

Request for Legislative Action

Resolution No.: 21252
Sponsor: DaRon McGee
Date: April 24, 2023

Completed by County Counselor's Office			
Action Requested:	Resolution	Res.Ord No.:	21252
Sponsor(s):	DaRon McGee	Legislature Meeting Date:	4/24/2023

Introduction
Action Items: ['Authorize']
Project/Title:
Authorizing a contract with Stifel, Nicolaus & Co., Inc., of Kansas City, MO, for municipal Financial Advisory Services to be provided to the Jackson County Legislature in 2023, at a cost not to exceed \$5,000.00.

Request Summary
<p>Request for legislative action to authorize a contract with Stifel, Nicolaus & Co., Inc., for municipal financial advisory services related to the new Detention Facility Project by advising the Legislature regarding the financial analysis and debt structuring recommendation for the new Detention Facility Project and other related municipal market transactions.</p> <p>Scope of work to include advising the Legislature regarding the financial analysis and debt structuring recommendations including public or private financing plans or proposals made to the county for the new Detention Center Project (See Attachment).</p> <p>Fees for Financial Advisory Services will be billed at an hourly rate as follows:</p> <ul style="list-style-type: none">• Hourly Rate For: Director or Managing Director - \$350.00• Hourly Rate For: Associate/Analyst - \$150.00• Hourly Rate For: Administrative - \$75.00

Contact Information			
Department:	County Legislature	Submitted Date:	4/17/2023
Name:	Troy Thomas	Email:	Troy.Thomas@jacksongov.org
Title:	County Auditor	Phone:	816-881-3311

Budget Information	
Amount authorized by this legislation this fiscal year:	\$5,000
Amount previously authorized this fiscal year:	\$ 0
Total amount authorized after this legislative action:	\$5,000
Is it transferring fund?	No

Request for Legislative Action

Single Source Funding:			
Fund:	Department:	Line Item Account:	Amount:
001 (General Fund)	0112 (Legislature as a Whole)	56012 (Financial Advisory Services)	\$5,000

Prior Legislation	
Prior Ordinances	
Ordinance:	Ordinance date:
Prior Resolution	
Resolution:	Resolution date:
20997	June 21, 2022
20105	March 11, 2019
20500	September 21, 2020
20846	December 13, 2021

Purchasing	
Does this RLA include the purchase or lease of supplies, materials, equipment or services?	Yes
Chapter 10 Justification:	Other
Core 4 Tax Clearance Completed:	Not Applicable
Certificate of Foreign Corporation Received:	Not Applicable
Have all required attachments been included in this RLA?	Yes

Compliance	
Certificate of Compliance	
Not Applicable	
Minority, Women and Veteran Owned Business Program	
Goals Not Applicable for following reason: Less than \$50000	
MBE:	.00%
WBE:	.00%
VBE:	.00%
Prevailing Wage	
Not Applicable	

Fiscal Information
<ul style="list-style-type: none"> Funds sufficient for this appropriation and/or transfer are available from the source indicated on the budget information tab.

Request for Legislative Action

History

Submitted by County Legislature requestor: Troy Thomas on 4/17/2023. Comments: We are requesting this be expedited and placed on the Monday, April 24, 2023 Legislative Agenda.

Approved by Department Approver Mary Jo Spino on 4/17/2023 5:44:10 PM. Comments: mjs

Megan Marshall has agreed to be the sponsor.

Approved by Purchasing Office Approver Barbara J. Casamento on 4/18/2023 8:48:41 AM. Comments:

Approved by Compliance Office Approver Ikeela Alford on 4/18/2023 9:01:43 AM. Comments:

Approved by Budget Office Approver David B. Moyer on 4/18/2023 9:31:34 AM. Comments:

Approved by Executive Office Approver Sylvia Stevenson on 4/18/2023 2:29:41 PM. Comments:

Approved by Counselor's Office Approver Jamesia Manning on 4/20/2023 10:55:49 AM. Comments:

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION of the Jackson County, Missouri Legislature (the “Legislature”) regarding the retention of a Financial Advisor to advise the Legislature regarding the Project described below.

RESOLUTION NO. , 2023
INTRODUCED BY , County Legislator

WHEREAS, Jackson County, Missouri (the “County”) intends to finance from the proceeds of one or more tax-exempt financing transactions for the County the costs of acquiring real estate for, constructing, improving, furnishing, and equipping a new detention center and related facilities (the “Project”); and

WHEREAS, such related facilities may include, but shall not be limited to, streets and roads, parking lots, signals and signage, storm drainage features, maintenance facilities and equipment, and trucks, vans, and other motor vehicles; and

WHEREAS, the Legislature deems it necessary and appropriate to retain independent financial analysis and advice regarding the terms and conditions of the proposed Project and the financing plan for the Project;

NOW THEREFORE BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the Legislature hereby engages, retains and continues the services of Stifel, Nicolaus & Company, Incorporated as Financial Advisor regarding the Project (the “Engagement”) pursuant the following terms and conditions:

Scope of Work:

Stifel will perform the following services for the Legislature during the term of the Engagement:

- a. Advise the Legislature regarding the financial analysis and debt structuring recommendations for the Project and other related municipal market transactions (“Transactions”);
- b. Advise the Legislature regarding any public or private financing plans or proposals made to the County by the Design/Build Team, or other third-parties related to the Project;
- c. Advise the Legislature regarding bond counsel or underwriters’ counsel’s preparation of any preliminary and final official statements, offering memoranda, or term sheets for Transactions consistent with all federal and state requirements;
- d. Coordinate with consultants, accountants, bond counsel, other attorneys and staff in connection with Transactions;
- e. Advise the Legislature regarding financing time schedules, distribution of documents, preliminary and final official statement printing, wire-transfers of funds, deliveries of bonds and bonds closings;
- f. Advise the Legislature on the matter of bond rating(s) for any proposed issue and assist, if requested, in the preparation of credit information for submission and presentation to the rating agency(ies);

- g. Advise the Legislature regarding the County’s credit strategy, communications with the credit rating agencies, if any, and assist in preparation of materials related to communications with the credit rating agencies related to agency surveillance, as applicable;
- h. If requested, coordinate pre-pricing discussions of bond pricing and structuring, supervise the sale process, and advise on acceptability of offer to purchase bonds by the underwriters;
- i. If requested, assist the County and/or the Legislature in procuring any appropriate ancillary financing-related products and services including, credit enhancement (e.g., bond insurance), paying agent/registrar/trustee, escrow agent (if applicable), escrow investments, and other such products and services as County may deem necessary or desirable in connection with any financing;
- j. Attend County Legislative meetings and other County meetings, as requested, with reasonable advance notice;
- k. Provide such other services as are mutually agreed upon in writing by the Legislature and Stifel, including ongoing monitoring of refinancing as well as other future market opportunities.

County Legislature Obligations:

The County Legislature agrees that its staff and consultants will cooperate with Stifel and make available any data in the possession of the County necessary to perform Stifel’s financial advisory services described above in the Scope of Work and the regulatory obligations as described in Exhibit A below.

Regulatory Disclosures:

The County Legislature is aware of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission’s adopted rule commonly known as the “Municipal Advisor Rule” (SEC Rule 15Ba1-1 to 15Ba1-8) (“the Rule”). Stifel will be serving as a municipal advisor to the County Legislature under the Rule, and this Resolution documents the municipal advisory relationship between Stifel and the County Legislature.

MSRB Rule G-42 requires that a municipal advisor provide its client with certain written disclosures. Please see Exhibit A for these disclosures.

Compensation:

Ongoing Services Fee: Stifel’s fee for analysis and consulting work under the Engagement will be computed at the following hourly rates and will be paid by the County within thirty (30) days of receipt of an invoice from Stifel:

Hourly rate for: Director or Managing Director	\$350.00
Hourly rate for: Associate/Analyst	\$150.00
Hourly rate for: Administrative	\$75.00

Termination:

The Engagement is to continue until _____, 202_. For any ongoing Transaction for the Project that is scheduled to close within 6 months of the termination of the Engagement, the Engagement shall be extended until the closing of the Transactions and/or financings for the Project. This Engagement may be terminated at any time by the Legislature, upon 10 business days' prior written notice to such effect to Stifel, or by Stifel upon 10 business days' prior written notice to such effect to the County. In the event the Legislature terminates this Engagement as outlined herein, the County shall compensate Stifel for the professional fees incurred prior to termination.

Authorize to Direct Financial Advisor:

The following individuals have the authority to direct Stifel's performance of its scope of work under the Engagement: the Chairman or Vice Chairman of the Jackson County Legislature.

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM.

Chief Deputy County Counselor

County Counselor

Certificate of Passage

I hereby certify that the attached resolution, Resolution No. _____ of _____, 2023, was duly passed on _____ 2023 by the Jackson County Legislature. The votes thereon were as follows:

Yeas _____

Nays _____

Date:

Clerk of Legislature

Abstaining _____

Absent _____

EXHIBIT A

Jackson County, Missouri Legislature

Financial Advisory Engagement

MSRB Rule G-42 Disclosures

As municipal advisor to the Jackson County Legislature (“you”, “your”), Stifel Nicolaus (“Stifel” or “we”) is subject to the rules of the Municipal Securities Rulemaking Board (MSRB), including MSRB Rule G-42. The rule directs us to make certain disclosures to you. Please review the following disclosures and contact your Stifel municipal advisor if you have any questions.

Our Duties as Your Municipal Advisor

Rule G-42 describes our basic duties to you. Most importantly, we owe you a fiduciary duty, the principal element of which is a duty of loyalty. Under the duty of loyalty, we are required to deal honestly and in the utmost good faith with you and to act in your best interests without regard to our financial or other interests. We may not serve as your municipal advisor if we believe that we have any conflicts of interest that we cannot manage or mitigate so that we can act in your best interests.

Rule G-42 also provides that we owe you a duty of care. As part of that duty, we must possess the degree of knowledge and expertise needed to provide you with informed advice. Also, under that duty, when we make recommendations to you or help you to evaluate the recommendations of others, we may need to ask questions to make sure that we have all the relevant facts.

Disclosure of Conflicts

Rule G-42 requires us to disclose to you any known material, actual or potential conflicts of interest that could reasonably be expected to impair our ability to provide you with advice, including any conflicts associated with contingent fee arrangements. As described in your Resolution approving and authorizing the Engagement, the payment of our fee will be contingent on the closing of the bond issue described in your Resolution and the amount of compensation will be based on the proceeds generated from the bond issue. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since we may have an incentive to recommend a transaction to you that is unnecessary or to recommend that the size of the bond issue be larger than is necessary. We mitigate that conflict of interest by tying compensation to total proceeds generated. We would, of course, be willing to discuss an alternative fee arrangement, if that is your preference.

Stifel has not identified any additional potential or actual material conflicts that require disclosure.

Legal and Disciplinary Event Disclosures

Each firm that is registered as a municipal advisor with the U.S. Securities and Exchange Commission (SEC) is required to file Form MA with the SEC and update that form periodically and as events change. The firm is also required to file a Form MA-I for each of its employees who is engaged in municipal advisory activities. Stifel's most recent Form MA and the Form MA-1 for each current Stifel municipal advisor employee may be found on the SEC's EDGAR website using the following hyperlink:

<http://www.sec.gov/cgi-bin/browse-edgar?CIK=0000094403&owner=exclude&action=getcompany&Find=Search>.

Item 9 of Form MA requires each municipal advisor firm to disclose any criminal, regulatory violations, or self-regulatory violations and certain civil litigation. Because we are a broker-dealer firm, Form MA permits us to cross-reference to our Form BD, which is available on the website of the Financial Industry Regulatory Authority (FINRA), and our Form ADV, which is available on the SEC website. For your convenience, you may access our Form BD by using the following hyperlink: <http://brokercheck.finra.org/Firm/Summary/793>. You may access our Form ADV by using the following hyperlink: <https://www.adviserinfo.sec.gov/IAPD/IAPDSearch.aspx> and entering Firm 793 in the search field. Item 6 of each Form MA-I requires comparable disclosure about a municipal advisor individual, as well as customer complaint, arbitration, investigation, termination, financial, and judgment/lien disclosure. When an individual has a disciplinary history, Form MA-1 permits us to cross-reference to that individual's Form U-4. The disciplinary history on an individual's Form U-4 is accessible entering the individual's name in FINRA's "Broker-Check" service, using the following hyperlink: <http://brokercheck.finra.org/>.

In May 2020, Stifel, Nicolaus & Company, Incorporated (the Firm) entered into a Letter of Acceptance, Waiver and Consent (AWC) with the Financial Industry Regulatory Authority (FINRA) whereby the Firm without admitting or denying any specific findings, consented to findings that, from January 2012 through December 2016, the Firm failed to establish, maintain and enforce written supervisory procedures (WSPS) that were reasonably designed to achieve compliance with FINRA's suitability rule as it pertains to early rollovers of unit investment trusts (UITs). As a result the Firm violated NASD Rule 3010, FINRA Rule 3110, and FINRA Rule 2010. Additionally, the Firm consented to a further violation of FINRA Rule 2010 in connection with the sending of "switch letters" to customers containing inaccurate information about the costs they incurred as a result of the early UIT rollovers. The Firm agreed to pay a fine of \$1.75 million and restitution in the amount of \$1,891,188.13, plus interest. The FINRA staff did not require any remedial undertakings by the Firm in the AWC. The Firm has implemented various enhancements to its supervision and compliance oversight of early rollovers of UITs which it believes addresses the alleged deficiencies identified by FINRA. Those enhancements include implementation of a switch alert notification for early rollovers, a risk-based approach of compliance oversight for early rollover activity and a periodic "look-back" by the compliance department of early rollover activity by selected financial advisors.

None of the activities addressed in the AWC were municipal advisory services provided to our municipal entity or obligated person clients. We do not believe that any of the legal or

disciplinary event disclosures described in our Form MA is material to our ability to serve as your municipal advisor.

Evaluation of Recommendations/Suitability

As provided in your Resolution approving and authorizing the Engagement, we will assist you in evaluating recommendations, whether made by Stifel or, upon your written request, by third-parties, such as underwriters. We will provide you with our evaluation of the material risks, potential benefits, structure, and other characteristics of the transaction or product. We will discuss with you why we think a recommendation we make is suitable for you. In the case of recommendations made by an underwriter or other third-party that you request in writing that we review, we will discuss with you why we think the recommended transaction or product is or is not suitable for you. We will also inform you of any other reasonably feasible alternatives considered.

In order for us to evaluate whether we think a recommendation is suitable for you, we are required to consider the following factors and we may need information from you about those factors, much as if you were opening a brokerage account:

- financial situation and needs,
- objectives,
- tax status,
- risk tolerance,
- liquidity needs,
- experience with municipal securities transactions or municipal financial products generally or of the type and complexity being recommended,
- financial capacity to withstand changes in market conditions during the term of the municipal financial product or the period that municipal securities to be issued in the municipal securities transaction were reasonably expected to be outstanding, and
- any other material information known by the municipal advisor about the client and the municipal securities transaction or municipal financial product, after reasonable inquiry.

Additional Information

We also wish to inform you that Stifel is registered as a municipal advisor with both the SEC and the MSRB. Information about the duties of a municipal advisor, as well as the procedures for filing a complaint, may be found on the MSRB's website by clicking on the following link: <http://www.msrb.org/~media/Files/Resources/MSRB-MA-Clients-Brochure.ashx?la=en>. The general website for the MSRB is www.msrb.org. If you have any questions, please contact your municipal advisor.