

RESOLUTION NO. 2018 - 10

RESOLUTION OF THE TOWNSHIP OF LITTLE EGG HARBOR, COUNTY OF OCEAN, STATE OF NEW JERSEY, APPOINTING PHOENIX ADVISORS, LLC AS FINANCIAL CONSULTANT FOR DEBT SERVICE MATTERS FOR THE TOWNSHIP OF LITTLE EGG HARBOR

WHEREAS, there exists the need for a financial consultant to assist the Chief Financial Officer, the Finance Department, and the Office of the Treasurer for the Township of Little Egg Harbor; and

WHEREAS, although the Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.*, authorizes the award of contracts for “Professional Services” without competitive bids, the Township issued a request for proposals for professional service contracts in accordance with the competitive negotiation procedure as delineated within Section 40-8 of the Township Code of the Township of Little Egg Harbor, entitled “Fair and open process utilized to award contracts with anticipated value in excess of \$17,500”; and

WHEREAS, a determination of value has been made by the Township that said contract shall be a value in excess of \$17,500; and

WHEREAS, said competitive negotiation procedure satisfies the requirements of a fair and open process under N.J.S.A. 19:44A:20.2 *et seq.*; and

WHEREAS, all proposals were to be submitted to the Office of the Township Clerk by November 14, 2017; and

WHEREAS, Phoenix Advisors, LLC is extremely active in assisting municipalities with their cash flow and borrowing needs, issuing bond anticipation notes, along with identifying and capturing opportunities to refinance outstanding debt, particularly in light of difficult economic conditions and increased State regulation; and

WHEREAS, it is the desire of the Mayor and Township Committee to appoint Phoenix Advisors, LLC as Financial Consultant for Debt Service Matters for the Township of Little Egg Harbor; and

WHEREAS, the amount of the contract to be awarded under this resolution is determined to be \$17,500.00, which sum is reasonably estimated based upon such financial services as may be required over the contract term to be awarded under this resolution, including, but not limited to, the amount spent for such services from the previous calendar year, the costs of compensation under the contract to be awarded, and any projected increase or decrease in services anticipated versus the prior year, and which sum the Township of Little Egg Harbor is under no obligation to spend and which may be exceeded; and

WHEREAS, the Chief Financial Officer has certified that there are funds available for this contract, which certification is annexed hereto; and

WHEREAS, the Local Public Contracts Law, N.J.S.A. 40A:11-1 *et seq.*, authorizes the award of contracts for "Professional Services" and requires that the resolution and contract be made available for public inspection.

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Township of Little Egg Harbor, County of Ocean, State of New Jersey as follows:

1. That Phoenix Advisors, LLC is hereby appointed as Financial Consultant for Debt Service Matters for the Township of Little Egg Harbor, commencing January 1, 2018 and ending December 31, 2018 and shall be paid for all services as set forth on Schedule A attached hereto and made a part hereof.

2. That the Mayor is hereby authorized to execute and the Township Clerk to attest to the attached agreement with Phoenix Advisors, LLC.

3. That the agreement shall be an open-ended contract with funds being encumbered contingent upon the availability of funds in the budget year. A certificate of availability of funds executed by the Chief Financial Officer is annexed hereto. The following is the line item appropriation[s], which constitute the availability of funds for this contract: 8-01-20-705-020.

4. That this agreement is awarded as a "Professional Service" in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because it is for services to be performed by a person(s) authorized by law to practice a recognized profession.

5. That a notice of this action shall be printed once in the official newspaper of the Township of Little Egg Harbor.

6. That this resolution shall take effect January 1, 2018.

7. That a certified copy of this resolution, together with a copy of the contract between the parties, shall be provided by the Township Clerk to the Chief Financial Officer and Phoenix Advisors, LLC.

Motion to Approve: Stevens Second: Kehm


Roll Call:

Crea
Gormley
Kehm
Schlick
Stevens

yes
yes
yes
yes
yes

CERTIFICATION

I, DIANA K. MCCRACKEN, RMC, Municipal Clerk of the Township of Little Egg Harbor, do hereby certify that the foregoing resolution was duly adopted by the Township of Little Egg Harbor Township Committee at a meeting held on the 1st day of January, 2018.


**DIANA K. MCCRACKEN, Township Clerk
Township of Little Egg Harbor**

CERTIFICATE OF AVAILABILITY OF FUNDS

I, **GARRETT LOESCH**, Chief Financial Officer for the Township of Little Egg Harbor, do hereby certify that adequate funds are available for an open-ended contract with Phoenix Advisors, LLC as Financial Consultant for Debt Service Matters.

The amount of the contract to be awarded under this resolution is determined to be \$17,500.00, which sum is based on a reasonable estimate of the financial services required over the contract term, the Township of Little Egg Harbor is not obligated to spend this amount and is permitted to exceed this amount during the course of performance of this contract.

The funds which are available for this open-ended contract are found in the following line item appropriation[s]: 8-01-20-705-020.



GARRETT LOESCH, Chief Financial Officer
Township of Little Egg Harbor

9. Detailed hourly rates for ALL staff that will be or potentially could be assigned and any other "changes" for extra services not included in hourly rates.

Cost Proposal

Based upon the multi-faceted, wide-ranging need for financial advisory services to be provided, we have separated our Cost Proposal into two basic components: Transactional and Non-Transactional services. Our goal is to provide value-added service to any and all of your financing needs. To this end, we have provided two (2) options: (i) Transactional Services (based on the par amount of bonds or notes issued) or (ii) Fiscal Advisory Services which includes a quarterly fee for general financial advice and discounted fees for bonds and notes. We would be happy to discuss these options with you in more detail.

There are two important features concerning our compensation: First, our compensation is all-inclusive for the functions included in our Scope of Services. We do not add on hourly rate charges nor do we charge extra for out-of-pocket expenses, fees for travel time, or attendance at meetings. **Out-of-pocket expenses are always difficult for a client to monitor and can ultimately be significant.** Second, our Debt Issuance fee is payable only upon the closing of your issue.

Option 1: Transactional Services (Debt Issuance): For all transactional services relating to the sale of Bonds or Notes, Phoenix Advisors proposes fees based on the par amount of Bonds or Notes issued according to the following schedule:

- a) Fee for Bonds: \$1.00 per \$1,000 issued (minimum of \$12,500)
- b) Fee for Notes: \$0.25 per \$1,000 issued (minimum of \$2,500)
- c) Fee for Continuing Disclosure: \$950 all-inclusive fee (for up to three outstanding issues), plus \$100 for each additional issue

Option 2: Fiscal Advisory Fee Schedule: For Financial Advisory Services rendered in connection with the issuance of bonds or notes in addition to on-going services and analysis (as requested), satisfying continuing disclosure obligations, periodic reviews and compilations of outstanding debt requirements, and more.

- a) Quarterly Fee: \$1,000 per calendar quarter plus
- b) Fee for Bonds: \$0.65/\$1,000 of bonds issued (minimum of \$9,500)
- c) Fee for Notes: \$0.00 (included in Quarterly Fee)
- d) Fee for Continuing Disclosure: \$0.00 (included in Quarterly Fee)

(The Township currently uses "Option 2" for our engagement.)

Hourly Rate for Non-Transactional Services (Optional): Phoenix Advisors proposes the following optional hourly rate fee for non-transactional professional services (not directly related to the issuance of debt), including, but not limited to, early preliminary modeling and conceptual meetings and discussions, according to the following schedule:

Chief Executive Officer	\$175/hour
Senior Managing Director/Managing Director/ Director	\$150/hour
Associate/Analyst	\$ 95/hour

The above hourly rate charges only apply to specialized, non-transactional services that would be agreed to by a client prior to any hourly rate work being undertaken. They are not "add-ons" to our "Transactional Services" outlined in "1" above.

Out-of-Pocket Expenses.....NONE

Phoenix Advisors does not charge for any out-of-pocket expenses incurred with regard to providing our Financial Advisory services. Third party charges, pre-approved and directed by a client to be paid by Phoenix Advisors are billed at cost with no mark-up.