

RESOLUTION NO. 197-2020
AUTHORIZING AN AGREEMENT WITH
NW FINANCIAL FOR FINANCIAL ADVISORY SERVICES
IN CONNECTION WITH BOND AND NOTE SALES FOR 2021

Councilmember Leckstein introduced and offered for adoption the following Resolution; seconded by Councilmember Keeler:

WHEREAS, the Borough of Sea Bright ("Sea Bright") wishes to engage NW Financial Group, LLC with offices located at 2 Hudson Place, Hoboken, New Jersey, for the purpose of providing professional financial advisory services related to the Borough's financial operations; and

WHEREAS, NW Financial Group, LLC are qualified and experienced financial advisors who will provide services to assure the Borough's compliance with Security Exchange Commission regulations and continuing disclosure in connection with Bond and Note sales; and

WHEREAS, it is the recommendation of the Borough Chief Financial Officer that the contract from NW Financial Group, LLC dated January 1, 2021 be authorized according to the scope and services as outlined therein for the 2021 calendar year.

CERTIFICATION OF FUNDS

I, Michael J. Bascom, Chief Financial Officer of the Borough of Sea Bright, have certified that funds are available in Budget Line Item No. 0-01-20-100-228 for the purpose stated herein.



MICHAEL J. BASCOM, CFO

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Sea Bright, County of Monmouth, State of New Jersey that the Mayor and Borough Clerk are hereby authorized to execute a contract with NW Financial Group, LLC in Hoboken, New Jersey to provide financial advisory services to the Borough as outlined in the contract attached hereto effective January 1, 2021 through December 31, 2021; and

BE IT FURTHER RESOLVED that a certified copy of this Resolution and a copy of the attached Agreement be forwarded to the following:

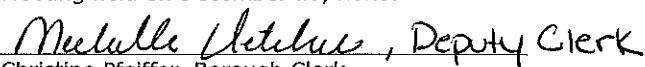
1. Chief Financial Officer
3. Finance Manager
4. NW Financial Group, LLC

Vote:	Birdsall,	Catalano,	Keeler,	Leckstein,	Rooney,	Schwartz
	Yes	Yes	Yes	Yes	Yes	Yes

December 15, 2020

CERTIFICATION

I, Christine Pfeiffer, Borough Clerk, do hereby certify that the foregoing is a Resolution adopted by the Borough Council of the Borough of Sea Bright, County of Monmouth, State of New Jersey, at a Council Meeting held on December 15, 2020.


Christine Pfeiffer, Borough Clerk

CONTRACT FOR PROFESSIONAL FINANCIAL

SERVICES BY AND BETWEEN

THE BOROUGH OF SEA BRIGHT

AND

NW FINANCIAL GROUP, LLC

THIS CONTRACT, dated as of January 1, 2021, by and between The Borough of Sea Bright ("Client") with its principal offices located at 1167 Ocean Avenue, Sea Bright, New Jersey 07760 and NW FINANCIAL GROUP, LLC with offices located at 2 Hudson Place Hoboken, New Jersey 07030 ("Financial Advisors").

WITNESSETH:

WHEREAS, Client wishes to engage the Financial Advisors as Consultants for the purposes hereinafter described in Paragraph 1 hereof; and

WHEREAS, the Financial Advisors agree to provide professional financial advisory services related to the Client's financial operations and other related activities as set forth in the aforesaid scope of services; and

WHEREAS, the Financial Advisors are qualified and experienced in the area of financial advisory services.

NOW THEREFORE, the parties hereto, each intending to be legally bound herein, do mutually agree as follows:

1. SCOPE OF SERVICES:

Financial Advisory – financial assistance and analysis on Client matters including developing financial strategies for optimal use of the Client's financial resources, review and analysis of bond refunding opportunities, project loan refinancing reviews, and such other financial analysis as the Client may require.

Bond and Note Sales – proposing a financing structure, development of bond sizing models, review and evaluation of feasibility studies, rating agency and bond insurer strategies and negotiations, developing presentations, assistance with negotiated sales and general assistance in connection with any bond issue.

Lease Purchase Agreements – initial modeling to determine cost and tax impact, preparing the bid solicitation documents, marketing of the proposed lease to potential providers, reviewing and performing analysis to determine the lowest cost, assisting bond counsel with the preparation of the lease agreement and with the closing of the lease transaction.

Continuing Disclosure – A review of requirements of prior secondary market disclosure undertakings, provide on-going alerts to the Client to ensure data is completed by Client and posted by NW Financial by filing deadlines, monitor and post any rating agency upgrades or downgrades (including for any insured deals), file any material events specific to any outstanding bond transaction.

*Note that the Client will have to provide NW Financial with required pertinent information on the material events and rating agency upgrades or downgrades of the Client's credit rating that are specific to an outstanding transaction for purposes of posting the event on EMMA.

2. PERSONNEL:

- a) Financial Advisors represent that they have or will secure at their own expense, all personnel required in performing the services under this Contract.
- b) Personnel shall not be employees of the Client.
- c) All of the services required by the Financial Advisors will be performed under the direct supervision of a Principal of NW Financial Group, LLC acceptable to the client
- d) None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the Client.

3. TIME OF PERFORMANCE: It is understood and agreed by and between the parties hereto, that this Contract shall begin effective January 1, 2021 and continuing through December 31, 2021, during which time the Financial Advisors agree to perform their services in such sequence as to assure their expeditious completion in light of the purpose of this Contract.

4. COMPENSATION:

- a) Except with respect to matters that are performed related to the issuance of bonds or notes, as provided herein, the Client agrees to pay Financial Advisors for financial advisory services provided on the basis of hourly time charges as specified in Schedule A.
- b) With respect to any financing or proposed financing to be undertaken by the Client, the Client may request that the Financial Advisors perform such financial advisory services on the basis of a fixed fee. Such fixed fee shall be as specified in Schedule A or otherwise mutually acceptable to the Client and the Financial Advisors and shall be agreed-to prior to the provision of financial advisory services with respect to such proposed financing.
- c) Vouchers and Itemized Billing Statements shall be submitted to the Client monthly in coordination with the Clients monthly board meetings.

5. SERVICE AND DOCUMENT APPROVALS: All services rendered and documents prepared by the Financial Advisors shall strictly conform to all laws, statutes and ordinances and the applicable rules and regulations, methods and procedures of all governmental boards, bureaus, offices and commissions and other agencies in effect when the services are rendered and the documents are prepared.

All of the services required of the Financial Advisors by the Client shall be performed to the satisfaction of and with the approval of the Client, which approval shall not be unnecessarily withheld.

6. TERMINATION: The Client reserves the right to terminate this Contract, at its sole discretion, by giving at least sixty (60) days prior written notice to the Financial Advisors of such termination and specifying the effective date therefore. Upon any termination of the Contract, the Financial Advisors shall be paid in full for all services rendered to the Client in accordance with the terms of this Contract as of the date of termination.

a) Upon payment for all services rendered to the Client as of the date of termination, all finished or unfinished documents, data, studies, agreements and/or reports prepared or obtained by the Financial Advisors under this Contract, shall be promptly delivered to the Client.

b) Any outstanding payments due to the Financial Advisor shall be made prior to the date of termination.

7. ASSIGNMENT: This Contract shall not be assigned or assignable, either by action of the Financial Advisors or by law unless prior approval in writing is obtained from the Client.

8. ERRORS AND OMISSIONS: The Client reserves the right to deny payment of the part of any fee which is based on an increase in costs in the preparation of documents or services resulting from an error or omission of the Financial Advisors.

9. LITIGATION: In the event the Client becomes involved in any litigation with third parties concerning or relating in any way to the Financial Advisors services, whether such litigation occurs during or after the term of this agreement, the Financial Advisors agree, at no additional fees other than the hourly rates called for in this agreement to make its members and employees available to the Client to consult, assist and cooperate in any such litigation to the extent such consultation, assistance and cooperation may be required by the Client.

10. FIRM HISTORY: The Financial Advisors represent that no corporation, partnership, individual or association, officer, director, employee, manager, parent, subsidiary, affiliate or principal shareholder of said Financial Advisors, has been adjudicated in violation of any state or federal anti-trust or other similar statute within the preceding five years, or previously adjudged in contempt of any court order enforcing any such law, or has an operating history which shows a recurring pattern of flagrant and consistent violation of prohibited or illegal acts.

11. AUTHORITY REPRESENTATIONS AND WARRANTIES: The Client represents and warrants that this Contract has been duly authorized by its board membership, and when executed by its Executive Director, Chairman or Vice Chairman shall be valid and binding upon the Client and shall be in full force and effect.

12. GOVERNING LAW: This Contract shall be governed by the laws of the State of New Jersey.

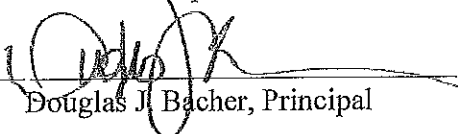
13. SEVERABILITY: A waiver or breach of any term condition or covenant by either party shall not constitute a waiver or breach of any other term condition or covenant. If any court of competent jurisdiction declares a provision of the Contract to be invalid, illegal or otherwise unenforceable, the remaining provisions of the contract shall remain in full force and effect.

IN WITNESS WHEREOF, the Client has caused these presents to be duly executed and the Financial Advisors have caused these presents to be duly executed, as of the day and year first above written.

Borough of Sea Bright

By: _____
Authorized Signatory

NW Financial Group, LLC

By: 
Douglas J. Bacher, Principal

**Schedule A
Compensation**

For financial advisory services rendered in connection with the sale of bonds and notes, NW Financial shall be compensated based on the following schedule:

1. Notes:

For the issuance of general obligation note(s) in an amount up to \$10,000,000 NW Financial proposes to be compensated a flat fee of \$4,500. For the issuance of general obligation note(s) in an amount over \$10,000,000, NW Financial proposes to be compensated a flat fee of \$6,000. This amount shall be payable at the closing of the proposed note issuance.

2. Bonds:

For the issuance of general obligation bonds, refunding bonds, short-term notes, NW Financial proposes to be compensated a flat fee of \$12,500 for any bond issuance up to \$15,000,000. For bond issuance over \$15,000,000, NW Financial proposes a flat fee of \$14,500. This amount shall be payable at the closing of the proposed bond/refunding issuance.

If it is determined that a financing is completed through the Monmouth County Improvement Authority, the NW fee will be determined utilizing the NW/Authority contract. The client will not be invoiced independently for services rendered (i.e. there is no double invoicing for services rendered).

3. Continuing Disclosure:

NW Financial proposes to provide continuing disclosure services at a flat fee of \$1500.

4. Other Consulting:

For financial consulting services not related to the issuance of bonds and notes, NW Financial proposes that compensation be based upon the hourly rates established below.

<u>Position</u>	<u>Hourly Rate (\$/hour)</u>
Principal	\$225
Managing Director	\$200
Senior Vice President	\$180
Vice President	\$170
Analyst	\$150

**CERTIFICATE IN CONNECTION
WITH RULE G-42 OF THE
MUNICIPAL SECURITIES RULEMAKING BOARD**

We are writing this to provide you, the Borough of Sea Bright, Monmouth County, (the "Issuer"), with certain disclosures relating to Continuing Disclosure (the "Project"), as required by Municipal Securities Rulemaking Board ("MSRB") Rule G-42 in accordance with MSRB Notice 2016-03 (January 13, 2016), which became effective June 23, 2016 for transactions that price on or after such date. The Issuer has engaged NW Financial Group, LLC (the "Municipal Advisor") to serve as an municipal advisor in connection with the issuance of the Project.

The undersigned, a duly authorized representative of the Municipal Advisor, HEREBY CERTIFIES, in accordance with Rule G-42 of the Municipal Securities Rulemaking Board, and in connection with the issuance of the Project, that:

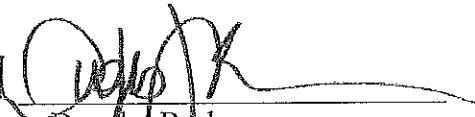
- (i) There are no known material conflicts of interest known to the Municipal Advisor in connection with the Scope of Services.
- (ii) The Municipal Advisor shall deal fairly with all persons and shall not engage in any deceptive, dishonest, or unfair practice
- (iii) There are no legal or disciplinary events that are material to the Issuer's evaluation of the Municipal Advisor or the integrity of the Municipal Advisor's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC
- (iv) The Municipal Advisor has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC
- (v) As required by MSRB Rule G-42, this letter may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Municipal Advisor. The Municipal Advisor will provide the Issuer with any such supplement or amendment as it becomes available throughout the term of the Agreement.
- (vi) NW Capital Markets Inc. ("NW Capital"), an affiliate company of NW Financial Group, LLC, is a broker/dealer which from time to time underwrites municipal bonds for a variety of issuers. However, at this time, NW Capital does not have any pending transactions which would be conflicts of interest for the Issuer.

If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with your legal advisors, as applicable, to the extent you deem appropriate. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

We are required to seek your acknowledgement that you have received this letter. Accordingly, please sign and return the enclosed copy of the letter. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of November 2020.

NW Financial Group, LLC

By: 
Douglas Bacher
Principal

Acknowledged as of the date hereof:

MUNICIPALITY, NEW JERSEY

By: _____

Title: _____