MUSCATINE

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FINANCE & RECORDS

Memo

To: Gregg Mandsager, City Administrator

From: Nancy A. Lueck, Finance Director

Date: May 15, 2015

Re: Agreement with PFM for Annual Continuing Disclosure Filing Services

Introduction and Background:

In March of 2011, the City entered into an agreement with Public Financial Management, Inc. (PFM) for financial consulting services. Under this agreement PFM provides financial consulting services to the City including (1) debt service analysis for bond issuances and projections for future bond issues, (2) financial analysis for financing of the West Hill Sewer Separation project, (3) TIF project financial analysis services, (4) monitoring the City's outstanding debt for refunding opportunities, and (5) assisting the City with annual Continuing Disclosures requirements and filing of the required annual report for all of the City's general obligation bond issues. The City currently pays PFM an annual retainer not to exceed $8,000 for these services.

Proposed New Agreement for Continuing Disclosure Filings:

During the past year the Securities and Exchange Commission (SEC) has increased their review of Continuing Disclosure filings and the timeliness of those filings. Failure of a government to make the required filings can impact the tax exempt status of debt issued by a government. With the increased scrutiny of Continuing Disclosure filings, PFM is asking their clients to execute separate agreements for services related to those filings. The fee for this service is $2,000 annually. PFM will reduce the annual retainer by this amount so there will be no additional cost to the City.

Recommendation:

Please include this request to approve the attached agreement with Public Financial Management, Inc. for Continuing Disclosure Filing Assistance Services on the agenda for the May 21, 2015 meeting. Please contact me if you have any questions or need additional information.

AGREEMENT FOR FILING ASSISTANCE SERVICES

This exhibit provides information regarding the services of Public Financial Management, Inc. ("PFM") for filing assistance with respect to the Securities and Exchange Commission Rule 15(c)2-12 relating to continuing disclosure of financial information as it pertains to debt that the City of Muscatine, Iowa (the "Client") has issued.

The Securities and Exchange Commission ("SEC") modified Rule 15c2-12 such that as of July 2009, all filings are required to be made electronically through the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") system.

The Client has entered into continuing disclosure undertakings in connection with the issuance of past bond issues in which the Client covenanted to file annual reports ("Annual Disclosure Reports") after the close of its fiscal year and to provide notice of material events if any should occur. The Annual Disclosure Report consists of the Client's audited financial statements and other financial and operating data specified in the Client's continuing disclosure agreement.

In the case of any material events, it is the responsibility of the Client to inform PFM of the occurrence of the material event as soon as it becomes known. Our sole duty is to submit the material event notice (the "Notice") to the MSRB through the EMMA site as required. We assume no responsibility for the determination whether any Notices are required to be filed. All such Notices, which may be supplied to us by the Client, are warranted by the Client to be complete and accurate. Subject to the Client's written assurance of the completeness and accuracy of any such Notice given to us for filing by the Client, we will file any required Notice as required to the MSRB via the EMMA system.

PFM will rely solely on the Client to prepare the Annual Disclosure Report and we assume no responsibility for the timely availability or completeness and accuracy of such information.
PFM will perform the following tasks:

1. Notice to the Client that Annual Disclosure Report will be coming due;
2. List of information required in the Annual Disclosure Report which will need to be supplied by the Client;
3. Documentation of information needed that will come from parties outside of the Client (e.g. County, Bond Counsel);
4. Submission of Annual Disclosure Report provided by the Client;
5. Copies and confirmation delivered to the Client indicating Annual Disclosure Report has been filed;
6. Filing of Notices provided by the Client.

The annual fee is as follows for the services listed above:

Annual Disclosure Report Filing Fee: $2,000

PFM reserves the right to adjust the annual fee and to request reimbursement for any out-of-pocket costs that we may incur in filing Annual Disclosure Reports or Notices.

ACCEPTED THIS May 11, 2015 :

City of Muscatine, Iowa	Public Financial Management, Inc.
By: ____________	By: Jon Burmeister
Name: ____________	Name: Jon Burmeister, CFA
Title: ____________	Title: Managing Director