

# **Ottawa County, Michigan**

## **FINANCIAL ADVISOR FOR THE ISSUANCE OF BONDS**

### **REQUEST FOR PROPOSAL (RFP) RFP 09-03**



**Distributed by:**

**Ottawa County Fiscal Services Department  
12220 Fillmore Street, Room 331  
West Olive, Michigan 49460**

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**OTTAWA COUNTY, MICHIGAN  
REQUEST FOR PROPOSALS (RFP)  
FINANCIAL ADVISOR FOR THE ISSUANCE OF BONDS  
RFP 09-03**

**SECTION I**

**1.1 INTRODUCTION**

The County of Ottawa is seeking qualified firms to provide professional services to the County as the Financial Advisor for the Issuance of Bonds (hereinafter, "the Financial Advisor") of the County of Ottawa and the Ottawa County Public Utilities System (hereinafter, "the County").

The County intends to award a five (5) year contract with no additional renewal periods. There is no guaranteed use of the contract for the award period.

Please carefully review this document. It provides information necessary to aid participating bidders in formulating a thorough response. A formal, comprehensive review period will be conducted to ensure that the County selects the best possible vendor that will provide the best value and service.

**1.2 BIDDING PROCESS**

1.2.1 The following is a schedule of events concerning the proposal process:

- |                           |                                                                  |
|---------------------------|------------------------------------------------------------------|
| • Distribution of packets | Friday, March 13, 2009                                           |
| • Proposals received      | Monday, April 13, 2009 <b>by 5:00 p.m. Eastern Daylight time</b> |
| • Interviews              | May 18 <sup>th</sup> -May 29 <sup>th</sup>                       |
| • Notification of Award   | June 8, 2009                                                     |

1.2.2 **A complete original and four (4) copies for a total of five (5) proposals** are due in our office no later than April 13, 2009, at 5:00 p.m. Eastern Daylight time at:

County of Ottawa  
Fiscal Services Department  
12220 Fillmore, Room 331  
West Olive, MI 49460

1.2.3 The proposal shall be placed in a sealed envelope and clearly marked: **\*\*County of Ottawa Financial Advisor for the Issuance of Bonds Response – RFP 09-03**

1.2.4 Any proposals received after the submission date will be considered void and unacceptable. The County is not responsible for lateness of mail, carrier, etc., and the date/time stamp in the Fiscal Services Department shall be the official date and time of receipt.

1.2.5 There will be no distribution of proposals made until the County and the successful vendor have executed a contract. No proposal shall be handled so as to permit disclosure of the identity of an offeror or the content of any proposal to competing offerors until the deadline for submission of bids or proposals has expired.

1.2.6 No faxed or e-mailed documents will be accepted.

1.2.7 The respondent shall be responsible for the timely delivery of any response.

1.2.8 The Signature Sheet (attachment B) shall be completely filled out and returned with the proposal submission. A representative of your company who is authorized to commit your company to the requirements of this proposal must sign the Signature Sheet.

### **1.3 RESERVATION OF RIGHTS**

The County reserves the right to reject any and all proposals, to award the agreement to other than the low proposal, to award separate agreements for separate parts of the services required, to negotiate the terms and conditions of all and any part of the proposals, to waive irregularities and/or formalities, and in general to make an award in the manner as determined to be in the County's best interest. The County may, at its discretion, cancel any proposal or request for proposal or other solicitation and/or reject all proposals in whole or in part.

### **1.4 CHANGES AND ADDENDA TO PROPOSAL DOCUMENTS**

Each change or addendum issued in relation to the RFP will be on file in the Fiscal Services Department and sent to each vendor the original RFP was sent to. All such changes or addenda shall become part of the contract and all bidders shall be bound by such changes or addenda.

### **1.5 TAXES, TERMS AND CONDITIONS**

The County is exempt from Federal Excise and State Sales Tax. The County's Federal ID number is 38-6004883. Payment Terms are invoices received by the Fiscal Services Department by the 15<sup>th</sup> of the month will be paid on or before the 15<sup>th</sup> of the following month.

### **1.6 MINIMUM QUALIFICATIONS**

Bidders shall demonstrate the resources and capability to serve as the Financial Advisor to the County as described herein. The following criteria shall be met in order to be eligible for this contract. Failure to meet the minimum qualifications is ample cause for the bidder to be deemed non-responsible:

- Bidders shall provide, at a minimum, three (3) comparable references of which similar work has been performed. These references shall be from an entity of a similar size and with work performed of similar volume and frequency.
- Bidders must be able to meet all insurance requirements in regards to Professional Liability Insurance, Workers' Compensation Insurance, Commercial General Liability Insurance and Motor Vehicle Insurance as outlined in this RFP.

### **1.7 AWARD**

A Review Committee consisting of but not limited to members of the Fiscal Services Department will be formed. The Review Committee will evaluate the proposals and award a contract(s). The evaluation and award of this proposal shall be rated on the following criteria (not in any relevant order):

- Firm qualifications and expertise
- Similar financial advising and bond issuing experience
- Proposed pricing
- Conformance to proposal format
- Other matters deemed pertinent by the County

The prices proposed shall be considered firm and cannot be altered after receipt of the proposal by the County per the terms of this proposal.

The County may make a determination that the rejection of all proposals is in its best interest.

The successful vendor(s) shall commence work only after the transmittal of a fully executed contract and after receiving written notification to proceed from the County. The successful bidder(s) will perform all services indicated in the proposal packet and in compliance with the negotiated contract.

## **1.8 COST OF DEVELOPING PROPOSAL**

The Respondent shall be responsible for all costs incurred in the development and submission of this response. The County assumes no contractual obligation as a result of the issuance of this RFP, the preparation or submission of a response by a Respondent, the evaluation of an accepted response, or the selection of finalists. The County shall not be contractually bound until the County and the successful Respondent have executed a written contract for performance of the work.

## **1.9 PROPOSAL OWNERSHIP**

All proposals, including attachments, supplementary materials, addenda, etc. shall become the property of the County and will not be returned to the Respondent.

## **1.10 CONFIDENTIALITY**

All responses, inquiries, and correspondence relating to this RFP and all reports, charts, displays, schedules, exhibits, and other documentation produced by the Respondent that are submitted to the County, as part of the proposal or otherwise, shall become the property of the County when received by the County and may be considered public information under applicable law.

## **1.11 CORRECTION OR WITHDRAWAL OF PROPOSAL; CANCELLATION OF AWARDS**

Correction or withdrawal of inadvertently erroneous proposals before or after the proposal deadline, or cancellation of awards or contracts based on such proposal mistakes, may be permitted at the sole discretion of the County. Mistakes discovered before the proposal deadline may be modified or withdrawn by written notice received in the office designated in the RFP, prior to the proposal deadline. After the proposal deadline, corrections in proposals shall be permitted only to the extent that the bidder can show by clear and convincing evidence, as determined by the Review Committee, that a mistake of a non-judgmental character was made.

## **1.12 EQUAL EMPLOYMENT OPPORTUNITY**

The County is committed to prohibiting discrimination in employment on the basis of race, color, sex, age, religion, national origin, citizenship, height, weight, marital status, or handicap. These factors will not be improperly considered by the County in recruitment, examination, appointment, training, promotion, retention, salary determination, discipline, or any other conditions of employment.

Bidders and their subcontractors, as required by law, shall not discriminate against the employee or applicant for employment with the respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly relating to employment, because of race, color, religion, national origin, marital status, age, sex, height, weight, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Breach of this covenant may be regarded as a material breach of the Contract.

## **1.13 INSURANCE REQUIREMENTS**

Prior to starting this contract, the Vendor shall deposit with the Ottawa County, Michigan Insurance Authority a certificate from the insurer to the effect that the insurance policies required in the paragraphs below have been issued to the Vendor.

Vendor(s) must maintain the following insurance during the term of the contract:

### **Professional Liability Insurance and/or Errors and Omissions Insurance**

|                    |                             |
|--------------------|-----------------------------|
| Limit of Liability | \$1,000,000 Each Occurrence |
|--------------------|-----------------------------|

## Worker's Compensation and Employers' Liability

### Commercial General Liability

## Automobile

to underwrite any bonds that might be sold by the County during the contract period and for one year beyond the contract period.

- 1.14.8 TERMINATION – Any contract or agreement entered into shall be considered non-exclusive and may be cancelled in whole or in part by either party for any reason upon giving the other party sixty (60) days prior written notice. Such notice shall be sent to the last known address of the party to be notified.

The County may, without prejudice to any right or remedy, and without the necessity of giving the sixty (60) day notice provided above, terminate this Agreement for cause in the event Vendor fails to fulfill, in a timely or satisfactory manner, any of the Terms and Conditions set forth in this Agreement, and fails to cure any default after seven (7) days written notice from the County of such default or breach.

- 1.14.9 ADDITIONS TO CONTRACT - Other items and/or services may be added as needed to this contract. Any changes or additions may not be added without written approval from the Ottawa County Fiscal Services Department.

## **1.15 CONTACT PERSONNEL**

This Request for Proposals (RFP) is issued by the County of Ottawa. The point of contact regarding proposal procedures is:

Christine Miller, Fiscal Services  
County of Ottawa, 12220 Fillmore Street  
West Olive, Michigan 49460  
Phone: (616) 738-4855 Fax: (616) 738-4897  
E-mail: [cmiller@miottawa.org](mailto:cmiller@miottawa.org)

Any requests for clarification and/or additional information shall be directed to:

June Hagan, Fiscal Services Department  
County of Ottawa, 12220 Fillmore Street  
West Olive, MI 49460  
Phone (616) 738-4849 FAX (616) 738-4098  
E-mail [jhagan@miottawa.org](mailto:jhagan@miottawa.org)

## SECTION II

### 2.1 OBJECTIVE/BACKGROUND INFORMATION

The County is seeking the services of a firm to serve as the Financial Advisor for the County of Ottawa and the Ottawa County Public Utilities System. The Ottawa County Public Utilities System is a component unit of the County of Ottawa, and as such the County may guarantee its debt for the construction or acquisition of infrastructure and other capital assets for the purpose of meeting its service obligation to the public.

The County currently maintains a “AAA” rating from Fitch on general obligation limited tax bonds. Moody’s bond rating is “Aa1” and Standard and Poor’s bond rating is “AA” for general obligation unlimited and limited tax bonds. The County and the Public Utilities System intend to use the Financial Advisor over the five year contract period to provide service prior to the issuance of bonds, and if bonds should be issued, the Financial Advisor will perform the actions as outlined below in section 2.4 SCOPE OF WORK.

At the time of the release of this Request for Proposal, the County and the Public Utilities System anticipate using the Financial Advisor for the issuance of bonds related to sewer and water infrastructure for the County, including the Public Utilities System, and cities, townships, village, and related authorities located within the County and potentially for refunding bonds for the above-mentioned entities and building projects. The County does not guarantee any amount of bond sales or work for the Financial Advisor.

### 2.2 GENERAL REQUIREMENTS

Each response set shall be accompanied by a transmittal letter signed in ink by an authorized company representative who has the right to bind the Respondent. Each response must contain the following information:

2.2.1 COVER LETTER - Include the original signed cover letter with the original proposal and a copy of the letter with each copy of the proposal. The cover letter should contain a) a brief statement of the Respondent’s understanding of the proposal, b) the name, title, phone number, fax number, e-mail address, and street address of the company representative, and c) highlight the firm’s ability to provide objective advice based upon a thorough knowledge of market conditions.

2.2.2 COMPANY OVERVIEW Include the following information about the Respondent: a) company name, address, phone number, fax number and internet address, b) year the company was established and any former names, if applicable, c) type of ownership and parent company, if applicable, d) location of the office or offices that will provide the project services, e) brief statement of the company’s background demonstrating longevity and financial stability, and f) company’s or professional organization’s code of standards or ethics. This is in addition to Attachment A- Business Information.

2.2.3 PROJECT REFERENCES - For up to three relevant clients, include a one or two paragraph description that demonstrates financial advising capabilities as noted below in section 2.4 “Scope of Work”. Include the name of the client organization and the contact person as a reference.

2.2.4 ADVISING TEAM - Include an organizational chart that clearly identifies the individual to serve as the main contact for the County and all personnel to be assigned to the County’s account, providing résumés and individual areas of responsibility for each. If the individuals identified as personnel for the County’s account did not work on the accounts of the project references, as specified in 2.2.3, please provide three references for each individual assigned to the County’s account.

2.2.5 PROPOSED FEE – Please state fees based on a Full Service Financial Advisory Relationship and a Limited Services Relationship, as described in 2.4 SCOPE OF WORK. Please explicitly state all costs in the proposed fee, and identify all fees proposed on a “not-to-exceed” basis.

2.2.6 INVESTIGATIONS/LITIGATION - Provide details of any criminal or regulatory investigation or pertinent litigation pending against your firm or members of your firm in the last three years.

2.2.7 ADDITIONAL INFORMATION - Include any appropriate additional information that supports your proposal.

## 2.3 SCOPE OF WORK

The firm selected as the Financial Advisor for the County will perform the services at the direction of the County. If the County determines that the issuance of bonds is necessary, the role of the Financial Advisor will be determined by the type of sale.

The Financial Advisor will offer two levels of service and the County will designate upon each financing or issuance of bonds that it contemplates the following duties to be performed by the Financial Advisor, pursuant to a contract between the Financial Advisor and the Board. The two levels of service offered to the County are a Full Service or Limited Service Relationship.

### 2.4.1 FULL SERVICE FINANCIAL ADVISORY RELATIONSHIP

The Full Service Financial Advisory Relationship is only necessary for bond issuances of \$1 million or greater. By designating this option, the County will expect the Financial Advisor to perform all of the essential functions of a financial advisor, which include but are not limited to:

2.4.1.1 FINANCIAL ANALYSIS – The Financial Advisor shall provide an analysis of the financial resources of the governmental units of the County (cities, townships, and village) and ensure that the new issue combined with current debt does not negatively impact the County’s debt capacity and is in conformance with County debt policies.

The analysis may also include the evaluation of the governmental unit’s ability to meet the debt service requirements of the proposed bond issue. The analysis shall take into consideration a tax pledge, special assessment pledge, water or sewer rate pledge, or other revenue pledge of any operating system of the Governmental Unit(s) or tax pledge of the County.

2.4.1.2 PREPARATION FOR THE ISSUANCE OF BONDS – The Financial Advisor shall assist the County Bond Counsel and the Governmental Units on behalf of which the Bonds are to be issued, in the preparation and submission of an application to the Department of Treasury of the State of Michigan, to obtain qualified status or other action necessary for the issuance and sale of the proposed bonds.

2.4.1.3 OFFICIAL STATEMENT – The Financial Advisor shall prepare a complete Official Statement with specific sections, which address and discuss all of the major disclosure items as required by the Municipal Securities Rulemaking Board (“MSRB”) and the SEC guidelines. The Financial advisor will also assist the local units of government in identifying and locating required information.

2.4.1.4 APPLICATION FOR RATINGS – The Financial Advisor shall make application for ratings on the bonds to Moody’s Investors Service, Fitch IBCA, Inc. and/or Standard & Poor’s Ratings Services on the behalf of the County and when appropriate, making application to the municipal bond insurance firms. The Financial Advisor shall also assist the County in all presentations to the above-mentioned rating agencies, including advising the County on maintaining and improving the credit ratings.

2.4.1.5 BOND STRUCTURING – The Financial Advisor shall provide assistance in the structuring of the bonds and in providing guidance to the County as to the best structure with which to market the bonds.

Under the direction of the Fiscal Services or Public Utilities Director, the Financial Advisor will assist the County in the evaluation of the bond issue debt schedule and revenue sources including: analysis; opinions; the preparation of spreadsheets and/or charts showing existing debt, proposed debt, revenue and fund balances; and trial schedules that include principal payment “wrap-around” and backloading structure.

2.4.1.6 SALE OF BONDS – The Financial Advisor shall take part in all aspects of the bond sale, including but not limited to: notification to the Michigan Municipal Advisory Council (“MAC”) of the Sale for the Bonds and the competitive bid date; bond marketing for the Bonds by sending each a copy of the Official Statement and Notice of Sale to potential bidders; being present at the competitive bid for the

Bonds and providing the analysis and verification of the competitive bids and award to the winning bidder; and providing for the closing details including coordinating with Bond Counsel as to the appropriate opinion(s) to be issued; publishing the results of the competitive sale (if required), and preparing the closing instructions and delivery amounts via letter to the successful purchaser.

- 2.4.1.7 FOLLOW-UP ACTIVITIES – The Financial Advisor will perform any follow-up reporting and analysis from the issuance of bonds as requested by the County, including, but not limited to routinely reviewing outstanding County bond issues for possible refunding opportunities; assisting the local units of government with Continuing Disclosure Report information; and assisting the County and local units with questions and analysis about call provisions, defeasance, etc.

2.4.2 LIMITED SERVICE FINANCIAL ADVISORY RELATIONSHIP

The Limited Service Financial Advisory Relationship will be used for issues of less than \$1 million. If, after discussions between the Board and the Financial Advisor, it is determined that a full service relationship is not desirable for a particular financing due to economics, size, or the limited nature of assistance required, the Financial Advisor and the County will negotiate a level of service suitable to the particular financing concerned. The Limited Service Financial Advisory Relationship will not include the preparation of an Official Statement.

- 2.4.2.1 BOND ATTORNEYS – The Financial Advisor shall direct and coordinate the entire finance program herein contemplated. In that connection, it is understood that the County will retain a firm of recognized municipal bond attorneys to prepare the proceedings and advise of the steps necessary to issue the Bonds and who will issue an opinion approving their legality and exemption from Federal income taxation. The Financial Advisor will maintain liaison with the firm of bond attorneys and shall assist in all financial advisory aspects involved in the preparation of appropriate legal proceedings and documents.

- 2.4.2.2 LEGISLATIVE LIAISON - Where the issuance and sale of the Bonds and construction of the project in question, if any, requires the approval of any state or governmental agency, the Financial Advisor shall assist the County in the preparation of all financial information required for inclusion in applications for such approval, and when requested by the County, shall appear on its behalf to provide appropriate testimony at public hearings before state and other governmental commissions and boards. The Financial Advisor will also be available to participate with the County in any preliminary conferences with the staffs of any state or governmental agencies involved.

## SECTION III

### 3.1 PROPOSAL SUBMISSION/CHECKLIST

Proposals shall be as **detailed and comprehensive** as possible and **answered in the order listed below**.

- ☐ Packaging and Format as provided in section 2.2
- ☐ Attachment A – Business Information
- ☐ Attachment B – Authorized Signature Page

**Attachment A**  
**Business Information**  
**COUNTY OF OTTAWA**  
**Financial Advisor for the Issuance of Bonds**  
**RFP 09-13**

|                                                                                                                                                                                      |        |         |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------|--|
| <b>(a) Name of Business (Official Name and D/B/A)</b>                                                                                                                                |        |         |  |
| <b>(b) Business Headquarters</b>                                                                                                                                                     |        |         |  |
| Address:                                                                                                                                                                             |        |         |  |
| City:                                                                                                                                                                                | State: | Zip:    |  |
| Telephone:                                                                                                                                                                           | Fax:   | E-mail: |  |
| <b>(c) If a Division or Subsidiary of another organization provide the name and address of the parent.</b>                                                                           |        |         |  |
| Address:                                                                                                                                                                             |        |         |  |
| City:                                                                                                                                                                                | State: | Zip:    |  |
| Telephone:                                                                                                                                                                           | Fax:   |         |  |
| <b>(d) Billing Address</b>                                                                                                                                                           |        |         |  |
| Address:                                                                                                                                                                             |        |         |  |
| City:                                                                                                                                                                                | State: | Zip:    |  |
| Telephone:                                                                                                                                                                           | Fax:   |         |  |
| <b>(e) Name of Chief Executive Officer</b>                                                                                                                                           |        |         |  |
| <b>(f) Customer Contact</b>                                                                                                                                                          |        |         |  |
| Name:                                                                                                                                                                                |        | Title:  |  |
| Address:                                                                                                                                                                             |        |         |  |
| City:                                                                                                                                                                                | State: | Zip:    |  |
| Telephone:                                                                                                                                                                           | Fax:   | E-mail: |  |
| <b>(g) Company Web Site</b>                                                                                                                                                          |        |         |  |
| <b>(h) Type of Organization (i.e., Sole Proprietor, Corporation, Partnership, etc. -- should be the same as on the Taxpayer ID)</b>                                                  |        |         |  |
| <b>(i) Length of Time in Business</b>                                                                                                                                                |        |         |  |
| <b>(j) Annual Sales (for most recently completed Fiscal Year)</b>                                                                                                                    |        |         |  |
| <b>(k) Number of Full-Time Employees (average from most recent Fiscal Year)</b>                                                                                                      |        |         |  |
| <b>(l) Type of and description of business</b>                                                                                                                                       |        |         |  |
| <b>(m) Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of this RFP.</b> |        |         |  |

**Attachment B**  
**Authorized Signature Sheet**  
**COUNTY OF OTTAWA**  
**Financial Advisor for the Issuance of Bonds**  
**RFP 09-13**

|                                                                                                                                                                                                                                                                                          |        |                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|----------------------------|
| Name of Bidder:                                                                                                                                                                                                                                                                          |        |                            |
| Address:                                                                                                                                                                                                                                                                                 |        |                            |
| City:                                                                                                                                                                                                                                                                                    | State: | Zip:                       |
| Telephone Number:                                                                                                                                                                                                                                                                        |        | Fax Number:                |
| Email Address:                                                                                                                                                                                                                                                                           |        | Federal Tax ID Number:     |
| <p>If awarded a contract in response to this proposal, our company:</p> <p style="text-align: center;"> <input type="checkbox"/> Will      <input type="checkbox"/> Will Not         </p> <p>Be able to meet the specifications as required in Section 1.13: Insurance Requirements.</p> |        |                            |
| Signature of Authorized Signatory*:                                                                                                                                                                                                                                                      |        | Title and Name of Company: |
| Name of Authorized Signatory (print):                                                                                                                                                                                                                                                    |        | Date:                      |
| <p>*The above individual is authorized to sign on behalf of the company submitting this proposal. Proposals must be signed by an official authorized to bind the provider to its provisions for at least a period of 90 days.</p>                                                        |        |                            |

**Attachment C**  
**Debt Policy**  
**COUNTY OF OTTAWA**  
**Financial Advisor for the Issuance of Bonds**  
**RFP 09-13**

Fiscal Policy No. 07

***OTTAWA COUNTY BOARD OF COMMISSIONERS***

**DEBT MANAGEMENT POLICY**

**I. POLICY**

Debt financing is an important tool for municipalities in meeting their service obligations to the public. However, used inappropriately, debt financing can cause serious, long-term problems that significantly affect on-going operations. It is important for municipalities to have appropriate guidelines in place to avoid the potential pitfalls of debt financing.

The intent of this policy is to establish parameters and guidance for the issuance, management, monitoring, assessment and evaluation of all debt obligations of the County.

**II. STATUTORY REFERENCES**

State of Michigan Constitution of 1963, Article VII, Section 11  
Public Act 34 of 2001, the Revised Municipal Finance Act  
Public Act 470 of 2002, the Agency Reporting Act

**III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES**

Board of Commissioners Policy Adoption Date and Resolution Number: \_\_\_\_\_

Board of Commissioners Review Date and Resolution Number: \_\_\_\_\_

Name and Date of Last Committee Review: \_\_\_\_\_

Related Policies: \_\_\_\_\_

## **DEBT MANAGEMENT POLICY**

### **PROCEDURE**

#### **1. Conditions for Debt Issuance**

In order to maintain a high credit rating and provide accountability to the taxpayers, debt issuance is subject to current conditions. Specifically, debt issuance is limited to the following conditions:

- a. Debt financing may be used to finance the construction or acquisition of infrastructure and other capital assets for the purpose of meeting its service obligations to the public.
- b. Debt (short-term or long-term) will not be issued to finance current, on-going operations of the County except in the case of an extreme financial emergency which is beyond its control or reasonable ability to forecast.
- c. The County may issue debt to refund outstanding debt when indicated by market conditions or to remove a restrictive covenant imposed by the bonds to be refinanced.
- d. The County may guarantee debt issued by the County's component units for the construction or acquisition of infrastructure and other capital assets for the purpose of meeting its service obligations to the public.
- e. Every proposed bond issue to be financed by County funds will be accompanied by an analysis to ensure that the new issue combined with current debt does not negatively impact the County's debt capacity and conformance with County debt policies.
- f. An internal feasibility analysis will be prepared for each debt proposal to be financed by County funds which analyzes the impact on current and future budgets to ensure that the County's operating budget can absorb the additional costs.

#### **2. Limitations on Debt Issuance**

The County faces both legal restrictions on debt issuance as well as self-imposed limitations.

- a. The County will comply with the State of Michigan Constitution of 1963, Article VII, Section 11, which states "No County shall incur indebtedness which shall increase its total debt beyond 10% of its assessed valuation."
- b. The County will comply with the provisions of the State of Michigan Public Act 34 of 2001, the Revised Municipal Finance Act.

- c. The County will manage debt in a manner than ensures the long-term financial integrity of the County.
- d. The maximum maturity of the issue will not exceed the expected useful life of the project.
- e. Exclusive of the debt service payments for the Ottawa County Central Dispatch Authority (which has a separate funding source), direct debt will not be issued if it will cause the total annual debt service payments to exceed 10% of the revenue sources that cover them. These revenue sources include the general operating levy, the interest, penalties, and collection fees earned by the Delinquent Tax Revolving Fund, and other identified sources.
- f. Additional debt will not be issued or guaranteed if doing so may jeopardize the County's current bond rating.

### 3. Debt Issuance Process and Maintenance

The County will issue debt in the manner providing the best financial benefit and maintain its obligation to the purchasers in an efficient and responsible manner.

- a. The County may sell bonds with a competitive bid process or as a negotiated sale. Certain issue specific conditions or market conditions may exist that necessitate a negotiated sale.
- b. Credit enhancements (e.g., insurance) may be considered if the projected benefits equal or exceed the additional cost.
- c. The County will comply with all disclosure requirements of the Securities Exchange Commission.
- d. The County will comply with State of Michigan Public Act 470 of 2002, the Agency Reporting Act.
- e. The County will make every effort to maintain or improve its bond rating.
- f. Debt Service payments will be made for all issues on or before the due date.
- g. Debt Service payments will be made via electronic funds transfer in order to enhance the security and timeliness of payments and to maximize the investment return on County funds.

### **REVIEW PERIOD**

The County Administrator will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.