



# City of Hartford \* County of Van Buren \* State of Michigan

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**TO:** Mayor Hall and the Hartford City Commissioners

**FROM:** Nicol Brown, City Manager

**DATE:** October 28, 2024

**RE:** **APPROVE BENDZINSKI & CO TO SERVE AS THE REGISTERED MUNICIPAL ADVISOR FOR THE DRINKING WATER STATE REVOLVING FUND (DWSRF) WATER REVENUE BONDS & BOND ANTICIPATION NOTE (BAN)**

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## **ITEM BEFORE THE COMMISSION:**

The item before the Commission is to approve Bendzinski & Co., the city's municipal finance advisors, to serve as the Registered Municipal Advisor for the Drinking Water State Revolving Fund (DWSRF) project and prepare the scope of services one and two.

## **DISCUSSION:**

The city was identified to receive a total of \$11,760,000, including \$4,704,00 in grant funding and \$7,056,00 in a 1.00% loan through the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Drinking Water State Revolving Fund (DWSRF) Draft Intended Use Plan (IUP). Due to the nature of the DWSRF program, an aggressive schedule will be required to meet funding deadlines.

Bendzinski & Co. has proposed to act on behalf of the City with a fiduciary duty, which shall include a duty of loyalty and a duty of care under the rules and regulations set forth by the Municipal Securities Rulemaking Board and the Securities and Exchange Commission.

Bendzinski will complete the first scope of services, the Bond Anticipation Note, with a proposed fee of \$9,500, as follows. This fee is payable upon closing the Bond Anticipation Note (BAN).

- If necessary, prepare the forms required by the Municipal Finance Division of the Michigan Department of Treasury with Issuer officials.
- Prepare complete financial information in cooperation with officials to arrive at the amount of the issue to be sold.
- Prepare a schedule illustrating the steps necessary to issue the bonds for the project.
- If necessary, assist with selecting the registrar/transfer/paying agent.
- Assist the Issuer in preparing a Request for Proposals ("RFP"), outlining all the details of the proposed financing.
- Bendzinski & Co. shall review the proposals for compliance with the terms set forth by the Issuer in the RFP.

- After the proposals are received, Bendzinski & Co. will calculate and verify the True Interest Cost on the proposals submitted. This representative will be prepared to submit detailed information on the current status of the general market and provide a list of comparable issues recently sold. This information will aid in determining the action to be taken to the proposals submitted.
- Prepare the settlement statement and final principal and interest requirements schedule based on the selected purchaser and the closing memo.
- Plan and arrange for the closing and settlement of the delivery of the Bonds.
- Usual and customary Registered Municipal Advisor services as may be requested by the Issuer.

Bendzinski will complete the second scope of services, the DWSRF Water Revenue Bonds, with a proposed fee of \$26,850, as follows:

- Prepare financial information and projections in cooperation with Issuer officials and engineers to arrive at the amount of the issue to be sold and determine the methodology for the timely repayment of the bond issue;
- Attend meetings with Issuer's staff, its engineers, bond counsel, and Michigan Department of Environment, Great Lakes & Energy ("EGLE") staff to plan the proposed SRF project;
- Assist when requested to the Issuer, Issuer Attorney, and Bond Counsel to ensure that all possible provisions are made towards the most advantageous sale of bonds;
- Prepare, with the Issuer's cooperation, the application required by the Municipal Finance Division of the Michigan Department of Treasury for their approval and expedite this approval;
- Prepare, with the Issuer's cooperation, the application required by the Michigan Department of Environment, Great Lakes & Energy Assistance Division, Municipal Facilities Section to obtain their approval;
- Prepare bond specifications for bond counsel, including interest rate limitations, redemption provisions, bidding, and good faith details;
- Preparation of the required water rate study
- Advise and assist the Issuer to enable them to deliver funds from the Michigan Municipal Bond Authority successfully.

**RECOMMENDATION:**

The Hartford City Commission approves Bendzinski & Co., the city's municipal finance advisor, to serve as the Registered Municipal Advisor for the Drinking Water State Revolving Fund (DWSRF) project and prepare the scope of services one and two. The City Commission also approves the proposed total fees for both services at \$36,350. This total can be included in the DWSRF project costs and reimbursed through the loan/principal forgiveness funds. This fee includes all travel, out-of-pocket expenses, and meeting attendance.