trustee fees, paying agent fees, CUSIP registration, and the like.

**VIII. Term of Agreement.** The term of this Agreement shall begin on the Effective Date and ends, unless earlier terminated as provided below, on the last day of the month in which the first anniversary date of the Effective Date shall occur (the "Original Termination Date"). Unless Piper Sandler or the Client shall notify the other party in writing at least thirty (30) days in advance of the Original Termination Date that this Agreement will not be renewed, this Agreement will be automatically renewed on the Original Termination Date for an additional one (1) year period and thereafter will be automatically renewed on each anniversary date of the Original Termination Date for successive one (1) year periods unless Piper Sandler or the Client shall notify the other party in writing at least thirty (30) days in advance of such successive anniversary date.

This Agreement may be terminated with or without cause by either party upon the giving of at least thirty (30) days prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. All fees due to Piper Sandler shall be due and payable upon termination. Upon termination, the obligations of Piper Sandler under this Agreement, including any amendment shall terminate immediately and Piper Sandler shall thereafter have no continuing fiduciary or other duties to the Client. The provisions of Sections IV, VII, XII, XIV, XV and XVII shall survive termination of this Agreement.

**IX. Independent Contractor.** The Financial Services Provider is an independent contractor and nothing herein contained shall constitute or designate the Financial Services Provider or any of its employees or agents as employees or agents of the Client.

**X. Entire Agreement/Amendments.** This Agreement, including any amendments and Appendices hereto which are expressly incorporated herein, constitute the entire Agreement between the parties hereto and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the Financial Services Provider and Client.

**XI. Required Disclosures.** MSRB Rule G-42 requires that Piper Sandler provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in Piper Sandler's Disclosure Statement attached as Appendix A to this Agreement.

**XII. Limitation of Liability.** In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Piper Sandler or any of its associated persons, Piper Sandler and its associated persons shall have no liability to the Client for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from the Client's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Piper Sandler to the Client. No recourse shall be had against Piper Sandler for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Client arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue or Product, if any or otherwise relating to the tax treatment of any Issue or Product if any, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by Client of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Piper Sandler's fiduciary duty to Client under Section 15B(c)(1), if applicable, of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

**XIII. Indemnification.** Unless prohibited by law, the Client hereby indemnifies and holds harmless the Financial Services Provider, each individual, corporation, partnership, trust, association or other entity controlling the Financial Services Provider, any affiliate of the Financial Services Provider or any such controlling entity and their respective directors, officers, employees, partners, incorporators, shareholders, trustees and agents (hereinafter the "Indemnitees") against any and all liabilities, penalties, suits, causes of action, losses, damages, claims, costs and expenses (including, without limitation, fees and disbursements of counsel) or judgments of whatever kind or nature (each a "Claim"), imposed upon, incurred by or asserted against the Indemnitees arising out of or based upon (i) any allegation that any information in the Preliminary Official Statement or Final Official Statement contained (as of any relevant time) an untrue statement of a material fact or omitted (as of any relevant time) or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

**XIV. Official Statement.** The Client acknowledges and understands that state and federal laws relating to disclosure in connection with municipal securities, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Client and that the failure of the Financial Services Provider to advise the Client respecting these laws shall not constitute a breach by the Financial Services Provider or any of its duties and responsibilities under this Agreement. The Client acknowledges that any Official Statement distributed in connection with an issuance of securities are statements of the Client and not of Piper Sandler.

**XV. Notices.** Any written notice or communications required or permitted by this Agreement or by law to be served on, given to, or delivered to either party hereto, by the other party shall be in writing and shall be deemed duly served, given, or delivered when personally delivered to the party to whom it is addressed or in lieu of such personal services, when deposited in the United States' mail, first-class postage prepaid, addressed to the Client at:

City of Salem  
400 North Iron Street  
Salem, MO 65560

Sally Burbridge, Temporary City Administrator  
573-729-4811  
[cityadministrator@salem-mo.com](mailto:cityadministrator@salem-mo.com)

Stacey Houston, Finance Director  
573-729-4811  
[finance@salem-mo.com](mailto:finance@salem-mo.com)



Or to the Financial Services Provider at:

Piper Sandler & Co.  
8235 Forsyth Boulevard, Suite 600  
Clayton, MO 63105

Chris Collier, Managing Director  
314-726-7535  
[Chris.Collier@psc.com](mailto:Chris.Collier@psc.com)

With a copy to:

Piper Sandler & Co.  
Legal Department  
800 Nicollet Mall, Suite 900  
Minneapolis, MN 55402

**XVI. Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any State or Federal court sitting in the state of Missouri for the resolution of any claim or dispute with respect to or arising out of or relating to this Agreement or the relationship between the parties (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this Agreement other than in a State or Federal court sitting in the state of Missouri and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

**XVII. Choice of Law.** This Agreement shall be construed and given effect in accordance with the laws of the state of Missouri.

**XVIII. Counterparts; Severability.** This Agreement may be executed in two or more separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

**XIX. Waiver of Jury Trial.** THE PARTIES EACH HEREBY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNITIVE DAMAGES.

**XX. No Third Party Beneficiary.** This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

**XXI. Authority.** The undersigned represents and warrants that they have full legal authority to execute this Agreement on behalf of the Client. The following individual(s) at the Client have the authority to direct Piper Sandler's performance of its activities under this Agreement:

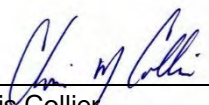
Sally Burbridge, Temporary City Administrator  
Stacey Houston, Finance Director

The following individuals at Piper Sandler have the authority to direct Piper Sandler's performance of its activities under this Agreement:

Chris Collier, Managing Director

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

PIPER SANDLER & CO.

By:   
Chris Collier

Its: Managing Director

Date: \_\_\_\_\_

ACCEPTED AND AGREED:

CITY OF SALEM

By: \_\_\_\_\_  
Gregory Parker

Its: Mayor

Date: \_\_\_\_\_

Piper Sandler & Co. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board ("MSRB"). A brochure is posted on the website of the MSRB, at [www.msrb.org](http://www.msrb.org) that describes the protections that may be provided by MSRB rules and how to file a complaint with an appropriate regulatory authority.



## APPENDIX A – DISCLOSURE STATEMENT

Municipal Securities Rulemaking Board Rule G-42 (the Rule) requires that Piper Sandler provide you with the following disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Accordingly, this Appendix A provides information regarding conflicts of interest and legal or disciplinary events of Piper Sandler required to be disclosed pursuant to MSRB Rule G-42(b) and (c)(ii).

(A) ***Disclosures of Conflicts of Interest.*** The Rule requires that Piper Sandler provide to you disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in the Rule, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by us, Piper Sandler is required to provide a written statement to that effect.

Accordingly, we make the following disclosures with respect to material conflicts of interest in connection with the Scope of Services under the Agreement, together with explanations of how we address or intend to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below, we mitigate such conflicts through our adherence to our fiduciary duty to you in connection with municipal advisory activities, which includes a duty of loyalty to you in performing all municipal advisory activities for the Client. This duty of loyalty obligates us to deal honestly and with the utmost good faith with you and to act in your best interests without regard to our financial or other interests. In addition, as a broker dealer with a client oriented business, our success and profitability over time is based on assuring the foundations exist of integrity and quality of service. Furthermore, Piper Sandler's supervisory structure, utilizing our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of Piper Sandler potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

***Compensation-Based Conflicts.*** The fees due under the Agreement are based on the size of the Issue and the payment of such fees is contingent upon the successful delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present the appearance of a conflict or the potential for a conflict because it could create an incentive for Piper Sandler to recommend unnecessary financings or financings that are disadvantageous to the Client, or to advise the Client to increase the size of the issue. We believe that the appearance of a conflict or potential conflict is mitigated by our duty of care and fiduciary duty and the general mitigations related to our duties to you, as described above.

***Transactions in Client's Securities.*** As a municipal advisor, Piper Sandler cannot act as an underwriter in connection with the same issue of bonds for which Piper Sandler is acting as a municipal advisor. From time to time, Piper Sandler or its affiliates may submit orders for and acquire your securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own trading account or for the accounts of its customers. Again, while we do not believe that this activity creates a material conflict of interest, we note that to mitigate any perception of conflict and to fulfill Piper Sandler's regulatory duties to the Client, Piper Sandler's activities are engaged in on customary terms through units of Piper Sandler that operate independently from Piper Sandler's municipal advisory business, thereby eliminating the likelihood that such investment activities would have an impact on the services provided by Piper Sandler to you under the Agreement.

(B) ***Disclosures of Information Regarding Legal Events and Disciplinary History.*** The Rule requires that all municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to a client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, Piper Sandler sets out below required disclosures and related information in connection with such disclosures.

- I. **Material Legal or Disciplinary Event.** There are no legal or disciplinary events that are material to the Client's evaluation of Piper Sandler or the integrity of Piper Sandler's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.
- II. **Most Recent Change in Legal or Disciplinary Event Disclosure.** Piper Sandler has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

(C) **How to Access Form MA and Form MA-I Filings.** Piper Sandler's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at <http://www.sec.gov/edgar/searchedgar/companysearch.html>. The Form MA and the Form MA-I include information regarding legal events and disciplinary history about municipal advisor firms and their personnel, including information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Piper Sandler in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by Piper Sandler on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org>, and Piper Sandler's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov>. For purposes of accessing such BrokerCheck reports or Form ADV, Piper Sandler's CRD number is 665.

(D) **Future Supplemental Disclosures.** As required by the Rule, this Section 5 may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Piper Sandler. Piper Sandler will provide you with any such supplement or amendment as it becomes available throughout the term of the Agreement.



# **REPORTS OF CITY OFFICIALS BOARDS AND COMMITTEES**

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**MEETING DATE:** DECEMBER 27,2022

**AGENDA ITEM:** ITEM VII

**AGENDA TITLE:**

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<b>PROJECT DESCRIPTION / FACTS</b>
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SALLY BURBRIDGE, TEMPORARY CITY ADMINISTRATOR  
GREG PARKER, MAYOR  
MARK NASH, PUBLIC WORKS  
ALDERMAN REPORTS

# **CLOSED SESSION**

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MEETING DATE: DECEMBER 27, 2022

AGENDA ITEM: ITEM VIII

AGENDA TITLE:

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**PURSUANT TO SECTION 610.021(12) OF THE REVISED STATE STATUTES OF THE STATE OF MISSOURI PERTAINING TO SEALED PROPOSALS AND RELATED DOCUMENTS OR ANY DOCUMENTS RELATED TO A NEGOTIATED CONTRACT UNTIL A CONTRACT IS EXECUTED, OR ALL PROPOSALS ARE REJECTED.**

**PURSUANT TO SECTION 610.021(3) OF THE REVISED STATE STATUTES OF THE STATE OF MISSOURI PERTAINING TO THE HIRING, FIRING, DISCIPLINING OR PROMOTING OF PARTICULAR EMPLOYEES BY A PUBLIC GOVERNMENTAL BODY WHEN PERSONAL INFORMATION ABOUT THE EMPLOYEE IS DISCUSSED OR RECORDED**