

CLEVELAND PUBLIC LIBRARY

Finance Committee

January 15, 2019

RESOLUTION TO ENGAGE BOND COUNSEL FOR ADVICE AND REPRESENTATION REGARDING ISSUANCE OF PLF NOTES

WHEREAS, On December 21, 2018, the Chief Legal Officer of the Cleveland Public Library sent out requests for proposals for Bond Counsel services to three (3) law firms with experience in providing bond counsel services to public sector entities, which included Squire Patton Boggs; Calfee, Halter & Griswold; and Bricker & Eckler; and

WHEREAS, On January 8, 2019, proposals from each of the three firms were received by the Library, and were vetted by the Chief Legal Officer and the Chief Financial Officer who also received the advice of the Library's financial advisor, Stifel, Nicolaus & Company; and

WHEREAS, The Chief Legal Officer and the Chief Financial Officer believe that Bricker & Eckler is the best suited to represent the Library's needs for the following reasons: 1) their extensive public finance practice and experience in providing bond counsel services for the issuance of bonds and notes for public libraries in Ohio; 2) their extensive network of relationships and connections with governmental entities, rating agencies, and their work with the Ohio Library Council; and 3) the reputation of the members of their public finance practice (Becky Princehorn Listed, *Best Lawyers in America* (Education Law; Public Finance Law), 2010–2019); and

WHEREAS, Bricker's fees for bond counsel services are as follows:

Issue Size	Fixed Not to Exceed Fee
\$50,000,000	\$70,000
\$75,000,000	\$100,000
\$100,000,000	\$130,000
\$150,000,000	\$155,000
\$75M +\$25M (as separate issues within the same year)	\$100,000 + \$35-45,000

Plus travel expenses and traditional reimbursements; and

EXHIBIT 6

WHEREAS, Although Bricker's fees were the second lowest of the three fee proposals, Bricker's experience in providing Bond Counsel services to public libraries in Ohio significantly exceeds the experience of the lowest proposer. Accordingly, the Library Administration recommends the selection of Bricker & Eckler for Bond Counsel services in 2019; now therefore be it

RESOLVED, That the Board authorizes the Executive Director, CEO or his designees, to negotiate and execute an agreement with Bricker & Eckler LLP for Bond Counsel services for 2019-2020 at the fees set forth in this Resolution and in the Proposal attached to this Resolution. The agreement will be subject to the approval of the Chief Legal Officer. Bond Counsel services fees shall be paid from the proceeds of the future note issuance at closing.



Bricker & Eckler LLP

Information prepared for Cleveland Public Library regarding Bond Counsel Services,
January 2019

Bricker & Eckler LLP ("Bricker") is pleased to submit information to the Cleveland Public Library ("CPL") regarding our bond counsel services. We currently represent CPL as one of the nine members of the Metro Libraries of Ohio. We have also been an associate member and supporter of Ohio Library Council for many years.

We are experienced and prepared to be immediately available to CPL if selected.

Public Sector Orientation

At Bricker, we are large enough to provide effective and sophisticated counsel across a wide variety of industries and areas of practice, while also delivering highly personalized service and access to our most experienced attorneys. As one of Ohio's leading law firms, we are comprised of nearly 150 lawyers spread across six offices located in Barnesville, Cincinnati, Cleveland, Columbus, Dayton and Marietta. Providing cutting edge legal services to public entities throughout Ohio is a key component of our firm's foundation.

Library Experience

We have extensive experience with large and small library systems across Ohio. Attached as Exhibit A is a list of library clients we have served in the past ten years. Services have included bond counsel, construction, employment and labor, education law, business and taxation law, real estate, government relations and litigation.

We employ a cross-disciplinary approach to client service. Aside from our legal work, the diversity of our collective library experience ensures that the services we provide are relevant and effective. Examples include:

Glenn Krassen	Former President, Shaker Heights Library Board
Rob McCarthy	Board Member, Friends of the Columbus Metropolitan Library
Nicole Donovsky	Board Member, Grandview Public Library Foundation

Greater Cleveland Representation

Bricker is deeply rooted in Northeast Ohio. Cleveland Managing Partner, Bill Mason, is the former Cuyahoga County Prosecuting Attorney. We currently provide or have recently provided legal services to the City of Cleveland, City of Lakewood, Village of Cuyahoga Heights, Village of Walton Hills, Ashtabula County and Cuyahoga County, among other local governmental entities. A more complete list of Greater Cleveland area public sector clients is attached as Exhibit B.

Bond Counsel Services

We understand CPL anticipates issuing Public Library Fund ("PLF") notes (the "PLF Notes") to finance a CPL-wide master plan to renovate or replace most of CPL's 27 branches. This would include one or more series of PLF Notes. CPL has ensured cash flow for debt service on the PLF Notes by renewing its 5.80 mill levy with a 2.00 mill increase for a continuing period. If chosen, we would work with CPL and its municipal advisor Stifel, Nicolaus & Company, Incorporated ("Stifel") to evaluate the legal considerations inherent in moving forward, such as:

1. Maximizing CPL's ability to issue the PLF Notes as tax-exempt obligations, including guidance regarding useful life, arbitrage and private use such as naming rights;
2. Enabling CPL to reimburse itself, if desired, from future issues of PLF Notes for monies advanced from its General or Building Fund;
3. Monitoring PLF state budget developments for the next biennium;
4. Advising on recent and additional amendments to RC 3375.404, the statutory authority for the PLF Notes;
5. Advising on a PLF intercept for debt service via the Cuyahoga County Auditor and Note Registrar and Paying Agent;
6. Post-issuance federal tax and securities law compliance, including continuing disclosure.

While CPL's circumstances are unique, Bricker and Stifel have worked through such considerations regularly in our representation of mutual library clients. Over several years, we worked together on Columbus Metropolitan Library's levy strategy and then issuance of its \$92,285,000 PLF Notes, doing a portion as taxable due to anticipated private use (naming rights) as a result of its contemporaneous community capital campaign. Bricker also represented the Lorain Public Library on Ohio's first public issuance of PLF Notes.

Bond Counsel Fees

Bond counsel services for the PLF Notes will be billed on a fixed fee basis upon consultation and negotiation with CPL. The fixed fee will be comprised of three factors: (1) the time and effort anticipated, depending on the proposed structure and method of sale; (2) the novelty or challenges the issue presents; and (3) the size of the issue. Typically, such a fee is paid at closing from premium generated from the sale of the PLF Notes as permitted under AOS Bulletin 2014-001. We customarily do not submit any statement until the closing unless there is a substantial delay in completing the financing.

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing; (ii) the duties we will undertake, including preparing the official statement; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we will assume; we estimate that our fee as bond counsel for CPL PLF Notes would be:¹

Issue Size	Fixed Not to Exceed Fee
\$50,000,000	\$70,000
\$75,000,000	\$100,000
\$100,000,000	\$130,000
\$150,000,000	\$155,000

The fee may vary: (i) if the principal amount of PLF Notes actually issued differs significantly from the amount stated above; (ii) if material changes in the structure of the financing or nature of work occur, such as a ratings trip to Chicago or New York City; or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimate, we will consult with you.

If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates for time actually spent, plus out-of-pocket expenses, such as travel costs², photocopying, deliveries, long distance telephone charges, filing fees, and other necessary office disbursements. We do not expect these to be significant.

The principal factors in determining our hourly fees will be the time and effort devoted to the matter and the hourly rates of the lawyers and assistants involved. We believe our hourly billing rates for attorneys and assistants are competitive with other major firms in the primary Ohio markets. Depending upon the special expertise and amount of experience involved, our institutional hourly rates are in the range of \$340 per hour on a blended basis, \$570 for our most experienced partners to \$255 per hour for our most junior lawyers. Our hourly rate for legal assistants is \$195 per hour. These hourly rates are subject to change from time to time without notice.

While there may be law firms that propose lower rates in a response to a request for bond counsel services, a rate comparison alone does not reflect the value of the services Bricker attorneys can provide. Our vast experience across a breadth of practice areas enables us to provide high quality services with efficiency that often means a lower total cost. CPL would reap the benefit of our interdisciplinary work for other libraries.

Bond Counsel Team

The Bricker CPL bond counsel team would include partners **Bill Mason, Becky Princehorn, Catherine Swartz and Rob McCarthy**, each briefly introduced below. Becky and Catherine would be primary contacts. As referenced

¹ *Please note, if securities are issued we do not separately charge you or the bond underwriter for our opinion, a tax opinion, the official statement or any other document, service, or out-of-pocket expense. The quotation is all-inclusive.*

² *Travel time and expenses, if any, for all team members would be calculated from our Cleveland office.*

above, we also rely on a large team of Bricker attorneys, each of whom has individual and collective skill in working with Ohio libraries.

Bill Mason (Cleveland)

Bill Mason focuses on assisting Bricker's public sector clients – including municipalities, counties, school districts and other governmental agencies. Bill specializes in resolving issues on behalf of public law clients through creative and innovative thinking and has assisted municipalities with economic development projects. Additionally, Bill continues to serve as Receiver and Receiver's Counsel in foreclosure and receivership actions. Bill served as Cuyahoga County Prosecuting Attorney from 1999 to 2012. Before taking office, he was the Law Director for the City of Parma in Northeast Ohio. He was previously an Assistant Prosecuting Attorney in the Cuyahoga County Prosecutor's Office. During his tenure as County Prosecutor, Bill served as President of the Ohio Prosecuting Attorneys Association.

Becky Princehorn (Columbus)

Becky Princehorn's practice emphasizes school and local government law. She served as bond counsel for the first publicly offered PLF Notes; the first Ohio income tax-backed school district bonds; the first school district in the Extreme Environmental Contamination Program of the Ohio School Facilities Commission; the first Ohio general obligation bond issue with a local government fund pledge; the first Ohio municipal general obligation bond issue for housing; and the first Ohio school district minibond issue. Becky has also structured collaborations between local governments, particularly those involving school districts, and gifts to local governments. Becky is a frequent lecturer on public finance for several organizations, including the Buckeye Association of School Administrators, Ohio School Boards Association, Ohio Library Council, Ohio Association of School Business Officials, Ohio Township Association, Ohio Association of Public Treasurers and Ohio Prosecuting Attorneys Association. She serves as Editor of *Baldwin's Ohio Practice, Local Government Law-Township*, published by Thomson/Reuters Publishing.

Catherine Swartz (Cleveland)

Catherine Swartz focuses her practice on bond counsel and underwriters' counsel in general obligation and revenue bond financings. Her clients include Ohio cities, counties, libraries, school districts and villages. She provides counsel to political subdivisions on issues related to tax levies, continuing disclosure filings, real estate, special assessments, public records, investment policies, sales and use tax, and ethics.

Rob McCarthy (Columbus)

Rob McCarthy represents governmental entities, nonprofit organizations and financial institutions in connection with public finance transactions. In addition, Rob has extensive experience working with public and private clients in establishing and managing economic development incentives and special purpose districts, including joint economic development districts and new community authorities. Rob provides general counsel representation with respect to various issues of public law, drawing upon his prior experience as a law clerk to Justice Yvette

McGee Brown on the Supreme Court of Ohio and as an assistant attorney general and legal advisor to Ohio Attorney General Richard Cordray.

Conflicts of Interest

Bricker represents many public entities, as well as businesses, corporations and individuals. We also represent numerous organizations and associations. At this time, we are unaware of any conflicts of interest with respect to our representation as bond counsel for CPL. We run two conflicts of interest checks daily and will supply prompt notification should a conflict arise. We will not undertake any work that would create an ethical conflict of interest with any existing client.



EXHIBIT A

Ohio Library Experience

Ada Public Library
Akron-Summit County Public Library
Auglaize County Public District Library
Barberton Public Library
Bellevue Public Library
Bexley Public Library
Bristol Public Library
Carnegie Public Library
Centerburg Public Library
Clark County Public Library
Cleveland Public Library
Columbus Metropolitan Library
Cuyahoga County Public Library
Dayton Metro Library
Defiance Public Library System
Delaware County District Library
Elyria Public Library
Euclid Public Library
Fairfield County District Library
Geauga County Public Library
Girard Free Library
Grandview Heights Public Library
Grandview Heights Public Library Foundation
Guernsey County District Public Library
Holmes County District Public Library
Hubbard Public Library
Huron County Community Library
Huron Public Library
Kinsman Free Public Library
Lakewood Public Library
Leetonia Community Public Library
Lima Public Library
London Public Library

Lorain Public Library
Louisville Public Library
Massillon Public Library
McKinley Memorial Library
Medina County District Library
Morley Library
Muskingum County Library System
Newton Falls Public Library
North Canton Public Library
Online Computer Library Center
Orrville Public Library
Pataskala Public Library
Pickerington Public Library
Public Library of Cincinnati & Hamilton County
Public Library of Mt. Vernon & Knox County
Public Library of Youngstown & Mahoning County
Reed Memorial Library
Ritter Public Library
Rocky River Public Library
Sandusky Library
Stark County District Library
Tiffin-Seneca Public Library
Tipp City Public Library
Toledo-Lucas County Public Library
Tuscarawas County Public Library
Twinsburg Public Library
Upper Arlington Public Library
Warren-Trumbull County Public Library
Westerville Public Library
Westlake Porter Public Library
Wickliffe Public Library
Wornstaff Memorial Public Library
Worthington Public Library
Wright Memorial Public Library



EXHIBIT B

Public Sector Representative Clients

Bricker & Eckler is one of the largest public law firms in the state of Ohio, representing more than 1,000 political subdivisions, including cities, counties, townships, school districts, libraries and port authorities. We have established ourselves as a “go-to” law firm for public sector law and have dozens of attorneys who focus their practice exclusively on public law matters. Our specific experience on behalf of public clients includes employment and labor, education law, finance, economic development, real estate, environmental, construction, litigation and tax.

A sample of Bricker & Eckler’s public sector clients in the Greater Cleveland area includes the following:

UNDERWRITER’S COUNSEL CLIENTS

- Brooklyn City School District³
- City of Bedford³
- City of Cleveland^{1, 4}
- City of Elyria³
- City of Euclid³
- Cleveland Heights-University Heights City³
- Cleveland Hopkins International Airport³
- Cleveland Port/American Greetings³
- Cleveland Port/City of Shaker Heights²
- Cloverleaf Local School District³
- Cuyahoga County Convention Center³
- Cuyahoga County Public Library³
- Euclid City School District³
- Fairview Park City School District³
- Hudson City School District³
- Keystone Local School District³
- Lakewood City School District³
- Mahoning County Career & Technical Center²
- Mayfield City School District³
- North Ridgeville City School District³
- North Royalton City School District³
- Norwood City School District³
- Revere Local School District³
- Rocky River City School District³
- Shaker Heights City School District³
- Willoughby-Eastlake City School District²

OTHER PUBLIC SECTOR CLIENTS

- Alliance City School District
- Archbold Area Local School District
- Ashland County/West Holmes Schools
- Ashtabula Area City School District
- Ashtabula County
- Auburn Joint Vocational School District
- Avon Lake City School District
- Avon Local School District
- Bellevue City School District
- Berkshire Local School District
- Black River Local School District
- Buckeye Local School District
- Canton Local School District
- Chippewa Local School District
- City of Aurora
- City of Bedford
- City of Canton
- City of Lakewood
- City of Louisville
- City of Mansfield
- Columbiana County
- East Liverpool City School District
- East Palestine City School District
- Edison Local School District
- EHOVE Joint Vocational School District
- Elyria Public Library

- Fairless Local School District
- Fairview Park City School District
- Field Local School District
- Geauga County Public Library
- Grand Valley Local School District
- Highland Local School District
- Hillsdale Local School District
- Huron City School District
- Jackson Local School District
- Jefferson Area Local School District
- Lake Local School District
- Lorain City School District
- Lorain County Joint Vocational School District
- Lorain Public Library
- Loudonville-Perrysville Exempted Village School District
- Marlinton Local School District
- Massillon City School District
- Medina City School District
- Medina County Career Center
- Midview Local School District
- Minerva Local School District
- Monroeville Local School District
- Newbury Local School District
- North Canton City School District
- North Ridgeville City School District
- Northwest Local School District
- Norwalk City School District
- Oberlin City School District
- Orrville City School District
- Osnauburg Local School District
- Perkins Local School District
- Perry Local School District
- Pettisville Local School District
- Pike-Delta-York Local School District
- Plain Local School District
- Pymatuning Valley Local School District
- Richmond Heights Local School District
- Rittman Exempted Village School District
- Rocky River City School District
- Salem City School District
- Sandy Valley Local School District
- Stark County Area Joint Vocational School District
- Stark County Educational Service Center
- Sugarcreek Township
- Tuslaw Local School District
- United Local School District
- Vermilion Local School District
- Village of Cuyahoga Heights
- Village of Delta
- Village of Versailles
- Village of Walton Hills
- Wadsworth City School District
- Wellsville Local School District
- Westfield Township
- Willard City School District
- Wooster City School District

¹ CitiGroup Global Markets

² PNC Capital Markets

³ Stifel, Nicolaus & Company

⁴ Merrill Lynch, Pierce, Fenner & Smith Inc.