



BOARD OF COMMISSIONERS

1 S. Main St., 9th Floor
Mount Clemens, Michigan 48043
586.469.5125 ~ Fax: 586.469.5993
www.macombBOC.com

BOARD OF COMMISSIONERS

REGULAR SESSION WITH A SPECIAL AGENDA

WEDNESDAY, AUGUST 13, 2014, 8:30 A.M.

FINAL SPECIAL AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Adoption of Agenda
5. Public Participation (five minutes maximum per speaker, or longer at the discretion of the Chairperson related only to issues contained on the agenda)
6. Contract with Public Financial Management for Financial Advisory Services- OPEB Bond Issue/Finance **(waived by Finance Committee Chair) (page 1)** **(attached)**
7. Contract with Axe & Ecklund, P.C. for Professional Legal Services-Bond Counsel for OPEB/Finance **(waived by Finance Committee Chair) (page 17)** **(attached)**
8. New Business
9. Public Participation (five minutes maximum per speaker or longer at the discretion of the Chairperson)
10. Roll Call
11. Adjournment

MACOMB COUNTY BOARD OF COMMISSIONERS

David J. Flynn – Board Chair
District 4

Kathy Tocco – Vice Chair
District 11

Mike Boyle – Sergeant-At-Arms
District 10

Toni Mocerri – District 1
Don Brown – District 7

Marvin Sauger – District 2
Kathy Vosburg – District 8

Veronica Klinefelt – District 3
Fred Miller – District 9

Robert Mijac - District 5
Bob Smith – District 12

James Carabelli – District 6
Joe Sabatini – District 13



Macomb County Executive

Mark A. Hackel

Mark F. Deldin
Deputy County Executive

To: David Flynn, Board Chair

From: Pamela J. Lavers, Assistant County Executive *PJL*

Date: August 5, 2014

RE: Agenda Item – Finance, Financial Advisory Services-OPEB Bond Issue - Public Financial Management

Attached you will find documentation and a resolution from Finance Director, Pete Provenzano, to approve a contract with Public Financial Management (PFM), for financial advisory services in conjunction with the issuance of other post-employment benefits (OPEB) bonds, for a flat fee of \$100,000 assuming one series of bonds issued in an amount up to \$300,000,000, which will be paid by bond issue proceeds.

This contract provides financial advisory services related to the issuance of OPEB bonds which requires additional steps and considerations that other bond issuances do not include.

The Executive Office respectfully submits this agenda item for the Commission's consideration and recommends approval of the Public Financial Management contract, as stated above.

PJL/smf

cc: Pete Provenzano
John Schapka



MACOMB COUNTY, MICHIGAN

Resolution Number:

Full Board Meeting Date:

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RESOLUTION

Resolution to:

To approve a contract with Public Financial Management ("PFM"), for financial advisory services in conjunction with the issuance of other post-employment benefits (OPEB) bonds, for a flat fee of \$100,000 assuming one series of bonds issued in an amount up to \$300,000,000, which will be paid by bond issue proceeds.

Introduced By:

Fred Miller, Chair, Finance Committee

Additional Background Information (If Needed):

The County intends to issue bonds (as authorized by Public Act 329 of 2012) for the purposes of fully funding the County's obligation to retirees for healthcare. Bids were submitted to the County to provide financial advisory services. After review of the submitted proposals by a Committee comprised of members from the Board of Commissioners, Corporation Counsel, County Executive, Finance, and Treasurer offices, a recommendation is being made to award the contract to PFM. The fee for service is a flat fee of \$100,000 assuming one series of bonds issued in an amount up to \$300,000,000.

*WAIVED TO FULL BOARD BY FINANCE COMMITTEE CHAIR

Committee

Meeting Date

Full Board*

8-13-14



Mark A. Hackel
County Executive

FINANCE DEPARTMENT
120 N. Main St., 2nd Floor
Mount Clemens, Michigan 48043
Phone: 586-469-5250 Fax: 586-469-5066
www.macombgov.org

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Peter M. Provenzano, CPA CGMA
Finance Director

Michelle M. Mykytiak
Assistant Finance Director
Fiscal Services

Stephen L. Smigiel, CPA
Assistant Finance Director
Management & Budget

July 31, 2014

Date

Office of County Executive
County of Macomb
One South Main, 8th Floor
Mount Clemens, MI 48043

Finance Department
REQUEST APPROVAL / ADOPTION OF
Financial Advisory Services Contract for OPEB Bond Issue

SUBJECT:

To approve a contract with Public Financial Management ("PFM"), for financial advisory services in conjunction with the issuance of other post-employment benefits (OPEB) bonds, for a flat fee of \$100,000 assuming one series of bonds issued in an amount up to \$300,000,000, which will be paid by bond issue proceeds.

IT IS RECOMMENDED THAT THE EXECUTIVE SUBMIT TO THE BOARD:

A contract between Macomb County and Public Financial Management for financial advisory services related to the OPEB Bond Issue.

PURPOSE / JUSTIFICATION:

Provide financial advisory services related to the issuance of OPEB bonds which requires additional steps and considerations that other bond issuances do not include.

FISCAL IMPACT / FINANCING:

Flat fee of \$100,000 assuming one series of bonds issued in an amount up to \$300,000,000

FACTS AND PROVISION / LEGAL REQUIREMENTS:

The County intends to issue bonds (as authorized by Public Act 329 of 2012) for the purposes of fully funding the County's obligation to retirees for healthcare. Bids were submitted to the County to provide financial advisory services. After review of the submitted proposals by a Committee comprised of members from the Board of Commissioners, Corporation Counsel, County Executive, Finance, and Treasurer offices, a recommendation is being made to award the contract to PFM. The fee for service is a flat fee of \$100,000 assuming one series of bonds issued in an amount up to \$300,000,000.

CONTRACTING PROCESS:

Bid Number 30-14

IMPACT ON CURRENT SERVICES (PROJECTS):

Respectfully submitted,



Signature

Peter Provenzano
Finance Department



CONTRACT REVIEW ROUTING FORM

ORIGINATING DEPARTMENT INFORMATION		
Department Leader: Peter Provenzano	Department: Finance	Date: 07/30/2014

Contract Contact Person: Terri Scott	Contact Phone Number: 469-5250	NOTE: Contracts are returned interoffice mail unless specified below: <input checked="" type="checkbox"/> Call for Pick Up: #
--	--	--

CONTACT / PROGRAM INFORMATION		
Contract / Program Title: Financial Advisory Services-OPEB Bond Issue	GRANT <input type="checkbox"/> AWARD <input checked="" type="checkbox"/> Funded	Return By Date:

DEPARTMENT ROUTING & AUTHORIZATIONS
NOTES: <i>VENDOR DISCLOSURE FORM W-9</i>

1. RISK & CONTRACT MANAGEMENT -

- Approved
- Approved with changes
- Rejected

RETURN TO REQUESTING DEPARTMENT

[Signature] 7/30/14
 Authorized Signature Date

Department Received Stamp:

2. FINANCE DEPARTMENT -

- Approved
- Approved with changes
- Rejected

RETURN TO RISK & CONTRACT MANAGEMENT

[Signature] 7-31-14
 Authorized Signature Date

Department Received Stamp:

3. OFFICE OF CORPORATION COUNSEL -

- Approved
- Approved with changes
- Rejected

RETURN TO RISK & CONTRACT MANAGEMENT

[Signature] 5 AUGUST 2014
 Authorized Signature Date

Department Received Stamp:

RECEIVED
 AUG 05 2014
 CORPORATION COUNSEL

4. OFFICE OF COUNTY EXECUTIVE -

- Approved
- BOC Review Required
- Approved with changes
- Rejected

RETURN TO RISK & CONTRACT MANAGEMENT

[Signature] 8/5/14
 Authorized Signature Date

Department Received Stamp:

EXECUTIVE OFFICE
 AUG 05 2014
RECEIVED



CONTRACT REVIEW ROUTING FORM

ORIGINATING DEPARTMENT INFORMATION			
Department Leader: Peter Provenzano	Department: Finance	Date: 07/31/2014	
Contract Contact Person: Terri Scott	Contact Phone Number: 469-5250	NOTE: Contracts are returned interoffice mail unless specified below: <input checked="" type="checkbox"/> Call for Pick Up: #	
CONTACT / PROGRAM INFORMATION			
Contract / Program Title: Financial Advisory Services-OPEB Bond Issue			GRANT <input type="checkbox"/> AWARD (County Recipient) <input type="checkbox"/> Funded (Program)
Vendor Number (if known):	Vendor Name: PFM Group	Vendor Disclosure Form Attached: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> IFAS <input type="checkbox"/> No (N/A)	
Original Contract Amount: \$ 100,000.00	Amendment Amount: \$	Total Amended Contract Amount: \$ 100,000.00	Funding Source - Org Key / Object - (If known):
Contract Begin Date: 07/31/2014	Amendment Date:	Contract End Date:	Targeted Committee Date:
<input checked="" type="checkbox"/> New <input type="checkbox"/> Renewal <input type="checkbox"/> Amendment	If Renewal or Amendment, what terms have changed (if any):		Amendment Number:
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Contract Bid: If not bid out, please explain:	Lowest Bid: If not lowest bid, please explain: <input type="checkbox"/> Yes Decision based on experience with <input checked="" type="checkbox"/> No OPEB bond issues of this magnitude	
Bid Number: 30-14	How many bidders responded? 5	Winning bidder Macomb County Entity: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No - Explain: See Above	
Contract / Program Synopsis: <p>The County intends to issue bonds (as authorized by Public Act 329 of 2012) for the purposes of fully funding the County's obligation to retirees for healthcare. Bids were submitted to the County to provide financial advisory services. After review of the submitted proposals by a Committee comprised of members from the Board of Commissioners, Corporation Counsel, County Executive, Finance, and Treasurer offices, a recommendation is being made to award the contract to PFM. The fee for service is a flat fee of \$100,000 assuming one series of bonds issued in an amount up to \$300,000,000.</p>			
OTHER CONTRACT INFORMATION			
<input type="checkbox"/> CONTRACT REQUIRES SIGNATURE OF COUNTY EXECUTIVE ONLY. DESIGNEE SIGNATURE WILL NOT BE ACCEPTED.			
PLEASE CHECK APPROPRIATE ITEM BELOW (IF APPLICABLE):			
<input checked="" type="checkbox"/>	1. AWARDING A CONTRACT OF \$35,000 OR MORE FOR SERVICES, SUPPLIES, MATERIALS, EQUIPMENT OR REAL ESTATE.		
<input type="checkbox"/>	2. AWARDING A CONTRACT OF \$100,000 OR MORE FOR CONSTRUCTION.		
<input type="checkbox"/>	3. AWARDING A CONTRACT MODIFICATION EXCEEDING 10% OF THE ORIGINAL APPROVED CONTRACT AMOUNT.		
<input type="checkbox"/>	4. AWARDING A CONTRACT THAT EXCEEDS 5 YEARS IN LENGTH.		
<input type="checkbox"/>	5. EMPLOYER PAID FRINGE BENEFITS.		
<input type="checkbox"/>	6. COLLECTIVE BARGAINING AGREEMENTS.		
<input type="checkbox"/>	7. INTERGOVERNMENTAL AGREEMENTS AS DEFINED BY CHARTER SECTION 3.1.		



The PFM Group
Financial & Investment Advisors

305 E. Eisenhower Parkway, 734-994-9700 7
Suite 112 734-994-9710 fax
Ann Arbor, MI 48108 www.pfm.com

July __, 2014

Macomb County Finance Department
120 North Main, 2nd Floor
Mount Clemens, MI 48043

RE: Contract for Financial Advisory Services – Macomb County 2014 OPEB Bond Issue

To Whom It May Concern:

Thank you for the opportunity to work with Macomb County on its anticipated 2014 Other Post Employment Benefit Obligation (“OPEB”) Bonds for the financing of the County’s postemployment health care liability. The following is Public Financial Management’s (“PFM”) proposed contract for Financial Advisory Services in connection with the County’s anticipated OPEB Bonds. As outlined in our proposal dated June 24, 2014, issuing OPEB Bonds requires additional steps and considerations that other bond issuances do not include. Provided below is a summary of the financial advisory services unique to OPEB Bonds that PFM will provide to Macomb County in the issuance of the OPEB bonds.

Assistance in Determining the Appropriate Unfunded Accrued Liability (“UAL”) to Finance

- Evaluate the debt impact of funding the UAL based on both actuarial and market value UAL calculation methods

Assistance in Preparing the Required Financial Plan

- The Financial Plan must include:
 - An analysis of the current and future obligations of the County with respect to each retirement program and each postemployment health care benefit program of the County. Note that the Plan requires the analysis of both the pension and postemployment health care programs.
 - Evidence that the OPEB Bond proceeds, coupled with other legally available funds, will eliminate the unfunded pension liability.
 - A debt service amortization schedule.
 - A description of actions required to satisfy the debt service amortization schedule
 - Certification by the Financial Plan preparer that the Financial Plan is complete and accurate.
- Prepare all debt related schedules for the Financial Plan, including evidence that Bond proceeds are sufficient to eliminate the unfunded liability, debt service amortization schedules and a listing of the actions required to satisfy the debt service amortization schedule. In each of the financings which PFM has completed under Act 329, PFM has been responsible for the drafting of the Financial Plan, and would be available to do so for the County of Macomb.
- Review Financial Plan for completeness and accuracy



Assistance in Preparing other Financial Analysis Required

- PFM would be available to prepare other financing analysis on alternative financing strategies and methods available.

In addition to the services outlined above which are specific to OPEB Bonds, PFM will also provide municipal financial advisory services related to the issuance of the OPEB Obligation Bonds as follows:

Develop and Monitor Financing Schedule

- Serves as a plan for timely completion of the financing

Analyze Debt Structure Alternatives

- Design a structure which maximizes market interest and future financing flexibility while being consistent with debt needs and policies

Assistance completing Department of Treasury applications

- Prepare all of the necessary financial schedules required for filing with the Department of Treasury
- Prepare all necessary applications required by the Department of Treasury

Assist with the Selection of Working Group Members, if Requested

- Select a team that can most effectively bring an issue to market and/or closing

Recommend a Negotiated or Competitive Sale

- Tailor debt issue to the most efficient way to market the debt and maximize investor interest or minimize the interest cost to the County

Develop Terms of the Financing

- Ensure credit quality and present terms which are attractive to investors to create broad-based interest in the debt
- Maximize County's future flexibility
- Assist the County in determining the preliminary and final bond amounts, and the preliminary and final bond repayment structure

Review and Prepare Marketing Information

- PFM will review any and all marketing materials to ensure their accuracy and completeness.
- PFM will prepare a comprehensive Official Statement or Marketing Information package, as applicable, which complies with all SEC regulations and GFOA standards. PFM prides itself in minimizing the amount of information requested from clients during this process. PFM's staff has been preparing these statements for many years and has substantial resources available from which to obtain the information required for these documents.

Develop Financing Documents

- Assure County that all contractual and business terms are reviewed from the County's perspective



Develop Marketing Plan

- Maximize underwriter and investor interest in the securities

Develop Rating Presentation and/or Assist with Rating Calls or Meetings

- Obtain highest possible credit rating for debt issue
- Formulate and implement long-term credit rating strategy

Assist with Obtaining Credit Enhancements, if Necessary

- PFM will work with the County and other working group members to determine if credit enhancement is beneficial to the County and if so, will coordinate obtaining pricing on credit enhancements and advise the County as to the cost benefit of the purchase of the credit enhancement.

Timing Entry into the Market

- Schedule bond sale around other pertinent/comparable financings as well as the release of various economic indicators

Assist With Sale or Pricing of Bonds

- Assure County of lowest interest rate for given market
- Provide written documentation of acceptability of pricing

Prepare Post-Sale Information

- Prepare a results of bidding or sale summary
- Prepare final payment schedules and applications
- Assist with the preparation of closing information including closing statements, schedules and information

Closing Activities

- Handle all activities necessary to ensure a smooth closing of the bonds

Fee:

The fee we propose for providing *financial advisory services* on the County's bond issue would be based on the fee schedule shown below:

- A flat fee of **\$100,000** assuming one series of bonds issued in an amount up to \$300,000,000
- For bonds issued in two or more series, the following fee schedule would apply to each series of bonds:
 - Flat fee of \$40,000 plus \$0.25 per \$1,000 of bonds

Travel and out-of-pocket expenses for attendance at meetings at the request of the County will be billed in addition to the above fee. The Municipal Advisory Council assessment of \$400 per bond issue would also be in addition to this fee.

**Pending Litigation:**

PFM has no pending investigation of the firm, or enforcement or disciplinary actions taken within the past three years by the SEC or other regulatory bodies.

Conflict of Interest:

PFM has no professional or personal financial interest which could be a possible conflict of interest in representing the County.

Liability Insurance

PFM's professional liability insurance coverage is \$15 million. As outlined in our proposal to the County, due to constraints imposed by the underlying insurer, our policies cannot be endorsed to guarantee notification if coverage is reduced or materially changed. Therefore, PFM asserts the following and will be bound by submission of our proposal to the County of Macomb. PFM will not materially alter any of the insurance policies currently in force and relied on in its proposal to the County dated June 24, 2014. Further, PFM will not reduce any coverage amount below the limits specified in the RFP.

Terms and Termination:

This agreement shall remain in effect unless canceled in writing by either party upon thirty (30) days written notice to the other party.

Non-assignability:

PFM shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the County.

Notices:

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to-wit:

Macomb County
120 North Main, 2nd Floor
Mount Clemens, MI 48043
Attention: _____

Public Financial Management
305 E. Eisenhower Parkway, Suite 112
Ann Arbor, MI 48108
Attention: Kari Blanchett

This contract may be extended to other issuances by mutual agreement between Macomb County and Public Financial Management.



If the County finds this acceptable, we would ask that you sign a copy of this letter and return it to us as soon as possible. Again, thank you for the opportunity to work with the County on this financing.

Should you have any questions or require additional information, please call.

Respectfully submitted,

Kari Blanchett
Director

This proposal for financial advisory services provided by Public Financial Management, Inc. to Macomb County is hereby accepted:

By: _____
Name of Authorized Signee

Signature: _____

Date: _____

PROPOSAL ITEM 30-14
Financial Advisory Services-OPEB Bond Issue



County of Macomb, Michigan
VENDOR DISCLOSURE FORM

The Macomb County ethics ordinance requires vendors of the County to complete and file a disclosure statement, the purpose of which is to disclose any financial relationships or other conflicts of interest that may exist between vendors and employees or elected officials (or their appointees) of the County. Once filed, the disclosure form does not need to be updated unless there is a change in circumstance that would cause the answer to any of the questions to change, at which time an amended disclosure form must be filed. Filing of the disclosure form is considered a condition of payment.

PLEASE RETURN THE COMPLETED FORM TO:
Macomb County Purchasing Department
ATTN: Vendor Disclosure
44900 Vic Wertz Drive
Clinton Twp. MI 48036

VENDOR NAME: Public Financial Management, Inc.

1. Does the vendor currently employ a relative of any employee, elected official or appointee of an elected official of Macomb County? Relative is defined as husband or wife, father or mother, son or daughter, brother or sister, uncle or aunt, first cousin, nephew or niece, great uncle or great aunt, grandfather or grandmother, grandson or granddaughter, father-in-law or mother-in-law, son-in-law or daughter-in-law, brother-in-law or sister-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half brother or half sister, the parents or grandparents of the individual's fiancée.

YES NO

If yes, please answer the following:

- A. Name of County employee or elected official (or appointee): _____
- B. County Position/Title: _____
County Department or _____
- C. Agency: _____

2. Does any employee or elected official of Macomb County have an interest in the vendor organization in any of the following capacities, either compensated or non-compensated: director, officer, partner, beneficiary, trustee, member, employee or contractor.

YES NO

If yes, please answer the following:

- A. Name of County employee or elected official (or appointee): _____
- B. County Position/Title: _____
- C. County Department or Agency: _____



PROPOSAL ITEM 30-14
Financial Advisory Services-OPEB Bond Issue

- D. Position/Title with Vendor: _____
3. Does any current employee or elected official of Macomb County have legal or beneficial ownership of 10% or more of the outstanding stock of the vendor organization?

YES NO

If yes, please answer the following:

- A. Name of County employee or elected official (or appointee): _____
- B. County Position/Title: _____
- C. County Department or Agency: _____
% of Ownership of Vendor
- D. Organization: _____

4. In the last five calendar years, has the vendor failed to perform or otherwise deliver on the terms of a contract or agreement with Macomb County, or any other public entity, including suspensions or debarments?

YES NO

If yes, please provide further explanation:

I hereby certify that the information included on this form is complete, true and accurate to the best of my knowledge and belief. I understand that either myself or the organization to which this form applies may be subject to sanctions and/or penalties as set forth in the ethics ordinance if any information has been falsified or omitted.

Steve Boyle
Name (Please Print)

S. Boyle
Signature

Managing Director
Title

June 19, 2014
Date

SUMMARY OF DRAFT FINANCING TIMETABLE
County of Macomb
General Obligation Limited Tax OPEB Bonds, Series 2014

AUGUST							SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6			1	2	3	4							1		1	2	3	4	5	6	
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
31																					30													

<u>DATE</u>	<u>TASK COMP</u>	<u>ACTION REQUIRED</u>	<u>RESPONSIBLE PARTY</u>
Tuesday, August 05	✓	Notice of Intent published (45 day referendum period begins)	CO
Wednesday, August 13		County Board Meeting to approve professional contracts and review financing timeline	CO, FA, BC
Thursday, August 14, 2014		Underwriter RFP distributed	FA
Week of Sept. 8th		Underwriter interviews, if applicable	CO, FA
Thursday, September 11		Financial Plan and Authorizing Resolution to be approved by County Board of Commissioners	CO, FA, BC
Friday, September 19		45 day referendum period expires	ALL
Monday, September 22, 2014		Bond Counsel to submit application package to Department of Treasury for review and approval	BC
Thursday, September 25		County Board to approve creation of Interim Trust	CO
Week of October 13th		Department of Treasury meeting to discuss application	CO, FA, BC
Week of Oct. 13th		Meetings or calls with rating agencies	CO, FA, U
Thursday, October 23, 2014		County receives approval from the Department of Treasury to issue bonds	--
Monday, October 27, 2014		Publication of Preliminary Official Statement	FA, U, UC
Tuesday, November 11, 2014		Pricing of Bonds	CO, FA, U
Wednesday, November 12, 2014		County executes Bond Purchase Agreement	CO, U, BC, UC
Wednesday, December 03, 2014		Bond Closing	ALL

Legend:

CO = County of Macomb

BC = Bond Counsel (Axe & Ecklund, PLLC)

FA = Financial Advisor (Public Financial Management)

U = Underwriter (to be determined)

UC = Underwriter's Counsel (to be determined)



DRAFT FINANCING TIMETABLE
Approximately \$270,000,000
County of Macomb
General Obligation Limited Tax OPEB Bonds, Series 2014

AUGUST							SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
31																					30													

<u>DATE</u>	<u>TASK COMPL.</u>	<u>ACTION REQUIRED</u>	<u>RESPONSIBLE PARTY</u>
Thursday, June 19, 2014	✓	Notice of Intent Resolution Approved	CO
Thursday, July 31, 2014	✓	Conference call to discuss timeline	C, FA
Tuesday, August 05	✓	Notice of Intent published (45 day referendum period begins)	CO
Friday, August 08, 2014	✓	Draft Underwriter RFP circulated	FA
Mid August 2014		Gabriel Roeder to provide County with December 31, 2013 Actuarial Report	
Wednesday, August 13		County Board Meeting to approve professional contracts and review financing timeline	CO, FA, BC
Thursday, August 14, 2014		Underwriter RFP distributed	FA
Thursday, August 14, 2014		Draft Financial Plan circulated to Working Group for review	FA
Tuesday, August 26		PFM to provide bond counsel with bond specifications for preparation of bond authorizing resolution	ALL
Thursday, August 28, 2014		Underwriter RFP Proposals due	--
Tuesday, September 02, 2014		Financial Advisor to provide County with long form Treasury application for signature	PFM
Wednesday, September 03, 2014		Underwriter bid tabulation circulated to County for review	PFM
Friday, September 05		PFM to request information from County required to complete the Preliminary Official Statement	PFM
Week of Sept. 8th		Underwriter interviews, if applicable	CO, FA
Thursday, September 11		Financial Plan and Authorizing Resolution to be approved by County Board of Commissioners	CO, FA, BC
Friday, September 12, 2014		Underwriter selected	CO, FA
Friday, September 19, 2014		Distribute draft of Preliminary Official Statement to Working Group	FA, U, UC
Friday, September 19		45 day referendum period expires	ALL
Monday, September 22, 2014		Application submitted to Department of Treasury for review and approval	BC
Thursday, September 25		County Board to approve creation of Interim Trust	CO
Week of Sept. 29th		Conference call to review Preliminary Official Statement ("POS")	ALL
Friday, October 03, 2014		Distribute revised draft of POS to Working Group	FA, U, UC
Friday, October 03, 2014		Draft rating presentation distributed for review	FA
Friday, October 03, 2014		Credit package sent to rating agencies	FA
Week of October 13th		Department of Treasury meeting to discuss application	CO, FA, BC
Week of Oct. 13th		Meetings or calls with rating agencies	CO, FA, U
Week of Oct. 20th		Due diligence call to review Preliminary Official Statement	ALL
Wednesday, October 22, 2014		Receive bond rating	ALL
Thursday, October 23, 2014		County receives approval from the Department of Treasury to issue bonds	--



DRAFT FINANCING TIMETABLE
Approximately \$270,000,000
County of Macomb
General Obligation Limited Tax OPEB Bonds, Series 2014

AUGUST							SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
31																					30													

<u>DATE</u>	<u>TASK COMPL.</u>	<u>ACTION REQUIRED</u>	<u>RESPONSIBLE PARTY</u>
Monday, October 27, 2014		Print and electronically distribute POS	FA, U, UC
Oct. 28th - Nov. 10th		Underwriter markets the bonds to potential investors	U
Monday, November 10, 2014		Pre-pricing conference call	CO, FA, U
Tuesday, November 11, 2014		Pricing of Bonds	CO, FA, U
Tuesday, November 11, 2014		Numbers are finalized and circulated	U, FA
Tuesday, November 11, 2014		Underwriter Counsel to circulate draft Bond Purchase Agreement	UC
Wednesday, November 12, 2014		County executes Bond Purchase Agreement	CO, U, BC, UC
Thursday, November 13, 2014		Distribute draft final OS	FA, U, UC
Tuesday, November 18, 2014		Distribute draft closing letter	FA, U
Wednesday, November 19, 2014		Print and distribute final OS	FA, U, UC
Wednesday, November 26, 2014		Distribute final closing letter	FA / U
Wednesday, December 03, 2014		Bond Closing	ALL

Legend:**CO = County of Macomb**

BC = Bond Counsel (Axe & Ecklund, PLLC)

FA = Financial Advisor (Public Financial Management)

U = Underwriter (to be determined)

UC = Underwriter's Counsel (to be determined)



Macomb County Executive Mark A. Hackel

Mark F. Deldin
Deputy County Executive

To: David Flynn, Board Chair

From: Pamela J. Lavers, Assistant County Executive *PJL*

Date: August 5, 2014

RE: Agenda Item – Finance, Professional Legal Service-Bond Counsel for OPEB-Axe & Ecklund

Attached you will find documentation and a resolution from Finance Director, Pete Provenzano, to approve a contract with Axe & Ecklund, P.C. for professional legal services in conjunction with the issuance of other post-employment benefits (OPEB) bonds, expected to not exceed \$121,750, which will be paid by bond issue proceeds.

This contract provides legal services related to the issuance of OPEB bond issue.

The Executive Office respectfully submits this agenda item for the Commission's consideration and recommends approval of the Axe & Ecklund contract, as stated above.

PJL/smf

cc: Pete Provenzano
John Schapka



MACOMB COUNTY, MICHIGAN

Resolution Number:

Full Board Meeting Date:

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RESOLUTION

Resolution to:

To approve a contract with Axe & Ecklund, P.C. for professional legal services in conjunction with the issuance of other post-employment benefits (OPEB) bonds, expected to not exceed \$121,750.00, which will be paid by bond issue proceeds.

Introduced By:

Fred Miller, Chair, Finance Committee

Additional Background Information (If Needed):

The County intends to issue bonds (as authorized by Public Act 329 of 2012) for the purposes of fully funding the County's obligation to retirees for healthcare. Bids were submitted to the County to provide bond counsel services. After review of the submitted proposals by a Committee comprised of members from the Board of Commissioners, Corporation Counsel, County Executive, Finance, and Treasurer offices, a recommendation is being made to award the contract to Axe & Eckland, P.C. The fee for service is dependent on the size of the bond issue, but is not expected to exceed \$121,750.00

*WAIVED TO FULL BOARD BY FINANCE COMMITTEE CHAIR

Committee

Meeting Date

Full Board*

8-13-14



Mark A. Hackel
County Executive

FINANCE DEPARTMENT

120 N. Main St., 2nd Floor
Mount Clemens, Michigan 48043
Phone: 586-469-5250 Fax: 586-469-5066
www.macombgov.org

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Peter M. Provenzano, CPA CGMA
Finance Director

Michelle M. Mykytiak
Assistant Finance Director
Fiscal Services

Stephen L. Smigiel, CPA
Assistant Finance Director
Management & Budget

July 31, 2014

Date

Office of County Executive
County of Macomb
One South Main, 8th Floor
Mount Clemens, MI 48043

Finance Department
REQUEST APPROVAL / ADOPTION OF
Legal Service Contract for Bond Counsel for OPEB Bond Issue

SUBJECT:

To approve a contract with Axe & Ecklund, P.C. for professional legal services in conjunction with the issuance of other post-employment benefits (OPEB) bonds, expected to not exceed \$121,750.00, which will be paid by bond issue proceeds.

IT IS RECOMMENDED THAT THE EXECUTIVE SUBMIT TO THE BOARD:

A contract between Macomb County and Axe & Ecklund, P.C. for professional legal services related to the OPEB bond issue.

PURPOSE / JUSTIFICATION:

Provide legal services related to the issuance of a OPEB bond issue

FISCAL IMPACT / FINANCING:

Projected to be \$121,750.00 dependent on the size of the bond issue

FACTS AND PROVISION / LEGAL REQUIREMENTS:

The County intends to issue bonds (as authorized by Public Act 329 of 2012) for the purposes of fully funding the County's obligation to retirees for healthcare. Bids were submitted to the County to provide bond counsel services. After review of the submitted proposals by a Committee comprised of members from the Board of Commissioners, Corporation Counsel, County Executive, Finance, and Treasurer offices, a recommendation is being made to award the contract to Axe & Eckland, P.C. The fee for service is dependent on the size of the bond issue, but is not expected to exceed \$121,750.00

CONTRACTING PROCESS:

Bid Number 31-14

IMPACT ON CURRENT SERVICES (PROJECTS):

Respectfully submitted,



Signature

Peter Provenzano
Finance Department



CONTRACT REVIEW ROUTING FORM

ORIGINATING DEPARTMENT INFORMATION		
Department Leader: Peter Provenzano	Department: Finance	Date: 07/29/2014
Contract Contact Person: Terri Scott	Contact Phone Number: 469-5250	NOTE: Contracts are returned interoffice mail unless specified below: <input checked="" type="checkbox"/> Call for Pick Up: #
CONTACT / PROGRAM INFORMATION		
Contract / Program Title: Professional Legal Service-Bond Counsel for OPEB Bond Issue	GRANT <input type="checkbox"/> AWARD <input type="checkbox"/> Funded	Return By Date: 07/30/2014
DEPARTMENT ROUTING & AUTHORIZATIONS		
NOTES:		

1. RISK & CONTRACT MANAGEMENT -

- Approved
 - Approved with changes
 - Rejected
- RETURN TO
REQUESTING DEPARTMENT

[Signature] 7/24/14
Authorized Signature Date

Department Received Stamp:

2. FINANCE DEPARTMENT -

- Approved
 - Approved with changes
 - Rejected
- RETURN TO
RISK & CONTRACT MANAGEMENT

[Signature] 7-29-14
Authorized Signature Date

Department Received Stamp:

3. OFFICE OF CORPORATION COUNSEL -

- Approved
 - Approved with changes
 - Rejected
- RETURN TO
RISK & CONTRACT MANAGEMENT

[Signature] 29 July 2014
Authorized Signature Date

Department Received Stamp:

RECEIVED
JUL 29 2014
CORPORATION COUNSEL

4. OFFICE OF COUNTY EXECUTIVE -

- Approved
 - BOC Review Required
 - Approved with changes
 - Rejected
- RETURN TO
RISK & CONTRACT MANAGEMENT

[Signature] 7-30-14
Authorized Signature Date

Department Received Stamp:

EXECUTIVE OFFICE
JUL 29 2014
RECEIVED

4:10 PM



CONTRACT REVIEW ROUTING FORM

ORIGINATING DEPARTMENT INFORMATION			
Department Leader: Peter Provenzano	Department: Finance	Date: 07/29/2014	
Contract Contact Person: Terri Scott	Contact Phone Number: 469-5250	NOTE: Contracts are returned interoffice mail unless specified below: <input checked="" type="checkbox"/> Call for Pick Up: #	
CONTACT / PROGRAM INFORMATION			
Contract / Program Title: Professional Legal Service-Bond Counsel			GRANT <input type="checkbox"/> AWARD (County Recipient) <input type="checkbox"/> Funded (Program)
Vendor Number (if known):	Vendor Name: Axe & Ecklund, P.C.		Vendor Disclosure Form Attached: <input type="checkbox"/> Yes <input type="checkbox"/> IFAS <input type="checkbox"/> No (N/A)
Original Contract Amount: \$ 121,750.00	Amendment Amount: \$	Total Amended Contract Amount: \$ 121,750.00	Funding Source - Org Key / Object - (If known):
Contract Begin Date: 07/31/2014	Amendment Date:	Contract End Date:	Targeted Committee Date: 07/31/2014
Contract: <input checked="" type="checkbox"/> New <input type="checkbox"/> Renewal <input type="checkbox"/> Amendment	If Renewal or Amendment, what terms have changed (if any):		Amendment Number:
Contract Bid: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If not bid out, please explain:	Lowest Bid: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If not lowest bid, please explain:
Bid Number: 31-14	How many bidders responded? 3	Winning bidder Macomb County Entity: <input type="checkbox"/> Yes <input type="checkbox"/> No - Explain:	
Contract / Program Synopsis: Provide legal service related to the issuance of other post-employment benefits (OPEB) bonds			
OTHER CONTRACT INFORMATION			
<input type="checkbox"/> CONTRACT REQUIRES SIGNATURE OF COUNTY EXECUTIVE ONLY. DESIGNEE SIGNATURE WILL NOT BE ACCEPTED.			
PLEASE CHECK APPROPRIATE ITEM BELOW (IF APPLICABLE):			
<input checked="" type="checkbox"/>	1. AWARDING A CONTRACT OF \$35,000 OR MORE FOR SERVICES, SUPPLIES, MATERIALS, EQUIPMENT OR REAL ESTATE.		
<input type="checkbox"/>	2. AWARDING A CONTRACT OF \$100,000 OR MORE FOR CONSTRUCTION.		
<input type="checkbox"/>	3. AWARDING A CONTRACT MODIFICATION EXCEEDING 10% OF THE ORIGINAL APPROVED CONTRACT AMOUNT.		
<input type="checkbox"/>	4. AWARDING A CONTRACT THAT EXCEEDS 5 YEARS IN LENGTH.		
<input type="checkbox"/>	5. EMPLOYER PAID FRINGE BENEFITS.		
<input type="checkbox"/>	6. COLLECTIVE BARGAINING AGREEMENTS.		
<input type="checkbox"/>	7. INTERGOVERNMENTAL AGREEMENTS AS DEFINED BY CHARTER SECTION 3.1.		

AXE & ECKLUND, P.C.

AGREEMENT FOR PROFESSIONAL LEGAL SERVICES

This Agreement is entered into this _____ day of July, 2014, between the CHARTER COUNTY OF MACOMB (“County”) and Axe & Ecklund, P.C., (Bond Counsel)

RECITALS:

WHEREAS, the County of Macomb, Michigan (the "County"), is authorized by Act 329 of the Public Acts of 2012 (the “Act”), to issue bonds for the purposes of fully funding the County’s obligation to retirees for health care; and

WHEREAS, the County expects to borrow pursuant to said Act in the year 2014; and

WHEREAS, the County wishes to retain a Bond Counsel to assist in any County borrowings pursuant to said Act in the year specified above; and

WHEREAS, the firm Axe & Ecklund, P.C. ("Bond Counsel") is willing to act for the County in such capacity and has submitted a Response to Request for Proposal (the “Response”);

NOW, THEREFORE, IT IS AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The County hereby retains Bond Counsel to assist the County in such borrowings as the County may wish to make pursuant to the Act for the year specified above in accordance with the Response.

AXE & ECKLUND, P.C.

2. This Contract sets forth the terms of our engagement with regard to the contemplated offering later this year (the "Offering"), by the County of Retirees Health Care Bonds in an amount to be determined by the County.

3. This Contract explains the scope of the legal services to be provided and the fee to be charged.

a. **Scope of Representation.** Bond Counsel will include the provision of advice in connection with the Offering, in the form of a Bond Counsel Opinion which may be included or referred to in the documents under which the Offering is made. Bond Counsel will prepare all documents and resolutions required for the Offering and attend any meetings requested by the County. Bond Counsel will work with the County's financial advisor to prepare for the final officering. The two principal partners in the firm, John Axe and Peter Ecklund, will work with the County on this Offering. Other non-attorney personnel will also be used as necessary

b. **Services.** The services to be rendered will include all of those services listed on Appendix A.

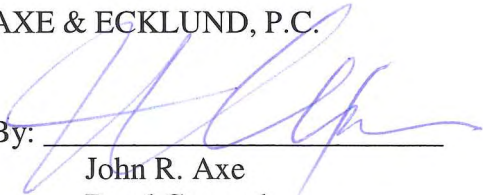
c. **Fees.** Our Bond Counsel fee for the proposed bond issue will be as set forth in Appendix B attached hereto.

4. The County agrees to compensate Bond Counsel for services to be performed under this contract at the rate set forth in Appendix B, depending upon the final amount of the borrowing, and to make payments therefor upon delivery of the Bonds.

AXE & ECKLUND, P.C.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of _____, 2014.

AXE & ECKLUND, P.C.

By: 
John R. Axe
Bond Counsel

COUNTY OF MACOMB

By: _____

County of Macomb _____

APPENDIX A**SCOPE OF BOND COUNSEL SERVICES FOR THE COUNTY OF MACOMB FOR THE
ISSUANCE OF RETIREES HEALTH CARE BONDS UNDER PUBLIC ACT NO. 329 OF
THE PUBLIC ACTS OF MICHIGAN OF 2012**

Axe and Ecklund, P.C. shall provide and perform the following services for the County of Macomb in connection with the issuance of Retirees Health Care Bonds:

1. Prepare the necessary legal proceedings to be approved by the Macomb County Board of Commissioners authorizing the issuance and placement of the Bonds;
2. Assist the County in obtaining approval from the Michigan Department of Treasury for the issuance of the Bonds;
3. Review any legal issues which relate to the structure of the transaction;
4. Review the legality of the request for proposals prepared by the financial advisor to be used in soliciting bids from interested banks or other parties;
5. Draft certifications and other necessary documents in order to permit the Bonds to be issued;
6. Work with the financial advisor engaged to assist the County in the placement of the Bonds;
7. Meet with the rating agency to review the legal status of the Bonds being issued and to discuss and respond to any legal questions regarding the bonds with representatives of rating agency.
8. Review preliminary official statement to be sent to prospective purchasers of the bonds.
9. Preparation and review requests for proposal to be sent by financial advisor to prospective purchasers of the bonds.
10. Receipt and review proposals to purchase the bonds.
11. Advise the County regarding the legal ramifications of the various purchase proposals.

AXE & ECKLUND, P.C.

12. Prepare signature and non-litigation certificates, award orders and various final certificates to be executed in connection with the issuance of the bonds by county officials.
13. Prepare the bonds for execution.
14. Prepare legal opinions for delivery to the purchaser of the bonds.
15. Review final official statement or offering circular.
16. Receive and review of executed documents at closing of the bonds together with the delivery of the unqualified opinion of Bond Counsel as to the validity and enforceable of the bonds.

APPENDIX B**A. Bond Counsel's Fee Schedule**

The below fee schedule is for Bond Counsel's fee for the structuring, marketing, selling, and delivery of the proposed bond issue. The fee is based on the size of a single bond issue and does not include any expenses.

<u>Face Amount of Bonds</u>	<u>Fee</u>
Less than \$500,000	\$1,500 (for any issue of \$150,000 or less) plus 1% (.01) of the amount in excess of \$150,000
\$500,000 or more but less than \$1,000,000	\$5,000 plus 1/2 of 1% (.005) of the amount in excess of \$500,000
\$1,000,000 or more but less than \$3,000,000	\$7,500 plus 1/4 of 1% (.0025) of the amount in excess of \$1,000,000
\$3,000,000 or more but less than \$30,000,000	\$12,500 plus 1/5 of 1% (.002) of the amount in excess of \$3,000,000
\$30,000,000 or more	\$66,500 plus 1/5 of 0.1% (.0002) of the amount in excess of \$30,000,000

B. Bond Counsel's ExpensesOut-of-Pocket Expenses

In addition to the applicable fee, expenses incurred and disbursements made (out-of-pocket expenses) will be billed as separate amounts. These expenses include copying, overnight express, postage, mileage to meetings, and telecommunications and shall not exceed \$1,250.00, exclusive of any expenses incurred in visits to the rating agencies.

C. Bond Counsel's Not-to-Exceed Amounts

Total fees and expenses on a single bond issue in the amount of \$300,000,000 is \$121,750 which is described below.

Bond Counsel Fee:	\$120,500
Not-to-Exceed Expenses	<u>1,250</u>
Total	<u>\$121,750</u>

AXE & ECKLUND, P.C.

D. Contingencies or Additional Services

Bond Counsel does not have any contingencies or additional services that might be required but not included in this agreement that could incur additional costs owed to Bond Counsel.



County of Macomb, Michigan
VENDOR DISCLOSURE FORM

The Macomb County ethics ordinance requires vendors of the County to complete and file a disclosure statement, the purpose of which is to disclose any financial relationships or other conflicts of interest that may exist between vendors and employees or elected officials (or their appointees) of the County. Once filed, the disclosure form does not need to be updated unless there is a change in circumstance that would cause the answer to any of the questions to change, at which time an amended disclosure form must be filed. Filing of the disclosure form is considered a condition of payment.

PLEASE RETURN THE COMPLETED FORM TO:

Macomb County Purchasing Department
ATTN: Vendor Disclosure
44900 Vic Wertz Drive
Clinton Twp. MI 48036

VENDOR NAME: Axe & Ecklund, P.C.

1. Does the vendor currently employ a relative of any employee, elected official or appointee of an elected official of Macomb County? Relative is defined as husband or wife, father or mother, son or daughter, brother or sister, uncle or aunt, first cousin, nephew or niece, great uncle or great aunt, grandfather or grandmother, grandson or granddaughter, father-in-law or mother-in-law, son-in-law or daughter-in-law, brother-in-law or sister-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half brother or half sister, the parents or grandparents of the individual's fiancée.

YES NO

If yes, please answer the following:

- A. Name of County employee or elected official (or appointee): _____
- B. County Position/Title: _____
County Department or _____
- C. Agency: _____

2. Does any employee or elected official of Macomb County have an interest in the vendor organization in any of the following capacities, either compensated or non-compensated: director, officer, partner, beneficiary, trustee, member, employee or contractor.

YES NO

If yes, please answer the following:

- A. Name of County employee or elected official (or appointee): _____
- B. County Position/Title: _____
- C. County Department or Agency: _____

PROPOSAL ITEM 31-14
Bond Counsel-OPEB Bond Issue



D. Position/Title with Vendor: _____

3. Does any current employee or elected official of Macomb County have legal or beneficial ownership of 10% or more of the outstanding stock of the vendor organization?

YES NO

If yes, please answer the following:

A. Name of County employee or elected official (or appointee): _____

B. County Position/Title: _____

C. County Department or Agency: _____
% of Ownership of Vendor

D. Organization: _____

4. In the last five calendar years, has the vendor failed to perform or otherwise deliver on the terms of a contract or agreement with Macomb County, or any other public entity, including suspensions or debarments?

YES NO

If yes, please provide further explanation:

I hereby certify that the information included on this form is complete, true and accurate to the best of my knowledge and belief. I understand that either myself or the organization to which this form applies may be subject to sanctions and/or penalties as set forth in the ethics ordinance if any information has been falsified or omitted.

John R. Axe

Name (Please Print)

Signature

President

Title
June 25, 2014

Date