

City Clerk

From: Warren Creamer <wc@mfc.com>
Sent: Monday, January 8, 2024 9:41 AM
To: City Clerk; Erin Evashevski (erinevashevskilaw@gmail.com)
Cc: Colis, Thomas D.; Steven Burke, CFA; Stacey Mills; Karen Attardo; Amanda Coffelt
Subject: [Retrieved]Mackinac Island - House Phase 3
Attachments: 010824-Mackinac Island 2024 CIB LTGO Taxable- bondscenarios.pdf; 010523-Mackinac Island 2024 CIB-MFCI Engagement Letter.pdf

Danielle,

I hope this email finds you well. We are working with Erin Evashevski and Tom Colis in connection with the third phase of the City's housing program. We are required by the SEC and the Municipal Securities Rulemaking Board to evidence our municipal advisory relationships in writing and make certain disclosures. Erin asked that we send our engagement letter to you on behalf of the Mayor. The engagement letter does not need to be signed. We simply asked that you acknowledge receipt.

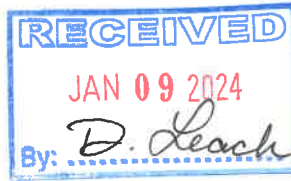
Erin,

As promised, attached please find various debt service scenarios for discussion at your next Council meeting. We've included a 15 and 20 year public offerings and a 15 year private placement. The last two phases of the City's housing program were privately placed. In today's market, we estimate a public offerings will provide a lower interest cost than a private placement. Those savings come with some effort, however. We'll need to prepare a disclosure document, secure a rating and provide ongoing disclosure on an annual basis (much like the filing of your audit with the Michigan Department of Treasury) until the bonds are paid off. Please call with any questions you may have.

Thanks you both for all your help,

Warren

Warren M. Creamer III
Managing Director
MFCI, LLC
wc@mfc.com
231-357-8793



January 5, 2024

VIA EMAIL

Margaret M. Doud, Mayor
City of Mackinac Island
7358 Market Street
P.O. Box 455
Mackinac Island, MI 49757

**Re: City of Mackinac Island
2024 Capital Improvement Bonds (Limited Tax General Obligation)(Taxable)**

Dear Mayor Doud:

This letter serves to record the terms of MFCI, LLC's ("MFCI") engagement to represent the City of Mackinac Island (the "City") as a client with regard to the captioned matters.

MFCI is registered as a Municipal Advisor with the Securities and Exchange Commission (SEC) (www.sec.gov) and the Municipal Securities Rulemaking Board (MSRB) (www.msrb.org).

MFCI agrees that the scope of our services in connection with the captioned matters is as follows:

- Prepare Bond specifications with Bond Counsel;
- Assist the City with the determination of a sale method(s) and, if needed, assist in the hiring of an underwriter at the City's direction;
- Develop the financing schedule;
- Assist in drafting and/or reviewing the financial and structural aspects of the Official Statement, as requested;
- Prepare general and economic data document and debt statements;
- Prepare for and coordinate the bond rating, as needed;
- Assist the working group in preparing sale documents;
- Prepare, coordinate, advertise, and analyze sale of Bonds;
- Prepare post-sale documentation and summaries; and
- Assist the working group with closing activities.

The services provided by MFCI are limited to the services described above unless otherwise agreed to in writing by MFCI.

Fees:

MFCI's fees on these matters are based on a fee schedule attached hereto as Appendix C. MFCI will invoice on a transactional basis through closing. If closing does not occur, MFCI will not invoice for any fees. MFCI will invoice the City upon closing of each issue. Warren Creamer will be the principal financial consultant contact on these matters.

Disclosure of Conflicts of Interest and Other Information:

As a registered municipal advisor MFCI is required to disclose potential conflicts of interest and other information regarding MFCI's registration, including where to locate MFCI's registration information on the SEC's EDGAR system. MFCI's required disclosures are included as Appendix B to this letter, incorporated herein by reference. Any additional disclosures made by MFCI to update the disclosures contained in Appendix B are also incorporated by reference to this letter.

This letter is supplemented by MFCI's Standard Terms of Engagement for Financial Consulting Services, attached, which are incorporated in this letter and apply to this matter and other matter(s) for which the City engages MFCI. MFCI agrees to promptly amend or supplement this letter to reflect any material changes or additions to the engagement. If the City agrees that this letter provides acceptable terms for MFCI's engagement in this matter, please acknowledge via an email reply.

We look forward to working with you.

Sincerely,

MFCI, LLC



Warren M. Creamer
Managing Director

CC:

Steven Burke, CFA, MFCI, LLC

Stacey Mills, MFCI, LLC

Karen J. Attardo, MFCI, LLC



Appendix A

MFCI, LLC (MUNICIPAL FINANCIAL CONSULTANTS) STANDARD TERMS OF ENGAGEMENT FOR FINANCIAL CONSULTING SERVICES

This statement provides the standard terms of MFCI, LLC's ("MFCI" or "the firm") engagement as your financial consultants. Unless modified in writing by mutual agreement, these terms will be an integral part of our agreement with you. Therefore, we ask that you review this statement carefully and contact us promptly if you have any questions.

GENERAL RIGHTS AND RESPONSIBILITIES OF CLIENTS OF THE FIRM

A client of the firm has the right to: (A) expect competent representation by the firm; (B) determine the purposes to be served by the financial consulting representation, so long as those purposes are legal and do not violate the firm's obligations under applicable federal securities rules and regulations; (C) be kept reasonably informed about the status of the matter and have the firm respond promptly to reasonable requests for information; and (D) terminate the representation at any time, with or without cause, subject to the obligation for payment of financial services provided and costs incurred by the firm.

A client of the firm has the responsibility to: (A) cooperate with MFCI and the finance team to provide accurate and necessary information, records and data about the client and access to client personnel necessary to structure the debt, complete the disclosure documents and prepare the transaction documentation; and (B) pay the firm as provided by this agreement and any other agreements regarding payment for financial consulting services and expenses. A client may not: (A) demand that the firm use offensive tactics or treat anyone involved in the transaction in a manner that would violate our regulatory obligation to deal fairly with all persons or; (B) demand any assistance which violates the federal or state laws.

WHOM WE REPRESENT

The person or entity whom we represent is the person or entity identified in our engagement letter and does not include any affiliates or related parties of the Client unless our engagement letter expressly provides otherwise.

THE SCOPE OF OUR WORK/TERM

You should have a clear understanding of the financial consulting services we will provide, as described in the preceding letter. Any questions that you have should be dealt with promptly.

We will, at all times, act on your behalf to the best of our ability. Any expressions on our part concerning the outcome of your matters are expressions of our best professional judgement, but are not guarantees. Such advice is necessarily limited by our knowledge of the facts and are based on the state of the facts at the time they are expressed. Your obligation to pay our fees as provided in this letter is not contingent upon a result or results in the matter.

Our relationship will be considered ended upon the earliest of (a) our completion of services in the matter(s) for which you have engaged us, (b) notifications by you to us that you desire to terminate such services, or (c) notification by the firm of termination of our client relationship.

TERMINATION

You may terminate our representation at any time, with or without cause, by notifying us in writing.

BILLING ARRANGEMENTS AND TERMS OF PAYMENT

Unless otherwise provided in our engagement letter, we will provide you with an invoice upon completion of the assignment. Payment is due on receipt.

We will give you notice if your account becomes delinquent, and you agree to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, we may withdraw from the representation and pursue collection of your account. Moreover, you agree that non-payment of our fees is a valid basis for our request to so withdraw. To the extent collection of your account becomes necessary, you agree that in addition to any unpaid balance and interest thereon, we will be entitled to recover all costs and expenses of collection, including reasonable attorney fees.

Appendix B

CONFLICTS OF INTEREST AND OTHER DISCLOSURES

Conflicts Due to the Form and Basis of Our Compensation

MFCI's future fee compensation is contingent upon successful closing of the issue and the par (dollar) amount of the issue. This could potentially cause a conflict of interest for MFCI. For example, fees based on the principal amount of the transaction presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation. Similarly, fees that are only paid on the successful completion of a financing present a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. When facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction. MFCI manages and mitigates this conflict primarily by adherence to the fiduciary duty that it owes to its clients that requires it to put the interests of a client above and ahead of MFCI's interests.

Most Recent SEC Filings:

The SEC Form MA and MI-I provide clients with information about our firm, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations, and civil litigation. This can be accessed at:

<https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001732526&owner=exclude&count=40>

MSRB Rule G-10 Disclosure

MFCI, LLC (Municipal Financial Consultants) is registered with the Municipal Securities Rulemaking Board (MSRB) and the Securities and Exchange Commission (SEC).

Clients can access the MSRB or SEC via the internet at:

<http://www.msrb.org>

<http://www.sec.gov>

The MSRB provides significant protections for municipal entities and obligated persons that are clients of a municipal advisor. Certain of those protections also apply to potential clients of a municipal advisor. Municipal advisors must comply with MSRB rules when engaging in municipal advisory activities. Read about rule protections when working with a municipal advisory in the MSRB's brochure for municipal advisory clients.

If you have a complaint about your municipal advisor or about the municipal securities market, contact:

U.S. Securities and Exchange Commission
Office of Municipal Securities
100 F Street, N.E.
Washington, DC 20549
(202) 551-5680

Appendix C
SCHEDULE OF FINANCIAL ADVISORY FEES
FOR
CITY OF MACKINAC ISLAND

Financial Advisory Fees:

- 2024 Capital Improvement Bonds (Limited Tax General Obligation)(Taxable)– 85% of Bond Counsel Fee

The Municipal Advisory Council of Michigan Fee:

The Municipal Advisory Council of Michigan (the “MAC”) assesses MFCI a \$450.00 fee on every bond issue for which we act as municipal advisor in the State of Michigan. Our membership in the MAC is voluntary, but the per bond issue assessment is meant to cover costs for credit reports, and similar information available from the MAC that is used in the offering document and in other states is billed directly by a third-party. The MAC is a single-source municipal database for essential bond and note details for all local government issuers in Michigan. Among 23 distinctive credit reports, the MAC is the primary source for issuer’s debt statements, overlapping debt and indirect debt, as disclosed in official statements. The MAC tracks, monitors and records all Michigan new issue bond sales, whether competitive, negotiated, or private placements. This represents more than 13,190 active and outstanding bond issues. The MAC is a Michigan non-profit membership service company. It is not a trade association, nor is it chartered or registered in accordance with State of Michigan legal requirements to lobby on matters of legislation, regulation or policy(s) anticipated to have an impact on functions benefiting Members.

Our clients may opt out of the MAC fee as the MAC is a voluntary membership. If you choose to opt out, please reply via email and request to opt out. If you do not opt out, MFCI will bill the MAC fee of \$450.00 separately on the invoice.

Other Expenses:

MFCI, LLC will pay third party invoices for services rendered directly relating to the captioned issue on behalf of our clients up to \$1,500.00 per invoice. MFCI, LLC will bill these expenses to our clients as part of MFCI, LLC’s invoice. Clients will be provided with copies of the invoices when they are made available.

Official Statement:

At the request of the client, prepare a preliminary and/or final official statement utilizing information provided by the client and other parties: **\$4,500.00.**

Note that MFCI, LLC will make no representation, warranty or guarantee regarding the accuracy or completeness of the information in the preliminary and/or final official statement (other than information related to MFCI, LLC or provided by MFCI, LLC for inclusion in such documents), and its assistance in preparing the preliminary and/or final official statement should not be construed as a representation that it has independently verified such information.