

**Attachment B – Financial Advisory Services
Contract**

AGREEMENT FOR FINANCIAL ADVISORY SERVICES

THIS AGREEMENT by and among Milwaukee County, through the Office of the Comptroller, (hereinafter designated as the "County"), and Public Financial Management, Inc. (hereinafter designated as "PFM" or "Contractor"), 115 South 84th Street, Suite #315, Milwaukee WI, 53214.

1. SCOPE OF SERVICES

Upon request of the Comptroller or his designee, PFM will serve as the financial advisor to the County in connection with the County financings.

As financial advisor, PFM will assist the County's Office of the Comptroller in carrying out its responsibilities in connection with the issuance of County bonds, notes and other debt financings. The services to be provided by PFM in connection with County financings include:

- (a) Make recommendations to the Office of the Comptroller on the structuring of proposed financings including amortization, term, discount, call features, etc; discuss various alternatives and recommend best alternative considering the County's current outstanding debt and requested five-year capital program; make recommendations to enhance bond administration, improve information disclosure, reduce issuance costs, and review industry trends that may affect tax-exempt debt issuance;
- (b) Assist in the preparation of the Official Statement, the Official Terms of Offering and other documents as required by County staff; identify and perform tasks which are within the specialized competence of the financial advisor; review and comment on draft copies of the preliminary and final Official Statements and make preparations for the printing and distribution of the official statement;
- (c) Work with the County's legal counsel and capital finance team in recommending size, structure, specific terms and conditions of a debt issue; assist County officials in evaluating alternative financing proposals, as requested.
- (d) Review and Compile continuing disclosure information and documentation and submit the information to the appropriate entity including to the EMMA web site. Provide a copy of the submitted information to the County's capital finance staff.
- (e) Review County policies relating to bond issuance and continuing disclosure.
- (f) Advise County with respect to "undertaking" regarding primary and secondary market disclosure;
- (g) Assist County staff in rating agency presentations or investor meetings related to a particular financing. Recommend debt management strategies that will assure retention of favorable credit ratings and improvement in ratings when possible; travel to rating agency locations and assist in the County's presentation to the credit rating agencies, if necessary.
- (h) Act as an agent of the County to accept telephone, electronic and written bids for competitive financings;
- (i) Supervise the printing of the bonds or notes and coordinate the bidding for a registrar/fiscal agent or make arrangements for book entry securities.
- (j) Assist County staff on negotiations with bond insurers and/or letter of credit providers.
- (k) Assess bond market conditions at time of sale of bonds; provide information on other major national, state, and local debt issuances that may coincide or compete with County sales; provide input on the calendar of County bond sales.
- (l) Provide input on how to market the bonds to retail and institutional investors.
- (m) Participate in bond document review sessions. Evaluate, verify and recommend the best bid based on true interest costs for the bids submitted to the special bid

opening committee on the bond sale date and be available to answer any questions raised by the Finance, Personnel, and Audit Committee, County Board or County officials concerning the sale.

- (n) Analyze any proposals for new products as they pertain to a particular financing.
- (o) Prepare a comparative post sale analysis from the County's perspective of similar financing transactions and maintain separate accounting and billing for each financing transaction;
- (p) Participate in due diligence meetings.
- (q) Provide an annual report to the County regarding debt management status and options for improvements, potential refundings, and future offerings.
- (r) Notify the County of any litigation, threatened litigation, customer complaints, regulatory investigations or regulatory actions that relate or are alleged to relate to the types of services contemplated in this RFP.
- (s) Perform other services as may be requested by the County.

2. STAFFING

PFM employees listed below are to be assigned to the project:

<u>Name</u>	<u>Position</u>
1. David Anderson	Director, Public Financial Management, Inc.
2. Brian Della	Sr. Managing Consultant, Public Financial Management, Inc.
3. Joshua Benson	Analyst, Public Financial Management, Inc.
4. Carolyn Shebesta	Associate, Public Financial Management, Inc.

PFM shall not replace Mr. Anderson and/or Mr. Della without the prior approval of the County. If the successors to said Mr. Anderson and/or Mr. Della cannot be mutually agreed upon, the County shall have the right to terminate this Contract upon thirty (30) days written notice. Any replacement of other listed personnel shall be by persons of equal qualifications, which shall be attested to by PFM. Mr. Anderson and/or Mr. Della shall be required to give this contractual obligation top priority.

PFM shall provide, at its own expense, all personnel required in performing the services under this Contract. Such personnel shall not be the employees of, or have any other contractual relationship with, the County.

3. TERM

The term of this Agreement shall commence as of the date of execution of this contract and, unless this contract is terminated earlier in accordance with Section 14 hereof, will continue until the latest of (a) December 31, 2017 or (b) such time as the work on financings in progress on December 31, 2017 is completed or (c) such time as the County Board takes further action designating a financial advisor. Furthermore, the County reserves the right to extend the terms of the Contract for two (2) additional years beyond December 31, 2017 upon mutual agreement of both parties.

4. COMPENSATION

The County agrees to pay PFM the following fees for their services; and PFM will pay Independent Public Advisors (“IPA”) for its services to PFM. Compensation for IPA shall be a least 17 percent (17%) of the amount paid to PFM by the County.

<u>Position</u>	<u>2015-2017</u>
Managing Director/Director	\$200
Senior Managing Consultant	\$175
Analyst	\$150
Associate	\$110

In addition, the County agrees to reimburse PFM for out-of-pocket expenses approved in advance by the County. Reimbursable expenses include, but are not limited to, official statement printing and distribution, mailing and overnight delivery costs and travel to and accommodations in rating agency locations for the purpose of meetings with credit rating analysts. Annual total reimbursable expenses related to general County debt financings are not-to-exceed \$2,000 if out-of-town travel to meet with the rating agencies is not required. If out-of-town travel for this purpose is required the not-to-exceed amount will be \$5,000.

Optional Services

The County may request additional services not related to anticipated financings. These services will also be billed at the rates summarized above unless otherwise agreed upon in writing. PFM shall maintain and provide billing informal as specified in Section 5.

If the County desires to utilize the services of PFM Asset Management, LLC for the procurement of structured products such as investment agreements, those services shall be separately priced based upon the scope of the services requested.

Upon request of the Comptroller or his designee, PFM shall provide strategic consulting services including such services as the preparation of strategic financial and management plans; identification of non-tax revenue enhancement opportunities; fleet management services; identification of market based revenue opportunities; workforce strategies; cost containment initiatives and plans; managed competition/outsourcing; and consolidation advice. Pension advisory services as well as advice on the funding of other post employment benefits will be provided upon request. Investment management services including portfolio management; bond proceeds investment management; escrow structuring and restructuring; structured investment product services; and arbitrage rebate compliance services will be provided upon request.

Compensation for these services will be based on the scope of services requested utilizing a mutually agreed upon payment method and amount.

5. BILLING

PFM shall provide the County with the billing information for each financing, which shall include, but not be limited to, the following:

- A. Name of employee
- B. Dates and hours worked
- C. General task performed
- D. Detail of out-of-pocket expenses, indicating their purpose such as telephone, travel, hotel, graphic reproduction, postage, etc., for these expenditures provided for in the Contract.

6. OWNERSHIP OF DATA

Upon completion of the work or upon termination of the Contract, it is understood that all completed or partially completed data, drawings, records, computations, survey information and all other material that PFM has collected or prepared in carrying out this Contract shall be provided to and become the exclusive property of the County. Therefore, any reports, information and data, given to or prepared or assembled by PFM under this Contract shall not be made available to any individual or organization by PFM without the prior written approval of County.

No reports or documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of PFM.

7. AUDIT AND INSPECTION OF RECORDS

PFM shall permit the authorized representatives of the County, after reasonable notice, to inspect and audit all data and records of PFM related to carrying out this Contract for a period up to three (3) years after completion of the Contract.

8. AFFIRMATIVE ACTION

PFM assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. PFM assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. PFM assures that it will require that their covered sub-organizations provide assurances to PFM that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as recreated by 14 CFR Part 152, Subpart E, to the same effect.

9. DISADVANTAGED BUSINESS ENTERPRISE

PFM shall comply with all provisions imposed by or pursuant to Milwaukee County Ordinance Chapter 42, and Title 49, Code of Federal Regulations, Department of Transportation, Office of the Secretary, Parts 23 and 26 when and where applicable, and as said Regulations may be amended. The County shall notify PFM in the event that new regulations are issued.

PFM shall adhere to the DBE participation plan, which has an overall goal of 17 percent (17%) participation of DBEs on the total Contract value. PFM has agreed to enter into a contract with IPA. The services provided by IPA shall include, but not be limited to:

- a) Participation in an analysis of the investor base for County bonds, both retail and institutional buyers, in an effort to expand the market for future debt issuances.
- b) Participation in conducting the type and amount of due diligence necessary in exploring and executing private/public partnership arrangements.
- c) Participation in the development of materials required to provide information and support for issuance of General Airport Revenue Bonds.
- d) Participation in the development of materials required to provide information and support for issuance of General Obligation Bonds.
- e) Perform other services as may be requested.

Any change to the DBE participation plan submitted with PFM's Bid/Proposal is subject to the County's written approval.

If PFM fails to achieve and maintain the level of DBE participation stated in this Contract, PFM shall provide documentation to the Community Business Development Partners department (CBDP) demonstrating that it made good faith efforts in its attempt to meet the stated level of participation. If PFM fails to reflect a good faith effort to achieve and maintain the level of DBE participation stated herein throughout the term of this Contract, County may consider this as a material breach of the Contract and may terminate the Contract in accordance with Section 14 herein.

PFM shall submit reports required by the County for the purpose of demonstrating compliance with this Section. In the event PFM seeks to terminate the participation of a DBE, PFM is required to notify the certified partner indicating the causal basis for the

proposed termination, and to obtain written approval from CBDP before undertaking any such actions. PFM will be required to maintain the stated participation with another DBE.

10. NON-DISCRIMINATION, EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION PROGRAMS

In the performance of work under this Contract, PFM shall not discriminate against any employee or applicant for employment because of race, color, national origin, age, sex, or handicap, which shall include, but not be limited to, the following:

Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. PFM will post in conspicuous places, available for employees and applicants for employment, notices to be provided by the County, setting forth the provisions of the non-discriminatory clause.

PFM agrees to strive to implement the principles of equal employment opportunity through an effective Affirmative Action program, and have so indicated on the certificate attached hereto as Exhibit C and made a part of this Contract. The program shall have as its objective to increase the utilization of women, minorities and handicapped persons, and other protected groups, at all levels of employment, in all divisions of PFM work force, where these groups may have been previously under-utilized and under-represented. PFM also agree that in the event of any dispute as to compliance with the afore stated requirements, it shall be their responsibility to show that they have met all such requirements.

When a violation of the non-discrimination, equal opportunity or Affirmative Action provisions of this section has been determined by the County, PFM shall immediately be informed of the violation and directed to take all action necessary to halt the violation, as well as such action as may be necessary to correct, if possible, any injustice to any person adversely affected by the violation and immediately take steps to prevent further violations. Remedial action for the violation must be taken within 60 days of County notification to PFM of the violation.

If, after notice of a violation to PFM further violations of this section are committed during the term of the Contract, the County may terminate the Contract without liability for the uncompleted portion or any materials or services purchased or paid for by PFM for use in completing the Contract, or it may permit PFM to complete the Contract, but, in either event, PFM shall be ineligible to bid on any future contracts let by the County.

11. INDEMNITY

The Contractor agrees to indemnify, defend and hold harmless, the COUNTY from and against all loss or expense by reason of liability for damages, including suits at law or in equity, caused by any negligent or intentionally wrongful act or omission of that same Contractor, or its (their) agents which may arise out of or are connected with the activities covered by this agreement, but only to the extent that any obligation of the Contractor arising under the foregoing indemnification does not impair the effectiveness of the Contractor's professional liability insurance or impair any subrogation rights of the Contractor's professional liability insurer.

12. INSURANCE

Contractor agrees to evidence and maintain proof of financial responsibility to cover costs as may arise from claims of tort, statutes, and benefits under Workers' Compensation laws, and/or vicarious liability arising from employees. Such evidence shall include insurance coverage for Workers Compensation claims as required, including Employers Liability and insurance covering General Liability, Professional Liability and Automobile coverage in the following minimum amounts.

<u>Type of Coverage</u>	<u>Minimum Limits</u>
Wisconsin Workers' Compensation	Statutory
Employer's Liability	\$100,000/\$500,000/\$100,000
Commercial Or Comprehensive General Liability	
Bodily Injury & Property Damage (Incl. Personal Injury, Contractual, Fire, Legal & Products/Completed Operations)	\$1,000,000 per occurrence \$1,000,000 general aggregate
Professional Liability	\$10,000,000 Per Claim \$10,000,000 aggregate
Automobile Liability	
Bodily Injury & Property Damage All Autos-Owned, non-owned and/or hired Uninsured Motorists	\$1,000,000 Per Accident Per Wisconsin Requirements
Umbrella Liability	\$1,000,000 Each Occurrence \$2,000,000 aggregate

DISCLOSURE MUST BE MADE OF ANY NON STANDARD OR RESTRICTIVE ADDITIONAL INSURED ENDORSEMENT, AND ANY USE OF NON STANDARD OR RESTRICTIVE ADDITIONAL INSURED ENDORSEMENT WILL NOT BE ACCEPTABLE, A THIRTY (30) DAY WRITTEN NOTICE OF CANCELLATION, NON-RENEWAL, OR MATERIAL CHANGE SHALL BE AFFORDED TO THE COUNTY.

MILWAUKEE COUNTY SHALL BE NAMED AS AN ADDITIONAL INSURED FOR UMBRELLA LIABILITY, GENERAL LIABILITY AND AUTOMOBILE LIABILITY, AND A WAIVER OF SUBROGATION FOR WORKERS COMPENSATION BY ENDORSEMENT IN FAVOR OF MILWAUKEE COUNTY IS REQUIRED TO BE FURNISHED. ADDITIONAL INSURED ENDORSEMENTS (FOR GENERAL AND AUTO LIABILITY), THE ENDORSEMENT FOR THE WAIVER OF SUBROGATION FOR WORKERS COMPENSATION AND THE INSURANCE CERTIFICATE INDICATING THE ABOVE COVERAGE ARE ALL REQUIRED TO BE SUBMITTED FOR REVIEW AND APPROVAL BY THE COUNTY.

13. TERMINATION BY CONTRACTOR

PFM may, at its option, terminate this Contract upon the failure of the County to pay any amount which may become due hereunder for a period of forty-five (45) days following submission of appropriate billing and supporting documentation. Upon said termination, PFM shall be paid the compensation due for all services rendered through the date of termination including any retainage.

14. TERMINATION BY COUNTY FOR VIOLATIONS BY CONTRACTOR

If PFM fails to fulfill their obligations under this Contract in a timely or proper manner, or violates any of its provisions, the County shall thereupon have the right to terminate it by giving thirty (30) days' written notice of termination of contract, specifying the alleged violations and effective date of termination. It shall not be terminated if, upon receipt of the notice, PFM promptly cure the alleged violation prior to the end of the thirty (30) day period. In the event of termination, the County will only be liable for services rendered through the date of termination and not for the uncompleted portion, or for any materials or services purchased or paid for by PFM for use in completing the Contract.

15. UNRESTRICTED RIGHT OF TERMINATION BY COUNTY

The County further reserves the right to terminate this Contract at any time for any reason by giving PFM thirty (30) days written notice by Certified Mail of such termination. In the event of said termination, PFM shall reduce their activities hereunder as mutually agreed to, upon receipt of said notice. Upon said termination, PFM shall be paid for all services rendered through the date of termination. This section also applies should the Milwaukee County Board of Supervisors fail to appropriate additional monies required for the completion of the Contract.

16. INDEPENDENT CONTRACTOR

Nothing contained in this Contract shall constitute or be construed to create a partnership or joint venture between the County or its successors or assigns PFM or their successors or assigns. In entering into this Contract, and in acting in compliance herewith, PFM is at all times acting and performing as an independent contractor, duly authorized to perform the acts required of it hereunder.

17. SUBCONTRACTS

Assignment of any portion of the work by subcontract must have the prior written approval of the County. The prime consultant must obtain prior written Milwaukee County approval for all sub-consultants and/or associates to be used in performing its contractual obligations. There must be a written contractual agreement between the prime consultant and its County approved sub-consultant and/or associates which binds the sub-consultant to the same audit contract terms and conditions as the prime consultant.

18. ASSIGNMENT LIMITATION

This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns; provided, however, that neither party shall assign its obligations hereunder without the prior written consent of the other.

19. PROHIBITED PRACTICES

A. PFM during the period of this Agreement, shall not hire, retain or utilize for compensation any member, officer, or employee of the County, or any person who, to the knowledge of PFM and IPA has a conflict of interest as defined in Chapter 9 of the Milwaukee County Ordinances

B. PFM hereby attest that they are familiar with Milwaukee County's Code of Ethics which states, in part, "No person may offer to give to any County officer or employee or his immediate family, and no County officer, or employee or his immediate family, may solicit or receive anything of value pursuant to an understanding that such officer's or employee's vote, official actions or judgment would be influenced thereby."

20. NOTICES

Notices to the County provided for in this Contract shall be sufficient if sent by Certified or Registered mail, postage prepaid, addressed to Ms. Pamela Bryant, Milwaukee County Courthouse, Rm. 308, Milwaukee, WI, 53233 and notices to PFM shall be sufficient if sent by Certified or Registered mail, postage prepaid, to Mr. Dave Anderson, PFM 115 South 84th Street, Suite #315 Milwaukee WI, 53214 or to such other respective addresses as the parties may designate to each other in writing from time to time.

21. MISCELLANEOUS

This Agreement shall be interpreted and enforced under the laws and jurisdiction of the State of Wisconsin. This Agreement constitutes the entire understanding between the parties and is not subject to amendment unless agreed upon in writing by both parties hereto. PFM acknowledges and agrees that it will perform their obligations hereunder in compliance with all applicable state, local or federal law, rules, regulations and orders.

22. AUTHORIZATION.

The County has executed the original Contract pursuant to action taken by its Board of Supervisors on December 18, 2014, Resolution File No.14-863.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day, month and year first above written.

MILWAUKEE COUNTY COMPTROLLER

Approved:

By DocuSigned by:
Scott B. Manske
C96721E394C4448... 11/20/2014
Date

Name: Scott B. Manske

Title: Milwaukee County Comptroller

PUBLIC FINANCIAL MANAGEMENT, INC.

Approved:

By DocuSigned by:
David Anderson
467B8B90F38F4ED... 11/17/2014
Date

Name: David Anderson

Title: Director, Public Financial Management (PFM)

Approved as to form:

DocuSigned by:
Mark A. Grady
2BE87A71B2AE4E5... 11/17/2014
Date

Reviewed by County's Risk Manager:

DocuSigned by:
[Signature]
E454E4CA2D21452... 11/17/2014
Date

Approved with regards to County Ordinance Chapter 42:

DocuSigned by:
Rick Norris
AD4C84D4023E450... 11/17/2014
Date

Approved with regards to available funds:

DocuSigned by:
[Signature]
F7354A95DB0643E... 11/18/2014
Date

MILWAUKEE COUNTY EXECUTIVE

Approved:

By _____ Date

Name: Chris Abele

Title: County Executive

CORPORATION COUNSEL

Approved as compliant under sec. 59.42 (2) (b) 5, Stats.:

By _____ Date

Corporation Counsel