

RESOLUTION NO. 29

SERIES 2016

**RESOLUTIONS OF THE CRESTED BUTTE TOWN COUNCIL AUTHORIZING THE TOWN MANAGER TO EXECUTE THE MUNICIPAL ADVISORS AGREEMENT WITH EHLERS & ASSOCIATES, INC. FOR EHLERS TO SERVE AS MUNICIPAL FINANCIAL ADVISOR REGARDING THE TOWN PURSUING A TAX BOND ISSUE FOR THE TOWN'S LAND TRANSFER EXCISE TAX (RETT) TO BE SUBMITTED TO THE ELECTORS AT THE GENERAL ELECTION ON NOVEMBER 8, 2016**

WHEREAS, the Town of Crested Butte, Colorado (the "Town") is a home rule municipal corporation, duly and regularly organized and now validly existing as a body corporate and politic under and by virtue of the Constitution and laws of the State of Colorado;

WHEREAS, on September 6, 2016, by Resolution No. 27, Series 2016, the Town Council resolved and determined that it is necessary to conduct a special election to be held on November 8, 2016, and to submit to the electors of the Town, at such election, the question of increasing debt for the purpose of preventing mining activity on Mt. Emmons;

WHEREAS, in connection with such proposed increase in debt, the Town Council resolved and determined that such debt may be evidenced by the issuance of bonds or other financial obligations payable from any legally available Town revenues;

WHEREAS, in order to pursue the question of increasing debt and evidencing such debt by the issuance of bonds or other financial obligations, the Town Council finds it necessary and appropriate, on recommendations from Town staff and the Town Attorney that the Town Council retain the services of municipal financial advisors in such transactions; and

WHEREAS, the Town Council has determined that engaging municipal financial advisors Ehlers & Associates, Inc. to perform municipal financial advisory services in connection with the proposed increase in debt which may be evidenced by the issuance of bonds or other financial obligations payable as contemplated in the question to be submitted to the electors of the Town at the special election to be held on November 8, 2016 is, for the reasons stated above, in the best interest of the health, safety and welfare of the Town, its residents and visitors.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT:

1. **Findings.** In addition to the findings set forth in the recitals set forth above, which such findings shall be deemed material terms hereof, the Town Council hereby finds that entering into the municipal advisors agreement with Ehlers & Associates, Inc. for Ehlers to serve as financial advisor to the Town in connection with the proposed increase in debt which may be

evidenced by the issuance of bonds or other financial obligations payable as contemplated in the question to be submitted to the electors of the Town at the special election to be held on November 8, 2016 is in the best interest of the health, safety and welfare of the Town, its residents and visitor, its residents and visitors.

2. **Approval; Authorization of Town Manager.** Based on the foregoing, the Town Council hereby approves the municipal advisors agreement with Ehlers & Associates, Inc. in substantially the same form as attached hereto as **Exhibit "A"**; and, the Town Manager is hereby authorized to execute such municipal advisors agreement in such form.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL THIS 19<sup>th</sup> DAY OF September, 2016.

TOWN OF CRESTED BUTTE, COLORADO

By: Glenn Michel  
Glenn Michel, Mayor

ATTEST

Lynelle Stanford  
Lynelle Stanford, Town Clerk

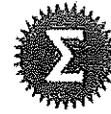
(SEAL)



**EXHIBIT "A"**

(Ehlers & Associates, Inc. municipal advisors agreement)

[attach municipal advisors agreement for signature here]



August 24, 2016

Lois Rozman  
Finance & Human Resource Director  
Town of Crested Butte  
PO Box 39  
Crested Butte, CO 81224  
970-349-5338

Re: Municipal Advisor Agreement

Dear Ms. Rozman:

Ehlers & Associates, Inc. ("Ehlers") appreciates the opportunity to provide municipal advisory services to the Town of Crested Butte (the "Town") relating to the financing of public improvements. This engagement is for a Tax Revenue bond issue in the approximate amount of \$3 million to be submitted for voter approval in November 2016. Matthew Dempsey will serve as the principal contact and representative of Ehlers for this engagement. Jim Harrington will assist Matthew as necessary and will be responsible for review and oversight of Ehlers' work. When providing advice, we are required to act in a fiduciary capacity, which includes a duty of loyalty and a duty of care. This means we are required to act solely in your best interest. The following outlines the scope of this engagement (collectively, the "Requested Services"):

Scope of Services.

*Initial Issuance Planning*

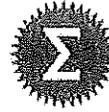
Prior to the authorization and issuance of debt, Ehlers will:

- Engage in discussions with the Town, as needed, to develop an understanding of the Project, the Town and the Town's objectives relating thereto;
- Identify feasible financing option(s) suitable for the Town;
- Structure possible financing option(s) and estimate the financial impact;
- Solicit input from the Town on financing option(s);
- Revise option(s) as directed by the Town;
- Develop a customized financing plan for the Town's preferred option(s).

*Authorization*

Working with the Town and the Town's Financing Team, Ehlers will provide information or input to assist the Town with meeting the legal Issuance requirements:

- Develop timeline of steps and actions required to meet legal and financing requirements related to the Issuance;
- Participate as requested in preparing materials and/or attending meetings for proceedings required to lawfully authorize the Issuance;
- Assist the Town in preparing information to explain the financing plan and the financial impact of the Issuance, as requested;



- Attend meetings to assist in explaining the financing plan and the impact of the proposed Issuance to elected officials and constituents, as requested.

### *Debt Issuance*

Ehlers will use its best efforts to execute the financing plan in accordance with Client's directives and will:

- Present a financing plan to the Town in the form of a Presale Report;
- Request current and necessary information from the Town, if the Issuance proceeds forward;
- Discuss with the Town its' post-issuance compliance obligations including continuing disclosure, record-keeping, arbitrage monitoring.

### *If Method of Sale is Competitive Sale:*

- Finalize Issuance details with the Town;
- Assist, as directed by the Town, with preparation of Client's official statement/offering document for review by the Town's Financing Team;
- Distribute the Town's official statement/offering document in accordance with Notice of Sale and/or the Town's direction;
- Assist the Town with credit rating(s) and/or credit enhancement(s), as necessary;
- Assist the Town when responding to questions regarding the Issuance;
- Coordinate competitive bids and all day of sale activities with Financing Team;
- Prepare and present a Sale Day report to the Town;

### *If Method of Sale is a Private Placement or a Negotiated Sale:*

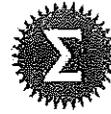
- Develop with Financing Team Issuance details and sale timeline;
- Assist, as directed by the Town, with preparation of the Town's official statement/offering document as determined after discussion with the Town and the Town's Financing Team, if required;
- Assist the Town with credit rating(s) and/or credit enhancement(s), as necessary;
- Prepare independent pricing analysis using comparable sales and/or other benchmark(s) (MMD, EMMA);
- After reviewing purchaser's proposal, independently verify calculations, and compare benchmark(s) against proposal;
- Review with the Town the purchaser's proposal;
- As directed by the Town, negotiate proposal on behalf of the Town with purchaser;
- Assist with sale and day of sale activities as determined after discussion with the Financing Team;
- Prepare and present a Sale Day report to the Town.

### *Post Issuance*

Ehlers shall:

- Prior to the closing of the Issuance closing, coordinate the closing including document development and distribution as well as coordinate transfer of funds, as required;





- Respond to Client questions relating to the Issuance;
- Monitor refunding opportunities on Client's behalf for all Client debt.

**Duration and Compensation:**

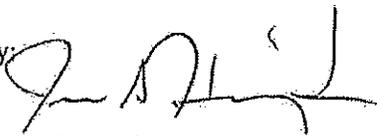
This engagement shall begin upon your written acceptance below and shall remain in effect until (i) consummation of all the Requested Services set forth above or (ii) terminated by either party upon giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination.

In consideration of providing the Requested Services, Ehlers fee for Municipal Advisory services is \$22,500. Such compensation is contingent on completion of the financing and is due and payable upon closing of the proposed bond transaction.

This letter agreement shall be governed by and construed in accordance with the laws of the State of Colorado applicable to agreements made and to be fully performed therein.

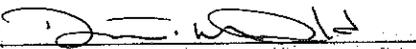
We look forward to working with you during this engagement. Please acknowledge acceptance of these terms by signing in the space provided below and returning a copy to me.

Sincerely,

By: 

James S. Harrington  
Senior Municipal Advisor  
Ehlers & Associates, Inc.

**Agreed and Accepted:**

By: 

Name: DARA MACDONALD

Title: Town MANAGER

Date: 9/20/2016