



City of Grand Island

Tuesday, September 28, 2010

Council Session

Item G16

**#2010-266 - Approving Contract with Ameritas Investment Corp.
for Bond Underwriter**

Staff Contact: Mary Lou Brown

Council Agenda Memo

From: Mary Lou Brown, Finance Director

Meeting: September 28, 2010

Subject: Approving Contract with Ameritas Investment Corp. for Bond Underwriter

Item #'s: G-16

Presenter(s): Mary Lou Brown, Finance Director

Background

The current bond underwriter, Ameritas Investment Corp., has been serving the City of Grand Island since 1975. It was decided to issue a Request for Proposal (RFP) due to the length of time of service by the current underwriter and also to put in place a written contract.

Discussion

The request was for proposals from qualified firms interested in serving as the City's bond underwriter for fiscal years 2009/2010, 2010/2011 and 2011/2012. The selected underwriter is expected to underwrite and market any new bonds that are issued or reissued due to a refinancing.

The proposal review team consisted of Gary Mader, Utilities Director, Darren Buettner, Utilities Accountant and Mary Lou Brown, Finance Director. The proposals were evaluated against the following criteria: capacity of firm, qualifications and experience, fee structure and marketing plan.

Three of the five firms that submitted proposals were invited to make presentations to the team. The firms were then evaluated against the criteria. Based on the scoring of the firms against the criteria, it was determined that Ameritas continues to meet the needs of the City and a contract was prepared.

Following Council's approval of the contract with Ameritas, a review of potential refunding opportunities will be undertaken.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the contract with Ameritas for bond underwriting services.
2. Take no action.

Recommendation

City Administration recommends that the Council approve the contract with Ameritas Investment Corp. for bond underwriting services.

Sample Motion

Move to approve the contract with Ameritas Investment Corp for bond underwriting services with the City of Grand Island.

INVESTMENT BANKING AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2010, by and between the City of Grand Island, Nebraska (the "City") and Ameritas Investment Corp. ("Ameritas"), with reference to the following:

RECITALS

WHEREAS, the City plans to issue financings from time to time (hereinafter "Bonds") to finance projects or refinance outstanding bond issues;

WHEREAS, the City desires and is authorized by law to retain the services of Ameritas in connection with the issuance of the Bonds;

WHEREAS, Ameritas agrees to be retained by the City and to provide to the City the services described within our response to the City's Request for Proposals dated May 13, 2010 (the "Proposal"); and

WHEREAS, Ameritas agrees to act as investment banker, subject to the conditions set forth within said Proposal;

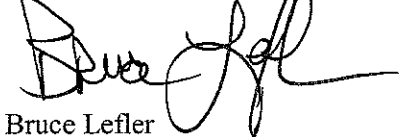
NOW therefore, for and in consideration of the mutual promises and fee structure contained in the Proposal, the parties agree to the items set out therein.

Nothing contained herein shall preclude Ameritas from carrying on its customary and usual business activities. Ameritas specifically reserve the right, but is not obligated, to bid for and maintain secondary markets on any of the City's outstanding bonds subject to appropriate information barriers. Services provided by Ameritas in connection with this Agreement shall not limit Ameritas from providing services for the City in conjunction with other services requested by the City except as limited by rule of law or regulation.

In connection with the services agreed to herein, it is understood that Ameritas will render professional services as an independent contractor. Neither Ameritas nor any of its agents or employees shall be deemed an employee of the City for any purpose.

Respectfully submitted,

AMERITAS INVESTMENT CORP.



Bruce Lefler
Senior Vice President



Bill B. Beavers
Senior Vice President

Accepted this _____ day of _____, 2010.

THE CITY OF GRAND ISLAND, NEBRASKA

City Clerk

Mayor



Dale Shotkoski, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
UNDERWRITER**

RFP DUE DATE: May 13, 2010 at 4:00 p.m.

DEPARTMENT: Finance

PUBLICATION DATE: April 15, 2010

NO. POTENTIAL BIDDERS: 6

SUMMARY OF PROPOSALS RECEIVED

D.A. Davidson & Co.
Omaha, NE

Ameritas Investment Corp
Omaha, NE

Smith Hayes Financial Services
Lincoln, NE

First National Capital Markets
Omaha, NE

RBC Capital Markets
Denver, CO

cc: Jeff Pederson, City Administrator
Dale Shotkoski, City Attorney

Mary Lou Brown, Finance Director

P1411

RESOLUTION 2010-266

WHEREAS, the City plans to issue financings from time to time (Bonds) to finance projects or refinance outstanding bond issues;

WHEREAS, the City desires and is authorized by law to retain the services of Ameritas in connection with the issuance of Bonds;

WHEREAS, Ameritas agrees to be retained by the City and to provide to the City the services described within their response to the City's Request for Proposals dated May 13, 2010 (Proposal);

WHEREAS, Ameritas agrees to act as investment banker, subject to the conditions set forth within said Proposal; and

WHEREAS, for and in consideration of the mutual promises and fee structure contained in the Proposal, the parties agree to the items set out therein;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that by affirmative vote by the City Council, Ameritas Investment Corp is retained as the City's bond underwriter.

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Adopted by the City Council of the City of Grand Island, Nebraska on September 28, 2010.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk