

Underwriting Services

Summary of Proposed Award

Presented to Finance Committee
December 2, 2014

Greater Cleveland Regional Transit Authority



Underwriting Services

- Syndicate will participate in the following for 5 years:
 - Long-term debt borrowings to support capital plan
 - Short-term debt borrowings for cash flow purposes (if necessary)
 - Possible refinancing of current debt
 - Other financial needs, as needed

Duties

- Assist with sizing structure
- Official statement preparation (Long term debt only)
- Assist rating agency presentation
- Price the transaction
- Actual sale of debt/underwriting

Projected Services

- Budgeted debt issuances
 - 2015 - \$25 million
 - 2017 - \$20 million
 - 2019 - \$25 million
- Possible Refundings

Types of Possible Debt

- Long term
 - Sales tax revenue bonds
 - General obligation bonds
- Short term
 - Revenue anticipation notes
 - Bank Loan

Procurement Overview

- RFP issued September 19, 2014
- Twelve firms responded
- Two firms selected
- DBE Goal: 0%

Procurement Overview

- Evaluation panel members:
 - Cash Management
 - Accounting
 - Office of Management and Budget
 - Engineering
 - Procurement

Procurement Overview

- Evaluation criteria:
 - Prior experience with similar transactions
 - Demonstrated understanding of the Authority's financial needs
 - Marketing plan/lowest cost of financing
 - Qualifications of personnel on account
 - Underwriter fees

Procurement Overview

- Recommended firms:
 - Huntington National Bank
 - Located in Cleveland, Ohio
 - PiperJaffray
 - Located in Westlake, Ohio

Procurement Overview

- Estimated cost for 5 year period is \$276,500 (paid from proceeds)
- Additional \$3.95 per bond for any refundings
- Staff requests that the Finance Committee recommend the underwriting syndicate of Huntington National Bank and PiperJaffray for a period of five (5) years.