

SUWANNEE COUNTY SCHOOL BOARD  
REGULAR MEETING  
January 23, 2018

AGENDA ADDENDUM

**Chief Financial Officer – Vickie DePratter:**

#1. The Superintendent recommends approval of the following contract/agreement for the 2017-2018 school year: (NEW) (Note: This contract has been reviewed and approved by Board Attorney Leonard Dietzen.)

#2018-109      Agreement between Ford and Associates, Inc. and the School Board of Suwannee County, Florida, for municipal/financial advisor services. **(pgs. A2-A10)**

End of Agenda Addendum

# FORD & ASSOCIATES, INC.

FINANCIAL ADVISORS

Ford & Associates, Inc. ("Municipal Advisor") appreciates the opportunity to as municipal advisor/financial advisor to the **School Board of Suwannee County, Florida**, (the "Board"). Upon your acceptance, this engagement letter (the "Agreement") will serve as our mutual agreement with respect to the terms and conditions of our engagement as your municipal advisor, effective on the date this Agreement is executed by the Board (the "Effective Date").

## 1. Scope of Services.

The Scope of Services to be provided under this Agreement shall consist of the activities described below with respect to the Board's new and outstanding issues of bonds issued or outstanding during the term of this Agreement (the "Issue(s)"). The Scope of Services shall also include activities described below with respect to municipal financial products (as specified below) entered into by the Board or in effect during the term of this Agreement (the "Product(s)"). In addition, Municipal Advisor is designated as the Board's independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the aspects of the Issue(s) or Product(s) described in this Agreement.

### Activities

Municipal Advisor shall or may undertake some or all of the following activities for or on behalf of the Board with respect to the Issue(s) and/or Product(s) in carrying out this engagement, as directed by the Board:

- A. **New Issues.** Provide some or all of the following services with respect to the Board's new Issue(s):
1. Evaluate financing options or alternatives with respect to existing or proposed projects
  2. Assist in the development of a plan of finance for proposed projects
  3. Review financing recommendations made by other parties to the Board with respect to the new Issues
  4. Review financial and other information regarding the Board, the proposed Issue and any source of repayment of or security for the Issues
  5. As requested, consult with and/or advise the Board on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on the Board's financing plans
  6. Assist the Board in establishing a plan of finance
  7. Assist the Board in establishing the structure, timing, financial terms and other similar matters concerning Issues
  8. Prepare the financing schedules
  9. Consult and meet with representatives of the Board and its agents or consultants with respect to the Issue
  10. Attend meetings of the Board's governing body, as requested

11. Advise the Board on the manner of sale of Issues, including public market issues at competitive bid or negotiated sale and with direct bank loans, and assist with the preparation, distribution, and evaluation of Requests for Proposals for such services.
  12. Advise and assist the Board in identifying potential lenders and obtaining and executing bank loans, if applicable
  13. Assist in the gathering of information with respect to financial, statistical and factual information relating to the Board in connection with the preparation of the preliminary and final official statement
  14. Assist the Board's Disclosure Counsel in the preparation and/or review of financial information needed for the preliminary and final official statement
  15. Make arrangements for printing, advertising and other vendor services necessary or appropriate in connection with the Issue
  16. Advise the Board as to firms available to assist the Board in tracking its continuing disclosure and post issuance compliance obligations, and advise on the selection of a dissemination agent if requested to do so by the Board
  17. In a negotiated sale, assist the Board in the selection of underwriters
  18. At the time of sale, provide the Board with relevant data on comparable issues recently or currently being sold
  19. Coordinate pre-pricing discussions, supervise the sale process, advise the Board on matters relating to retail or other order periods and syndicate priorities, review the order book, advise on the acceptability of the underwriter's pricing and offer to purchase
  20. Advise the Board with respect to recommendations made by the underwriters and other interactions between the Board and the underwriters
  21. Review required underwriter disclosures to the Board as they relate to the financial terms and conditions of the transaction
  22. Assist the Board in selecting legal and other professionals (such as trustee, escrow agent, accountant, feasibility consultant, etc.) to work on the Issue
  23. Respond to questions from bidders, underwriters or potential investors
  24. Arrange and facilitate visits to, and/or meetings with, prepare materials for, and make recommendations to the Board in connection with credit ratings agencies, insurers and other credit or liquidity providers, if necessary
  25. Work with bond counsel and other transaction participants to review the financial parameters of necessary authorizing documentation of the Board and other documents necessary to finalize and close the Issue
  26. Coordinate working group sessions, closing, delivery of the new Issue and transfer of funds
  27. Prepare a closing memorandum or transaction summary, together with general guidance for the Board with respect to post-closing requirements relating to the use and investment of bond proceeds and the payment of debt service
  28. Provide such other usual and customary financial advisory services as may be requested by the Board
- B. ***Outstanding or Potential Issues.*** Provide some or all of the following services with respect to the Board's outstanding Issue(s) as required by the Board:
1. Advise the Board on potential exercise of optional or other call rights, or potential tender offers, for outstanding Issue(s)
  2. Advise the Board on potential refunding or other refinancing opportunities of its outstanding Issue(s)

3. Review financial recommendations made by other parties to the Board with respect to outstanding Issue(s)
  4. Evaluate financial options or alternatives for the Board with respect to, and assist in identifying, financing opportunities, including recommendations by other parties to the Board for potential financings
  5. Consult with and/or advise the Board on actual or potential changes in market place practices, market conditions, regulatory requirements or other matters that may have an impact on the Board's outstanding Issue(s)
  6. As requested, advise the Board on obtaining assistance with post-issuance and continuing disclosure compliance matters, including specific issues that may arise from time to time and the preparation, review and revision of applicable policies and procedures, relating to outstanding Issue(s)
  7. Review financial aspects of documentation of outstanding Issue(s) with the Board personnel and with the Board's bond counsel and other consultants
  8. Assist the Board in responding to inquiries from investors or other market participants in connection with the Board's outstanding Issue(s)
  9. Provide all services outlined in 1.A. above as requested by the Board for the purpose of refinancing or modifying existing issues.
  10. Provide such other usual and customary financial advisory services as may be requested by the Board
- C. **Products.** As requested by the Board, provide some or all of the following services with respect to the Board's Product(s) relating to its Issues:
1. Advise the Board on and assist with the investment of proceeds of the Board's Issues or on municipal escrow investments relating to such Issue(s), including but not limited to advice on or brokerage of municipal investment products, including, but not limited to, guaranteed investment contracts, repurchase agreements, forward delivery/purchase agreements for the investment of proceeds of the Issue or for municipal escrow investments, or the recommendation and brokerage of municipal escrow investments, and/or serving as bidding agent in connection with the Issues
  2. Serve as a Qualified Independent Representative in advising the Board on municipal derivatives
- D. **Other Services.** As requested by the Board provide services related to:
1. Strategic Planning and Capital Improvement Planning and the development of financial strategies, as requested, including models of outstanding debt of the School Board which identifies aggregate annual debt service by fiscal year and by revenue sources either pledged or used to pay debt service thereon, refunding opportunities and "strike" prices for refunding, projected growth of revenue sources used in bond transactions, and other appropriate economic or financial indicators as requested by the School Board. These strategies may address existing debt structure, debt ratings, revenues and legal constraints and identify sensitivity factors, which would impact a multi-year funding program for the School Board's on-going capital plan.
  2. Create and update annually, if requested, a comparison of relevant financial indicators which compares the School Board to other Florida School Boards. The comparison may include a report of the Municipal Advisor identifying strengths and weakness of the School Board's financial performance as compared to other Florida School Boards.
  3. Prepare and present workshops on financial matters, including formation of financial options and alternatives analysis on financial matters.
  4. Assistance with financial planning and/or other services related voter referendums

5. Preparation of written policies for debt, derivatives, and other finance related areas as requested by the Board and staff
6. Specific finance related tasks requested by Board staff
7. Other specific consulting projects as requested by the Board or the Superintendent

**2. Use of Sub-Contractors, Outside Associates and Consultants.**

The Board agrees and understands that in the execution of its duties as financial advisor, Ford & Associates may use FAI Capital Management, Inc. or other sub-contractors acceptable to the Board in the provision of the services including those as Qualified Independent Representative related to derivative products, and with services related to the investment of bond proceeds. In so doing, the Board shall incur no additional costs for such services. Other than those described above, any subcontractors and/or outside associates or consultants required by the Ford & Associates in connection with the services covered by the contract will be limited to such individuals or firms as are specifically identified for each project performed under this contract. Any substitution of such subcontractors, associates, or consultants will be subject to the prior approval of the Board Representative.

The Municipal Advisor shall require all subcontractors, outside associates and consultants employed in connection with the performance of this contract to comply fully with the terms and conditions of this contract between the Board and the Municipal Advisor.

**3. Limitations on Scope of Services.**

- A. The Scope of Services is subject to the following limitations:
- B. The Scope of Services is limited solely to the services described therein and is subject to any limitations set forth within the description of the Scope of Services.
- C. Unless otherwise provided in the Scope of Services described herein, Municipal Advisor is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Municipal Advisor provided by Municipal Advisor for inclusion in such documents.
- D. The Scope of Services does not include tax, legal, accounting or engineering advice with respect to any Issue or Product or in connection with any opinion or certificate rendered by counsel or any other person at closing, and does not include review or advice on any feasibility study.

**4. Designation of Independent Registered Municipal Advisor.**

The Board has designated Ford & Associates as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption") with respect to the activities and aspects described in the Scope of Services, the Scope of Services as they relate to such designation as IRMA shall be subject to any limitations with respect to Municipal Advisor's activities as IRMA as may be provided in the Scope of Services described herein. Municipal Advisor is not responsible for verifying that it is independent (within the meaning of the IRMA exemption as interpreted by the SEC) from another party wishing to rely on the exemption from the definition of municipal advisor afforded under the IRMA exemption. Any reference to Municipal Advisor, its personnel and its role as IRMA in the written representation of the Board contemplated under SEC Rule 15Ba1-1(d)(3)(vi)(B) is subject to prior approval

by Municipal Advisor, and the Board agrees not to represent, publicly or to any specific person, that Municipal Advisor is the Board's IRMA with respect to any aspect of municipal financial products or the issuance of municipal securities, or with respect to any specific municipal financial product or any specific issuance of municipal securities, outside the Scope of Services without Municipal Advisor's prior written consent.

**5. Amendment to Scope of Services.**

The Scope of Services may be changed only by written amendment or supplement to the Scope of Services described herein. The parties agree to amend or supplement the Scope of Services described herein promptly to reflect any material changes or additions to the Scope of Services.

**6. Compensation.**

- A. ***Fees and expenses.*** For transactions of \$10 million or less the fees due to Municipal Advisor hereunder shall be, and expenses incurred by Municipal Advisor in connection with any services provided hereunder shall be reimbursed as follows:
- i. Fees for the issuance of Tax Anticipation Notes and Revenue Anticipation Notes in the amount of \$10 million or less shall be \$7,500 plus out-of-pocket expenses
  - ii. Fees for the issuance of Capital Improvement Revenue Bonds shall be \$18,000 plus out-of-pocket expenses
  - iii. Fees for the issuance of Certificates of Participation shall be \$20,000 plus out-of-pocket expenses

Additional fees shall apply to issues greater than \$10 million. Such additional fees must be specified and agreed to in writing prior to the provision of such services.

The Board shall be under no obligation to undertake, continue or complete any financing as described in Section 6.A., or 6.B above during the term of the Agreement. In the event that the Board chooses not to complete a financing, the Municipal Advisor shall be compensated on the basis of hourly fees in accordance with the schedule contained in 6. E. below.

Any hourly fees paid to Ford & Associates, Inc. for work completed with respect to a particular debt issue within 120 days of the sale of such issue shall be credited against the fee, in accordance with the above schedule, due Ford & Associates, Inc. for the subject debt issue.

- A. **Rating & Insurance Agency Presentations:** In the event such presentations are required, a separate fee shall be agreed to in writing by the Board and by the Municipal Advisor prior to the provision of such services.
- B. Fees for assisting with the investment of bond proceeds and/or refunding escrows, as outlined in 1.C.1 above, shall be limited to those necessary to comply with the Safe Harbor provisions within the "Special rule for guaranteed investment contracts and investments purchased for a yield restricted defeasance escrow" under IRC 1.148-5 as a "qualified administrative cost", or such lesser fee as agreed to by the Board and Ford.
- C. Fees for serving as Qualified Independent Representative shall be agreed to by the Board and by Ford & Associates in writing prior to the delivery of such services.

D. Fees for "Other Services" outlined in 1. D above shall be charged on an hourly basis, plus reasonable out of pocket expenses. Prior to incurring any such charges, the Board and Ford shall agree in writing to a scope of work for such other services and a not to exceed cost. The following hourly schedule shall be in effect:

i.	Account Manager	\$225/hour
ii.	Senior Professional Staff	\$215/hour
iii.	Analyst Staff	\$150/hour
iv.	Administrative Staff	\$00/hour

E. Payment for Costs and Expenses: Out-of-pocket expenses include, but are not limited to: travel, lodging, meals, postage, technology, long distance telephone charges, photocopying charges (at \$.10/page), facsimiles (at \$.50/page), and color copying/printing (\$1.20/page) shall be paid by the Board at the scheduled closing of a debt transaction. In the event that such debt transaction does not close or during the provision of non-debt related services, such expenses shall not be billed more frequently than monthly.

Expenses for independent vendors which are incurred by the Municipal Advisor on behalf of the School Board (including, but not limited to: rating agencies, bond insurance companies, printing and mailing of official statements and other such documents, publication of public notices, verification agents, trustees/registrars/paying agents, specialized computer services, Internet services, and other similar services) shall be billed at cost by the Municipal Advisor and paid directly by the School Board to such vendors within 30 days after receipt of a statement therefore. All such expenses, with the exception of rating services, municipal insurance policies, and printing and mailing of official statements and other such documents, which exceed \$4,000.00, shall require the prior written approval by the School Board representative.

**7. Municipal Advisor's Regulatory Duties When Servicing the Board.**

MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to the Board's determination whether to proceed with a course of action with a course of action or that form the basis for and advice provided by Municipal Advisor to the Board. The rule also requires that Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about the Board and the authority of each person acting on the Board's behalf.

**8. Responsibilities of the Board.**

The Board agrees to cooperate, and to cause its agents to cooperate, with Municipal Advisor in carrying out the regulatory duties identified in 7. above, including providing to Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, the Board agrees that, to the extent the Board seeks to have Municipal Advisor provide advice with regard to any recommendation made by a third party, the Board will provide to Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation. In so doing, the Board agrees:

- A. To make available to the Municipal Advisor from its files and records, all data on hand referring to the proposed financing.
- B. To provide the services of the School Board Attorney and of bond counsel for the preparation of resolutions or ordinances and all documents required for the authorization, validation and issuance of Obligations, including final legal opinion and a Standard 10(b)5 Opinion at the time of delivery of the Obligations.
- C. To institute, prosecute and carry to completion the necessary litigation for the validation of the proposed issues.
- D. To prepare, with Municipal Advisor's assistance, Official Statements, setting forth the details of the issue, including a full description of the economic and fiscal data of the Board and all other pertinent details which will permit the Board to comply with the Federal requirements for full disclosure. The Official Statement shall be available for distribution to all prospective purchasers.

**9. Term of this Engagement.**

This agreement is a continuation of the existing relationship between the Board and Ford. The term of this Agreement begins on the Effective Date and ends, unless earlier terminated as provided below, on January 22, 2021. Upon mutual agreement evidenced in writing between the parties, the contract shall be extended for automatic one-year periods unless terminated by the Board. However, should either of the parties to the Agreement elect to terminate the Agreement, said Agreement may be terminated at any time, for cause or for convenience, by the electing party's provision of sixty (60) days written notice prior to any anniversary of the Agreement.

**10. Limitation of Liability.**

In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to the Board for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from the Board's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to the Board. No recourse shall be had against Ford & Associates for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Board arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue or Product or otherwise relating to the tax treatment of any Issue or Product, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by the Board of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Ford's fiduciary duty to the Board under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

For consideration of receipt by Municipal Advisor from the Board of \$10.00, Municipal Advisor agrees to indemnify and hold the Board harmless from all claims for:



A. **Liability.** The Municipal Advisor shall indemnify and hold the Board harmless from all claims for Fiduciary liability, personal injury and property damages that may arise from errors, omissions, or negligent acts of the Municipal Advisor or its consultants, employees or agents during the performance of services under this contract.

B. **Personal Property.** The Municipal Advisor shall save the Board harmless from the claims of any person for loss, loss of use, or damage to the personal property of the Municipal Advisor, its agents, employees, consultants or subsidiaries that may arise from and be the proximate result of errors, omissions, or negligent acts of the Municipal Advisor or its consultants, employees, or agents during the performance of services under this contract.

**11. Required Disclosures.**

MSRB Rule G-42 requires that Ford provide you with disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in Ford's Disclosure Statement delivered to the Board together with this Agreement.

**12. Waiver of Jury Trial.**

EACH PARTY AGREES TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY CLAIM, COUNTERCLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE RELATIONSHIP BETWEEN THE PARTIES. PARTIES AGREE TO WAIVE CONSEQUENTIAL AND PUNATIVE DAMAGES.

**13. Governing Laws and Venue.**

This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to principles of conflicts of laws. Venue for any action arising in regard to this Agreement shall be in Suwannee County, Florida.

**14. Binding Effect; Assignment.**

This Agreement shall be binding upon and inure to the benefit of the Board and Ford & Associate, their respective successors and permitted assigns; provided however, neither party may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

**15. Entire Agreement.**

This instrument, including all appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

**16. Severability.**

If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make

the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**17. No Third Party Beneficiary.**

This Agreement is made solely for the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

**18. Authority.**

The undersigned represents and warrants that he has full legal authority to execute this Agreement on behalf of the Board. The following individuals have the authority to direct Ford's performance of its activities under this Agreement.

**19. Counterparts.**

This Agreement may be executed in counterparts, each of which shall be an original, but which taken together, shall constitute one and the same instrument.

**ACCEPTED AND AGREED:**

**School Board of Suwannee County, Florida**

**Ford & Associates, Inc.**

By: Ted L. Roush

By: Jerry W. Ford

Title: Superintendent of Schools

Title: President

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Chairperson, Suwannee County School Board