



**BUSINESS OF THE CITY COUNCIL
AGENDA STATEMENT**

Item No. 6h
For Meeting of 05.05.2016

ITEM TITLE: Engagement Letter, Dorsey & Whitney-2016 Series GO Swimming Pool and Refunding Bonds

CONTACT PERSON: Jean Furler, Finance Director

SUMMARY EXPLANATION: The attached agreement outlines Dorsey and Whitney’s services to be provided to the city for the 2016 Series General Obligation Swimming Pool and Refunding Bonds.

John Danos appropriately outlines the services to be provided as well as discloses information related to his firm’s relationship to UMB.

It is important to note that the savings amount was calculated with these expenses in mind as well as underwriting, financial advising, CPA review and any other bond issuance fees. In other words, the savings of \$750,000 is a true reflection of the net savings the city would realize.

<p>___ Resolution ___ Ordinance ___ Contract <u>__X__</u> Other (Specify) _____</p> <p>Funding Source: _____</p> <p>APPROVED FOR SUBMITTAL _____</p>

STAFF RECOMMENDATION: Approve Agreement with Dorsey & Whitney, LLP for Bond and Disclosure Counsel Services in the amount of \$32,000.

April 28, 2016

VIA E-MAIL

Jodi Eddleman
City Clerk/City Hall
Norwalk, IA

Re: Norwalk, Iowa
2016 General Obligation Swimming Pool and Refunding Bonds

Dear Jodi:

I am writing to explain our role as Bond Counsel and Disclosure Counsel for the City's proposed General Obligation borrowing in order to refund certain outstanding city debt and to finance the construction of repairs and improvements to the municipal swimming pool. It is our understanding that the City will issue General Obligation Swimming Pool and Refunding Bonds (the "Bonds") in the approximate principal amount of \$9,405,000 into the municipal bond market through a negotiated underwriting with UMB Bank, n.a. (the "Underwriter"). We are also aware that Public Financial Management will serve as municipal financial advisor (the "Financial Advisor") to the City.

As Bond Counsel, it is our responsibility to provide legal representation to the City with respect to the authorization of the issuance of the Bonds. In serving the City as Bond Counsel, we will prepare appropriate resolutions, notices, agreements, filings and certificates, consult with the Underwriter and the Financial Advisor, and undertake such additional duties as we deem necessary to help the City through this transaction. At closing of the issuance of the Bonds, assuming the proper conditions are in place, we will deliver our opinion that (1) the Bonds are valid and binding general obligations of the City, and (2) the interest paid on the Bonds will be excluded from gross income for federal income tax purposes.

We have also been asked to serve as Disclosure Counsel in order to assist with securities regulatory compliance for the offering of the Bonds. As Disclosure Counsel we will review the body of the Official Statement which will be necessary for the sale of the Bonds and consult and advise on related disclosure and continuing disclosure matters. We will perform "due diligence" functions and perform certain other functions as may be necessary to fulfill our responsibilities as Disclosure Counsel. We will not be responsible for the preparation of Appendix A to the Official Statement, but we will coordinate with the Underwriter as the Underwriter prepares that portion of the document. At closing, assuming the proper conditions are in place, we will provide our Disclosure Counsel opinion with respect to the offering of the Bonds.

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It has come to our attention that our firm from time-to-time represents the Underwriter on certain unrelated legal matters, and the City's position will be technically adverse to the Underwriter as it issues the Bonds. Professional rules require a law firm to obtain client consents before representing one client on a matter which is adverse to another current client, even though the representations are on unrelated subject matters. In asking these consents, we assure you: (1) that we will not use confidential client information in any way to either client's disadvantage, and (2) that we will be able, fully and properly, to represent the City of Norwalk and the Underwriter on their separate matters without our representation of either client being affected by our representation of the other client. The Underwriter has already consented to this representation. By execution of this letter, the City will consent to the representation under these described conditions and consents to our current and future representation of the Underwriter on unrelated matters.

In performing our services as Bond Counsel and Disclosure Counsel, our sole client in this matter will be the City of Norwalk. We will not represent any other party in this financing and it is mutually understood that the services to be provided by us as described herein are solely for the benefit of the City of Norwalk.

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake, (iii) the time we anticipate devoting to the project, and (iv) the responsibilities we assume, we estimate that our aggregate fees and expenses for legal services as Bond Counsel and Disclosure Counsel will be \$32,000.

After this arrangement is approved on behalf of the City, please have this letter executed in the space below and either scan and email an executed copy of this letter to lemke.susan@dorsey.com or fax an executed copy to our office at (515) 283-1060. If you have questions, please call me.

We look forward to working with you. Thank you for the opportunity to serve the City.

Best regards,



John P. Danos

JPD/sl

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I understand and agree to the arrangements stated above.

CITY OF NORWALK, IOWA

BY: _____
 Mayor

Date: _____

ATTEST: _____
 City Clerk

Date: _____