



## Executive Summary Finance Committee Meeting

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DATE: February 18, 2021

TOPIC: PMA Financial Advisory Agreement

PREPARED BY: Courtney Whited

### **Recommended for:**

- ☒ Action
- ☒ Discussion
- ☒ Information

### **Purpose/Background:**

The Board of Education approves all Contracts and Agreements. This Agreement describes the nature of the services that PMA will be providing for the District and their compensation structure relative to the current \$7 Million Dollar Bond Issue. Legal Counsel found this to be a relatively standard format that many clients have signed in similar financing situations in the past.

### **Fiscal Impact:**

The fees due to PMA for the Scope of Services set forth and described in Section I of this Agreement shall be based on the table following this paragraph calculated on an aggregate issuance basis plus \$3,500 for the services described in Section I.B.4, Offering Documents, provided that the fee will be \$2,500 if these documents are generated from documents originally produced by PMA for an issue that closed within the 12 months prior to the Effective Date. Such fees, for which PMA is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Securities to the purchaser. No fee shall be due from the Issuer to PMA unless the Securities close.

<u>Public Offering Price</u>		Standard Fee Amount For	
>	< or = to	Financial Advisory Services Described in Section I	
\$0	- \$2,500,000	\$0	plus \$14,000
\$2,500,000	- \$5,000,000	\$14,000	plus \$3.25 / \$1,000 for amount > \$2,500,000
\$5,000,000	- \$10,000,000	\$22,125	plus \$2.75 / \$1,000 for amount > \$5,000,000
\$10,000,000	- \$25,000,000	\$35,875	plus \$2.25 / \$1,000 for amount > \$10,000,000
\$25,000,000	- \$50,000,000	\$69,625	plus \$1.75 / \$1,000 for amount > \$25,000,000
\$50,000,000	- \$100,000,000	\$113,375	plus \$1.25 / \$1,000 for amount > \$50,000,000
\$100,000,000	- ∞	\$175,875	plus \$0.50 / \$1,000 for amount > \$100,000,000

*For example, for the issuance of Securities with an aggregate par amount of \$7,500,000 and an aggregate public offering price of \$7,800,000, the fees due to PMA for the Scope of Services set forth and described in Section I of this Agreement would be \$29,825, which calculates to \$3.82 per \$1,000 plus \$3,500 for the services described in Section I.B.4.*

**Recommendation:**

It is the Administrative recommendation that the Finance Committee concurs to recommend to the Board of Education to accept the PMA Financial Agreement for the 2021 Series Bonds.