

**AN ORDINANCE TO AUTHORIZE THE MAYOR TO SIGN AN AGREEMENT BETWEEN WM FINANCIAL STRATEGIES AND THE CITY OF WARRENTON, MISSOURI TO PROVIDE ADVISORY SERVICE ON THE REFINANCING OF 2005 AND 2009 CERTIFICATES OF PARTICIPATION**

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF WARRENTON MISSOURI, AS FOLLOWS:

SECTION I: That the Mayor is hereby authorized to execute on behalf of the City of Warrenton an agreement with WM Financial Strategies to provide advisory service on the refinancing of 2005 and 2009 Certificates of Participation. A copy of said agreement is attached hereto as Exhibit "A" and made a part hereof by reference.

SECTION II. If any section, subsection, sentence, clause, phrase or portion of this amendment is for any reason held invalid or unconstitutional by a judgment of a court of competent jurisdiction, as to which not further appeal right exists, such portion shall be deemed separate, distinct and independent provision and such holding shall not affect the validity or remaining portions hereof.

SECTION III. All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed.


SECTION IV. This Ordinance shall take effect and be in full force from and after passage and approval thereof.

READ TWO TIMES AND PASSED by the Board of Aldermen of the City of Warrenton, Missouri, this 19<sup>th</sup> day of August, 2014.

  
\_\_\_\_\_  
President of the Board of Aldermen

APPROVED BY THE MAYOR of the City of Warrenton, Missouri, this 19<sup>th</sup> day of August, 2014.

  
\_\_\_\_\_  
Mayor

ATTEST:  
  
\_\_\_\_\_  
City Clerk

### FINANCIAL ADVISORY AGREEMENT

This Financial Advisory Agreement (the "Agreement") dated as of August 19, 2014 is between WM Financial Strategies and the City of Warrenton, Missouri (the "City"). The City agrees to hire WM Financial Strategies and WM Financial Strategies agrees to act as financial advisor to the City on the terms set forth below:

1. **SCOPE OF SERVICES.** The City hires WM Financial Strategies to provide the services set forth in the EXHIBIT attached hereto.
2. **THE PROJECT.** Subject to favorable rates, the City is planning to refund its Certificates of Participation, Series 2005 and the Certificates of Participation, Series 2009 (the "Outstanding Certificates").
3. **AGREEMENT TO PROVIDE INFORMATION.** The City agrees to provide WM Financial Strategies with information including financial statements, budgets, outstanding loan and bond documents, prior project descriptions and other information required to provide the services set forth in this Agreement.
4. **SALE OF BONDS.** WM Financial Strategies shall use its best effort to privately place lease obligations that will refund the Outstanding Certificates with terms and rates that will result in savings to the City (the "Refunding Obligations").
5. **ADVISORY FEES.** In connection with transaction, WM Financial Strategies shall obtain a fee equal to \$3,500. The fees will be payable on the earlier of the closing of the Refunding Obligations or December 31, 2014.
6. **OUT-OF-POCKET EXPENSES.** Out-of-pocket expenses for courier, in-house reproductions, telephone, travel and postage are included in the fee set forth in 5. above.
7. **PROPERTY OWNERSHIP.** All reports, studies and data obtained or compiled as part of this Agreement shall be the property of the City. All such reports, studies and data shall be delivered promptly to the City as completed. The City may additionally request receipt of partially completed reports, studies and data in order to assess the status of completion of services.
8. **TERMINATION.** This Agreement shall terminate upon the earlier of completion of the refunding or December 31, 2014.
9. **PAST DUE BALANCES.** Any balance that is thirty days past due shall be subject to a finance charge computed at the rate of .50% per month, which is an annual percentage rate of 6%.

The City of Warrenton, Missouri

WM Financial Strategies

BY: James Oyer

BY: \_\_\_\_\_

TITLE: Mayor

TITLE: Principal

## **EXHIBIT – SERVICES**

### **A. *Preparation of Time Schedule and Management of Activities***

WM Financial Strategies will prepare a schedule of events and assign specific dates to the timetable. In addition, WM Financial Strategies will monitor the progress of the steps set forth in the schedule and will coordinate the work of the parties to the transaction to insure that each step is completed in a timely fashion.

### **B. *Market Analysis***

In order to appropriately advise the City on the establishment of a desirable sale date and to keep the City abreast of the cost of the financing plan under development, WM Financial Strategies shall monitor the following: (i) the general condition and trends in the economy, (ii) the condition of capital markets, (iii) the status of recently sold competitive bond issues including the yield on the bonds, and (iv) the supply of issues coming to market.

### **C. *Document Preparation***

WM Financial Strategies will work with the City and Bond Counsel in the development of the authorizing ordinance and the other lease documents. WM Financial Strategies' primary role in this matter is to insure that the financing terms desired for the transaction are accurately stated in the authorizing documents.

### **D. *Bond Structuring***

WM Financial Strategies will develop a final financing plan which will include recommendations with respect to the maturity schedule, designation and flow of funds for Refunding Obligation accounts, Refunding Obligation issue dates, Refunding Obligation payment dates, Refunding Obligation pricing, and procedures for investment of funds.

### **E. *Offering Documents***

WM Financial Strategies will prepare and/or assemble the documents to be distributed with a request for proposals for a purchaser. Such documents will include descriptions of the City's economy and audits.

### **F. *Selection of Purchaser***

WM Financial Strategies shall prepare a request for proposals for a purchaser for a private placement of the Refunding Obligations. Following receipt of the proposals, WM Financial Strategies shall determine which proposal results in the highest savings to the City and whether the savings justify proceeding with the transaction. Assuming favorable results, WM Financial Strategies will recommend the firm to be selected and will negotiate the final terms of the transaction in the best interest of the City.

### **G. *Mathematical Computations and Sale Report***

Throughout the financing process, WM Financial Strategies will prepare mathematical reports including the debt service on the Refunding Obligations, savings reports, and the source and disbursement of funds. Following the sale WM Financial Strategies will prepare a sale report that will include complete mathematical computations including the final debt service schedule, arbitrage yield, costs of issuance and the source and disbursement of funds.

**H. Closing Services**

WM Financial Strategies will supervise and assist in providing the technical services required to complete the financing such as the opening of bank accounts, investing funds prior to expenditures, obtaining CUSIP identification numbers, and wiring funds at the time of the closing.