



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

TO: Mayor Hall and the Hartford City Commissioners

FROM: Nicol Brown, City Manager *NB*

DATE: October 28, 2024

RE: APPROVES BENDZINSKI & CO. AS THE CITY'S MUNICIPAL FINANCE ADVISORS FOR THE MICHIGAN TRANSPORTATION FUND BOND

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 Michigan Transportation Fund Bond. The MTF Bond is a part of the Drinking Water State Revolving Fund (DWSRF) project.

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.

One roadway lane will be reconstructed as part of the water main replacements. City staff is recommending other infrastructure improvements (sanitary sewer, storm sewer, etc.) and reconstruction of the other lane. Improving the roadways concurrently with the water main projects would leverage the water, wastewater, and roadway funds to achieve an economy of scale and maximize the use of funds while fully restoring roadways instead of partial replacement.

The City Manager and DPW staff drove the roads and gave Wightman's the following roads to receive a quote for Hart Street, Washington Street, Marion Street, and Bernard Street. Mickey will bring the quotes before the staff and commission at November's council meeting to decide if we want to fund both sides of the road. The City will determine if we will move forward with a Michigan Transportation Fund Bond.

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 Michigan Transportation Fund (MTF) Bond with a proposed fee of \$18,850, which includes all out-of-pocket expenses and time incurred.

- If necessary, prepare the forms required by the Municipal Finance Division of the Michigan Department of Treasury with officials.

- Prepare complete financial information in cooperation with officials and engineers to arrive at the amount of the issue to be sold.
- Development of cash flow analysis and revenue sources to meet the principal and interest obligations on the proposed bonds.
- Prepare a schedule illustrating the steps necessary to issue the bonds for the project.
- With input from the Issuer, determine whether a private placement, competitive or negotiated sale is the most beneficial to the issuance of the bonds depending on the selected bond issue type and current market conditions, and then develop a plan of finance.
- Prepare bond specifications for bond counsel, including interest rate limitations, redemption provisions, bidding, and good faith details.
- Assist with selecting the registrar/transfer/paying agent, if necessary.
- Assist the Issuer with selecting an underwriter or placement agent, if necessary.
- Prepare Preliminary and Official Statements or any other form of disclosure that may be required based on information provided by the Issuer under the provisions of S.E.C. Rule 15c2-12.
- If the Bonds are to be rated, advise and assist with selecting rating agencies. Prepare materials to be provided to rating agencies and develop strategies with officials for meetings with rating agencies.
- A representative of Bendzinski & Co. shall review the bids to ensure compliance with the terms set forth by the Issuer.
- After receiving the bids, Bendzinski & Co. will calculate and verify the True Interest Cost of the submitted bids.
- Prepare an easy-to-read comparison of all the bids received.
- Prepare final closing memo and pricing numbers, including the final debt service schedule, pricing summary, and sources and uses of funds based on the lowest bid.
- Usual and customary Registered Municipal Advisor services as may be requested by the Issuer.

RECOMMENDATION:

The Hartford City Commission approves Bendzinski & Co., the city's municipal finance advisors, to serve as the Registered Municipal Advisor for the Michigan Transportation Fund Bond. The MTF Bond is a part of the Drinking Water State Revolving Fund (DWSRF) project. Bendzinski will complete the Michigan Transportation Fund (MTF) Bond with a proposed fee of \$18,850, which includes all out-of-pocket expenses and time incurred; contingent upon City Commission approval of the additional construction work. The proposed fee will come from the MTF Bond and/or major/local street fund.