

City of Fayetteville Item Review Form

2013-0221

Legistar File Number

1/7/2014

City Council Meeting Date - Agenda Item Only

N/A for Non-Agenda Item

Marsha Hertweck

Submitted By

Finance

Department

Action Required:

Approval of a five year contract with automatic annual renewals with Stephens, Inc. to provide underwriting services for the City during the bond issuance process.

Does this item have a cost? Yes

Cost of this request	Category or Project Budget	Program or Project Name
Account Number	Funds Used to Date \$0.00	Program or Project Category
Project Number	Remaining Balance	Fund Name
Budgeted Item? <input checked="" type="checkbox"/> No	Budget Adjustment Attached? <input type="checkbox"/>	

V20130812

Previous Ordinance or Resolution # _____
Original Contract Number: _____

12-13-13A08:51 RCVD

Comments:
The cost of this service is payable from the proceeds of the successful sale of the City's bonds.

K. [Signature] 12-13-13

Paul a. Baker 12-13-2013


Don Man 12-13-13

Travis Jordan 12/16/13



To: Mayor Lioneld Jordan and Fayetteville City Council

Thru: Paul Becker, Finance Director

From: Marsha Hertweck, Accounting Director 

Date: December 10, 2013

Subject: Bond underwriting services

Recommendation

Approval of a five year contract, with automatic annual renewals, with Stephens, Inc. to provide underwriting and related services for the City during the bond issuance process.

Discussion

The City occasionally issues bonds to provide funding for City Council approved projects and there is a need for underwriting services in connection with the bond issuance process. The City's selection committee reviewed and interviewed several firms and selected Stephens, Inc., with Dennis Hunt being the lead staff member for the City's projects.

Budget Impact

The cost of this service is payable from the proceeds of the successful sale of the City's bonds.

RESOLUTION NO. _____

A RESOLUTION TO APPROVE A CONTRACT WITH STEPHENS, INC. TO APPROVE BOND UNDERWRITING AND RELATED SERVICES AS NEEDED THROUGH DECEMBER 31, 2018

WHEREAS, Stephens, Inc. has provided excellent bond underwriting and related services for various bonds issued by the City of Fayetteville for the last several years; and

WHEREAS, a City selection committee reviewed applications and interviewed potential bond underwriting firms prior to selecting Stephens, Inc. as bond underwriter subject to City Council approval.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves the selection of Stephens, Inc. as the City's Bond Underwriter and approves the contract with Stephens, Inc. to serve as the City's Bond Underwriter through December 31, 2018.

PASSED and APPROVED this 7th day of January 2014.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

CONTRACT

The City of Fayetteville and Stephens, Inc. agree as follows:

- (1) The City of Fayetteville desires to hire Stephens, Inc. to provide bond underwriting and related services during the term of this agreement. Stephens, Inc. was selected by a City of Fayetteville selection committee after a competitive Request for Proposals (13-15) process. Although Stephens, Inc.'s entire Public Finance Department was considered during this selection process, the City's excellent experience working with Senior Vice President and Manager Dennis Hunt was a major component of the City's selection of Stephens, Inc. as its Bond Underwriter.
- (2) The City of Fayetteville agrees to negotiate with Stephens, Inc. to determine the proper and fair Underwriting Discount (which will usually fall within the proposed \$9.50 - \$10.50 per \$1,000.00 bond) for each proposed bond issue. The Underwriter's Discount may exceed the \$9.50 - \$10.50 range for more complex bond issues which require increased time and effort to plan and execute. The Underwriters Discount to be paid from bond sale proceeds will be the **only** payments made by the City of Fayetteville for Stephens, Inc.'s Bond Underwriting and related services.
- (3) Stephens, Inc. agrees to continue its services to the City of Fayetteville as its Bond Underwriter for its proposed Underwriting Discount and to negotiate with the City for each bond issuance concerning the fair amount of Underwriting Discount for such bond issuance. Stephens, Inc. agrees not to charge further fees (such as Underwriter's Counsel, etc.) without prior written agreement of the City of Fayetteville.
- (4) Stephens, Inc. agrees that its fees shall only become payable and be paid from proceeds from the successful sale of the proposed bond issuance by the City of Fayetteville. If, for whatever reason the proposed bonds are not issued or sold, Stephens, Inc. agrees to make no claim for compensation for its services provided in anticipation of the issuance and sale of Fayetteville's bonds.

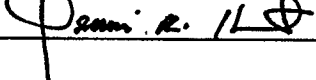
TERM OF THIS CONTRACT

This contract shall be effective from the date of its approval by both parties until December 31, 2018. However, if Senior Vice President and Manager Dennis Hunt no longer is the primary assigned person for Fayetteville's proposed bond issues, the City of Fayetteville may terminate this contract with thirty (30) days written notice to Stephens, Inc. and engage in another Request for Proposals selection process. Furthermore, both parties have a right to terminate this contract upon three months' written notice to the other party.

In agreement with all the terms and conditions above, we sign below:

STEPHENS, INC.

CITY OF FAYETTEVILLE

By: 
Dennis Hunt SVP
Print Name and Title

By: _____
Mayor Lioneld Jordan

12/5/13
Date

ATTEST:

By: _____
Sondra E. Smith
City Clerk/Treasurer

Date

