

# 1. Fee Schedule

## Springsted's Financial Advisor Fee Schedule

Springsted's associated fees to serve as the City of La Crosse's financial advisor are described below. The fees for debt issuance are based on a per issue basis based on issue size. Other management consulting services, economic development, arbitrage rebate, continuing disclosure and investment service prices vary and are described further below.

### Section 1. General Obligation Debt (Bonds and Notes):

Issue Size	Fee
Up to \$1,000,000	\$7,500
\$1,000,001 - \$5,000,000	\$7,500 + \$2.00/\$1,000 above \$1,000,000
\$5,000,001 - \$10,000,000	\$15,500 + \$1.00/\$1,000 above \$5,000,000
\$10,000,001 - \$50,000,000	\$20,500 + \$0.85/\$1,000 above \$10,000,000
Over \$50,000,000	Fee to be negotiated

The foregoing schedule shall include Springsted's services from initiation through closing of a Debt Obligation. These fees include current refundings.

When more than one debt issue can be combined on the same Official Statement subsequent series will be charged at the rates above with a 20% discount per series applied after the first/largest series.

As an example of the multiple issue discount for series combined on the same Official Statement would be calculated as follows:

City was to issue \$5,000,000 in Series A Bonds and \$1,000,000 in Series B Notes, both tax-exempt General Obligations that were included on the same Official Statement the fees would be calculated as follows:

Series A \$5.0M GO Bonds	\$15,500
Series B \$1.0M GO Notes	\$ 7,500
Series B Multiple Issue Discount (20%)	<\$ 1,500>
<b>TOTAL Fee</b>	<b>\$21,500</b>

If Springsted performs other post-closing services relative to a Debt Obligation, it shall be compensated for such services at the hourly rates set out in **Section 4** below.

### Section 2. Non-General Obligation and Advance Refunding Debt, State and Federal Loan Fund Transactions:

Build America (and similar type or some new comparable type) bonds, non-general obligation such a revenue issues, tax increment issues, and advance refundings will have their fee calculated at 1.25 times the fees set out in **Section 1**. Fees for assisting with federal or state government loan fund transactions would be at 50% of the fee set out in **Section 1** above.

**Section 3. Expenses:**

The Client shall be responsible for issuance expenses including, without exclusion of other expenses: (i) publication of notices, (ii) legal fees, (iii) delivery and settlement, (iv) rating fees, (v) travel, (vi) overnight and messenger deliveries, (vii) other third party Debt Obligation related expenses and (viii) governmental and governmental agency fees and charges, and (ix) other similar direct out-of-pocket expenses. Springsted's expenses shall be capped at a maximum fee of \$1,500 per issue/series.

**Section 4. Schedule of Hourly Rates for Non-Debt Obligation Related Services:**

Should the City request and authorize additional work outside the scope of financial advisory services described in our proposal, we would invoice the City at our standard hourly fees plus actual out-of-pocket expenses including: copies, postage, special delivery, conference calls and travel. A mutually agreed upon work plan and cost estimate for such services will be agreed to between the City and Springsted prior to any additional work being performed.

Standard Hourly Fee Schedule	
Title	Rate
Principal & Senior Officer	\$220
Officer & Project Manager	\$190
Senior Associate	\$155
Associate	\$145
Support Staff	\$ 65

These hourly fees would apply to those non-direct Financial Advisor fees, including: (i) Housing and Economic Development services, such as economic development analysis, Tax Increment District plan creation, and developer review, (ii) Operational Finance services such as utility rate review and studies, revenue diversification studies, long-range fiscal modeling, and (iii) Organizational Management and Human Resources services such as strategic planning, classification and compensation studies, organizational management studies and executive searches.

Lead Contact	Position	Hourly Rate	Service to be Provided
Joseph Murray	Vice President	\$190	Financial Advisory Services and Project Coordination. Financial Advisory services shall be provided as part of the issue fees provided in Section 1 & 2.
Kathy Aho	President	\$220	Financial Advisory Services and Project Coordination. Financial Advisory services shall be provided as part of the issue fees provided in Section 1 & 2.

Lead Contact	Position	Hourly Rate	Service to be Provided
Chris Hogan	Assistant Vice President/Senior Project Manager	\$190	Financial Advisory services shall be provided as part of the issue fees provided in Section 1 & 2.
Grethe Biyadgign	Bond Services Analyst	\$155	Financial Advisory services shall be provided as part of the issue fees provided in Section 1 & 2.
Theresa Kraser	Vice President	\$190	Investment Advisory Services shall be charged as provided in Section 6.
Gerry Sorenson	Director of Bond Services	\$190	Continuing Disclosure Services shall be charged as provided in Section 8.
Shellie Ness	Vice President/Director of Debt Management	\$190	Arbitrage/Rebate Services shall be charged as provided in Section 9.
Mikaela Huot	Vice President	\$190	Economic Development consulting services shall be charged on an hourly or agreed to lump-sum basis.
Tony Schertler	Senior Vice President/Director of Housing & Economic Development	\$220	Economic Development consulting services shall be charged on an hourly or agreed to lump-sum basis.
Tom Denaway	Analyst	\$155	Economic Development consulting services shall be charged on an hourly or agreed to lump-sum basis.

**Section 5. Management Consulting Services – Including Financial Planning, Modeling, Housing and Economic Development and General Advisory Services:**

The hourly fees in **Section 4** fees would apply to:

- Housing and Economic Development services, such as economic development analysis, Tax Increment District plan creation, and developer review;
- Operational Finance services such as utility rate review and studies, revenue diversification studies, long-range fiscal modeling; and
- Organizational Management and Human Resources services such as strategic planning, classification and compensation studies, organizational management studies and executive searches.

Prior to commencing an assignment, Springsted and the City will agree on a work plan and a not-to-exceed fee for the completion of the work plan.

**Section 6. Investment Service:**

Investment advisory consulting services provided by Springsted Investment Advisors (SIA) shall be charged at the hourly rates set out in **Section 4**. Investments facilitated by SIA shall be compensated at initial investment amount x 0.05% x duration of the investment.

**Section 7. Integrated Financial/Capital Planning Model:**

Springsted's standard Wisconsin Integrated Operational/Capital Planning Model fee for the City of La Crosse (estimated population 51,600) would be \$10,000. If selected to remain as the City's financial advisor, and the City purchases the Model Springsted would provide a \$1,000 credit toward the City's first debt issue fee, thus lowering the Model's cost to \$9,000. There is no annual maintenance cost for the Model.

**Section 8. Continuing Disclosure:**

If the City wishes to use Springsted to perform continuing disclosure services, charges for continuing disclosure depend on annual issuance activity. The charges are as shown in the following fee schedule:

<b>Initial Fee</b>	\$ 250
(One time charge for a new client)	

<b>Annual Fee*</b>	
Annual Report preparation (a)	\$1,300
Each Outstanding Debt Obligation (\$200/outstanding issue)	<u>\$ 200</u>
	\$1,500

*Or*

Official Statement used as the Annual Report (b)	\$ 200
Each additional outstanding Debt Obligation (\$200/Issue)	

<b>Maximum Fee</b>	
Annual Report Preparation (a)	\$1,300
Each Outstanding Debt Obligation (\$200/issue up to a maximum of 10 issues)	<u>\$2,000</u>
	\$3,300

*Or*

Official Statement used as the Annual Report (b)	\$2,000
(\$200/issue up to a maximum of 10 issues)	

*(a) Springsted prepares an Annual Report, which is an update of certain sections of the original Official Statement.*

*(b) If Issuer issues debt which produces an Official Statement that can be used as the Annual Report for a particular type of Debt Obligation outstanding, there is no Annual Report Fee, just the \$200 fee for each of the Outstanding Debt Obligations.*

**Section 9. Arbitrage and Rebate Calculations:**

If the City wishes to use Springsted to perform Arbitrage and Rebate services, our charges are as follows:

Arbitrage calculations will be charged \$1,500 for the first year plus \$400 for each additional year in the computation period per computation. Example: If the client has calculations for an issue completed at years 2, 5 and 10, they would be billed three times.

1. 2-year calculation – \$1,900 (\$1,500 + \$400) completed at year 2
2. 3-year calculation – \$2,300 (\$1,500 + \$400 + \$400) completed at year 5
3. 5-year calculation – \$3,100 (\$1,500 + \$400 + \$400 + \$400 + \$400) completed at year ten

**Section 10. The Fees Set out Herein Shall be Effective for Five Years:**

From the effective date of being selected by the City's as its financial advisor. Anticipated contract expiration is August 31, 2018. Thereafter, Springsted's compensation shall be at the rates agreed upon by the City.

**Section 11. Other Fees:**

Springsted's financial advisor fees listed above do not include certain related costs of issuance that are customarily billed to the issuer by the service provider, including bond counsel, credit rating, credit enhancement, if applicable, fiscal agent/registrar, if applicable publication of notices/resolutions, etc.

**Section 12. Complimentary Services:**

Springsted's financial advisor services run the full gamut of services to help the City of La Crosse attain its financial goals. Many of these services are included as part of the obligation fee services noted above. Other, complimentary services provided by Springsted out-side of the debt issuance process include:

- Monitoring outstanding debt for refunding opportunities
- Monitoring capital markets
- Consulting on debt management and credit rating issues
- Consulting on financial management policies and issues
- On-site meetings with City staff to discuss City financial operations and conditions
- Short analytical evaluations for day-to-day inquiries from the City
- Informal consulting on Springsted other service groups, including Housing & Economic Development, Operational Finance, Organizational Management/Human Resources and Investments
- Regular communication on topical issues, including proposed legislation, capital markets, industry regulations, etc., including Springsted Market Updates, the Springsted Letter and other e-mail updates.etc.

Springsted seeks to be a trusted advisor of the City and an extension of its own staff. Our interest in the City is to help us gain a better understanding of the City and thus serve as a better advisor. We take great pride in our developing strong relationships and believe that a free flow of communication between not only Springsted and the City, but between the City and Springsted. This can be best achieved when the City knows that the "clock" and fees do NOT start every time we talk to the City.

**Section 13. Fee Adjustments:**

It is firm policy, should work on a financing be initiated by the City and then stopped prior to completion, we adjust our fees on the following basis:

- If an issue is sold but does not close due to an act or omission of the City, we charge the full amount
- If an issue is sold, but does not close for a reason beyond the City's control, we charge at 1/2 the scheduled rate
- If, at other times, work is halted and good faith efforts to move forward are pursued, but fail, we do not bill for that portion of the work completed to the point of project interruption
- If good faith efforts are not made, or alternate financing is undertaken which excludes Springsted's participation, then we reserve the right to charge the City for our time at an hourly rate basis for the work completed up to the point of interruption
- If an issue is initiated, but is stopped prior to completion due to an act(s) by Springsted, we will not bill the City any fee for the issue

**Section 14. Manner of Payment:**

Springsted shall bill its financial advisor obligation fees upon completion of the debt issuance. Other hourly rate projects shall be billed periodically. City payment within 30-days of proper billing is satisfactory.