

CITY OF SULLIVAN,
COUNTY OF MOULTRIE,
STATE OF ILLINOIS

ORDINANCE NO. 17-9

AN ORDINANCE APPROVING A LETTER OF ENGAGEMENT
FOR ENGAGING AN INDEPENDENT REGISTERED MUNICIPAL ADVISOR

by and between

THE CITY OF SULLIVAN, ILLINOIS

and

THE ECONOMIC DEVELOPMENT GROUP, LTD.

ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE
CITY OF SULLIVAN, MOULTRIE COUNTY, ILLINOIS
ON THE 10TH DAY OF APRIL, 2017.

ORDINANCE NO. 17-9

AN ORDINANCE APPROVING A LETTER OF ENGAGEMENT
FOR ENGAGING AN INDEPENDENT REGISTERED MUNICIPAL ADVISOR
BY AND BETWEEN THE CITY OF SULLIVAN, ILLINOIS AND
THE ECONOMIC DEVELOPMENT GROUP, LTD.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF
SULLIVAN, MOULTRIE COUNTY, ILLINOIS, THAT:

1. The U.S. Securities and Exchange Commission's (SEC) final municipal advisor (MA) registration and recordkeeping rules became effective on July 1, 2014. Firms that are engaged in, or plan to be engaged in, municipal advisory activities must be registered with both the SEC and the Municipal Securities Rulemaking Board (MSRB). Therefore, a firm must register as an MA if it provides "advice" to a municipality.

"Advice" is defined under the MA rules promulgated by the SEC to include, without limitation, a recommendation that is particularized to the specific needs, objectives, or circumstances of a municipal entity or obligated person with respect to municipal financing products or the issuance of municipal securities, including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues, based on all the facts and circumstances; and

2. The City of Sullivan desires to engage an *Independent Municipal Advisor*; and
3. The Economic Development Group, Ltd. (EDG) located at 1701 Clearwater Avenue, Bloomington, Illinois is registered as a Municipal Advisor with both the SEC and the MSRB; and
4. The City Administrator, Mayor and City Commissioners of the City of Sullivan have evaluated and recommended that the City engage The Economic Development Group, Ltd. as an *Independent Registered Municipal Advisor* for the purpose of providing the City with facts, figures and advice on the possible structure, timing, terms, and other matters concerning the potential issuance of municipal securities, such as bonds, bank loans or other types of debt obligations that the City may wish to consider; and
5. Upon designating EDG as its *Independent Registered Municipal Advisor*, the City may publicly post a written disclosure letter indicating that the City intends that market participants receive and use such letter for purposes of the Independent Registered Municipal Advisor Exemption as provided in the SEC's final rules adopted for municipal advisor registration; and
6. The Mayor is hereby authorized and directed to enter into and execute on behalf of the City said Letter of Engagement attached hereto as **Exhibit A**, and the City Clerk of the City of Sullivan is hereby authorized and directed to attest such execution; and

7. The Engagement Letter attached hereto as *Exhibit A* shall be effective on the date set forth and executed by the Mayor in said Engagement Letter; and
8. If the City determines that it is necessary to proceed with the issuance of a specific SEC regulated municipal security and wishes to rely on the advice of EDG for said issuance, then EDG shall provide such advice pursuant to a separate Letter of Engagement with a fee that is commensurate with said issuance and approved by the City of Sullivan at that time; and
9. This Ordinance shall be in full force and effect from and after its passage and approval as required by law.

PASSED, APPROVED AND ADOPTED by the Corporate Authorities of the City of Sullivan, Illinois, on the 10th day of April, A.D., 2017, and deposited and filed in the Office of the City Clerk of said City on that date.

| CORPORATE AUTHORITIES | AYE VOTE | NAY VOTE | ABSTAIN/ABSENT |
|-----------------------|----------|----------|----------------|
| Mike Kirk | X | | |
| Jerry Risley | X | | |
| Mike Mossman | X | | |
| | | | |
| Ann Short, Mayor | X | | |
| TOTAL VOTES: | 4 | 0 | 0 |

APPROVED: Ann G. Short
Mayor

Date: 4-10-17

ATTEST: Monte A. Johnson
City Clerk

Date: 4/10/17

Exhibit (A) attached: Engagement Letter of The Economic Development Group, Ltd.

EXHIBIT A

**ENGAGEMENT LETTER OF
THE ECONOMIC DEVELOPMENT GROUP, LTD.**

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EXHIBIT 1

SAMPLE INDEPENDENT REGISTERED MUNICIPAL ADVISOR LETTER



THE ECONOMIC DEVELOPMENT GROUP, LTD.

March 29, 2017

City of Sullivan
Mayor and City Commissioners
c/o Mr. Dan Flannell, City Administrator
2 W Harrison St
Sullivan, IL 61951-1907

Re: **Independent Registered Municipal Advisor**
Proposed Economic Development Group, Ltd. Engagement Letter

Dear Mayor Short, Commissioners and City Administrator:

A Municipal Advisor (MA) is one who gives advice to a municipal entity regarding municipal financial products or the issuance of municipal securities.

The U.S. Securities and Exchange Commission's (SEC) final Municipal Advisor Registration and Recordkeeping Rules became effective on July 1, 2014. Firms that are engaged in, or plan to be engaged in, municipal advisory activities must be registered with both the SEC and the Municipal Securities Rulemaking Board (MSRB). Therefore, a firm must register as an MA if it provides "advice" to a municipality.

The term "Advice" as defined under the MA rules promulgated by the SEC, includes, without limitation, a recommendation that is particular to the specific needs, objectives, or circumstances of a municipal entity or obligated person with respect to municipal financing products or the issuance of municipal securities. Such recommendation includes the structure, timing, terms, and other similar matters concerning such financial products or issues, based on all the facts and circumstances.

The Economic Development Group, Ltd. (EDG) is registered as a Municipal Advisor with both the SEC and the MSRB. Therefore, we ask that the City hereby designate the Economic Development Group, Ltd. as its *Independent Registered Municipal Advisor* for the purpose of providing the City with facts, calculations, projections, and information relating to the possible structure, timing, terms, and other matters concerning the potential issuance of municipal securities, such as bonds, bank loans or other types of debt obligations that the City may wish to consider. Activities that the Economic Development Group, Ltd., proposes to undertake on behalf of the City as its *Independent Registered Municipal Advisor* include the following:

- Act in a fiduciary capacity for the City;
- Assist in developing the plan of finance and related transaction timetable;
- Identify and analyze financing solutions and alternatives for funding capital improvement plans;
- Advise on the method of sale, taking into account market conditions and near-term activity in the municipal market;
- Assist in the preparation of any rating agency strategies and presentations;
- Coordinate internal/external accountants, feasibility consultants and escrow agents;
- Assist with the selection of underwriters, underwriter compensation issues, syndicate structure and bond allocations;

- Prepare preliminary cash flows and preliminary refunding analysis;
- Verify cash flow calculations;
- Plan and coordinate bond closings.

The Economic Development Group, Ltd. hereby agrees to provide facts, calculations, projections and information relating to the potential issuance of such obligations at no additional fee. If the City determines that it is necessary to proceed with the issuance of a specific SEC regulated municipal security and wishes to rely on the advice of EDG for said issuance, then EDG shall provide such advice pursuant to a separate Letter of Engagement with a fee that is commensurate with said issuance and approved by the City of Sullivan at that time.

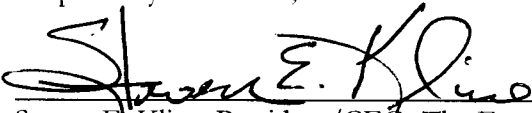
Upon designating EDG as its *Independent Registered Municipal Advisor*, the City may publicly post a written disclosure letter (see **Exhibit 1**, "Sample IRMA Disclosure Letter") indicating that the City intends that market participants receive and use such letter for purposes of the Independent Registered Municipal Advisor Exemption as provided in the SEC's final rules adopted for municipal advisor registration.

EDG, in acting as your MA, will rely on data from outside sources. EDG will act and provide advice to the best of its ability and knowledge, however, no warranty or guarantee is provided and by entering into this Engagement, the City hereby releases EDG, its owners, officers, and employees from any liability in connection with advice or information provided pursuant to this Engagement. The City hereby acknowledges that EDG is not engaged by the City for the purpose of providing continuing disclosure services, and EDG is not responsible for the City's prior compliance with continuing disclosure obligations as specified in Rule 15c2-12 under the Securities Exchange Act of 1934.

We request that the City Council approve this Engagement Letter and authorize the Mayor to execute this Engagement Letter in order for EDG to proceed as the City's *Independent Registered Municipal Advisor*.

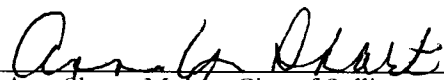
We look forward to working on future financing transactions for the City.

Respectfully Submitted,



 Steven E. Kline, President/CEO, The Economic Development Group, Ltd.

Accepted by and on behalf of the City of Sullivan, this 10th day of April, 2016.
 City of Sullivan, Moultrie County, Illinois

By: 

 Ann Short, Mayor, City of Sullivan

[CITY LETTERHEAD]

[DATE]

Independent Registered Municipal Advisor (IRMA) Representation Letter

The City of Sullivan, Moultrie County, Illinois (the "City") is hereby disclosing and notifying all potential underwriters, placement agents and other market participants that it has retained an Independent Registered Municipal Advisor ("Municipal Advisor" or "IRMA") pursuant to Section 975 of Title IX of the Dodd-Frank Wall Street reform and Consumer Protection Act ("Dodd-Frank Act") amended Section 15B of the Securities Exchange Act of 1934 ("Exchange Act").

By publicly posting the following written disclosure, the City intends that market participants receive and use it for purposes of the Independent Registered Municipal Advisor Exemption (the "IRMA Exemption") as provided in the Securities and Exchange Commission's final rules adopted for municipal advisor registration (the "Final MA Rules").

Disclosure of Independent Registered Municipal Advisor Representation

The City is represented by and will rely on its Municipal Advisor, **The Economic Development Group, Ltd.** ("EDG"), and more specifically Steven Kline, Gwen Crawford and Paul Ostrosky, for General Municipal Advisory Services and to provide advice on proposals from financial services firms concerning the issuance of municipal securities and municipal financial products. The individuals listed herein are on our retained team at our Municipal Advisor and have been employed by our Municipal Advisor for two years (or more) prior to the date of this disclosure and, thus, are not "associated" (as defined in the Final MA Rules) at either an entity level or an individual level with persons seeking to rely on the IRMA Exemption. Any changes to the City's team going forward will be promptly posted to the City's website. **The written notice required under the IRMA Exemption of the Final MA Rules stating that an underwriter or placement agent is not a municipal advisor and is, therefore, not subject to a fiduciary duty to the City should be provided to the City at the address noted below, with a copy to The Economic Development Group, Ltd. at 1701 Clearwater Avenue, Bloomington, Illinois 61704.**

Notices and proposals should be addressed to Mr. Dan Flannell, City Administrator, City of Sullivan, 2 W Harrison St., Sullivan, Illinois 61951-1907. To encourage the continued sharing of ideas and propriety information by market participants, the City intends to keep original materials provided by and concepts it discusses with market participants from time to time confidential (to the extent provided by law), but hereby reserves the right, in its sole discretion, to share any information which will be seriously considered by the City with its Municipal Advisor. **Please note that aside from regulatory mandated correspondence between an underwriter and municipal advisor, an underwriter or placement agent should not speak directly with or send documents directly to the City's Municipal Advisor unless specifically directed to do so by the Mayor or designated personnel.**

This Representation Letter may be relied upon until amended or otherwise replaced by a new Representation Letter posted to the City's website.

Sincerely,



Ann Short, Mayor
City of Sullivan, Illinois