

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: April 10, 2007        Consent        Regular  
      Ordinance        Public Hearing

Department: Office of Financial Management & Budget

I. EXECUTIVE BRIEF

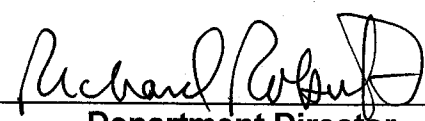
**Motion and Title:** Staff recommends the motion to approve the Procedures for the Selection and Rotation of Disclosure Counsel on future County bond issues.

**Summary:** Because of an increased emphasis on disclosure in official statements for the sale of County Bonds and requirements for continuing disclosure required by the Securities and Exchange Commission, County staff and the County's financial advisor are recommending the appointment of disclosure counsel for County bond issues. Disclosure Counsel will be responsible for the preparation of the County's official statement and other disclosure matters for initial bond issues and ongoing disclosure in the County's Comprehensive Annual Financial Report. We are recommending that the firms on the County's Bond Counsel Rotation List provide disclosure counsel services because of their familiarity with County bond issues and our ongoing disclosure requirements. The County's Underwriting Policies and Procedures will be amended to reflect that under normal circumstances the fee for Disclosure Counsel will not exceed 50% of the Bond Counsel fee for each bond issue. Countywide (PFK)

**Background and Justification:** Staff and the County's Financial Advisory surveyed many counties and municipalities concerning the use and selection of disclosure counsel, responsibilities and fees paid for services. The use of disclosure counsel is common and methods of selection included both direct appointment and requests for proposals. The fees paid to disclosure counsel range from 65% to 80% of the bond counsel fee for each bond issue. The County currently pays underwriters counsel 50% of the bond counsel fee to prepare the official statement for its bond issues. Underwriters counsel will now be paid a nominal fee for the preparation of the bond purchase agreement. The attached procedures detail the work and responsibilities for disclosure counsel. The rotation was established so that bond counsel and disclosure would not be duplicated on a bond issue.

**Attachments:**

- 1. Procedures for Selection and Rotation of Disclosure Counsel

Recommended by:  3/23/07  
Department Director Date

Approved By:  3/23/07  
County Administrator Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

<b>Fiscal Years</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	_____	_____	_____	_____	_____
<b>No. ADDITIONAL FTE POSITIONS (Cumulative)</b>	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Budget Account No.: Fund \_\_\_\_\_ Department \_\_\_\_\_ Unit \_\_\_\_\_  
 Object \_\_\_\_\_ Reporting Category \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

**C. Departmental Fiscal Review:**

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Dev. and Control Comments:**

John A. Long 3/23/07      N/A  
 OFMB      Contract Dev. and Control

**B. Legal Sufficiency:**

Paul E. [Signature] 3/23/07  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

**PALM BEACH COUNTY**  
**PROCEDURES FOR SELECTION AND ROTATION OF**  
**DISCLOSURE COUNSEL ON COUNTY BOND ISSUES**

**Bond Counsel Rotation**

Edwards & Angell  
Nabors Giblin  
Holland & Knight  
Greenberg Traurig  
Ruden McClosky  
Hogan & Hartson  
Bryant Miller & Olive

**Corresponding Disclosure Counsel**

Holland & Knight  
Bryant Miller & Olive  
Ruden McClosky  
Nabors Giblin  
Hogan & Hartson  
Edwards & Angell  
Greenberg Traurig

**Selection and Rotation** - Disclosure Counsels are paired with specific bond counsel and shall rotate with their corresponding Bond Counsel, in accordance with the Bond Counsel Rotation Policy. Bond Counsel and disclosure counsel will go to the bottom of the list after being assigned to a bond issue.

**Description of Work** - The service of disclosure counsel shall include, but not be limited to, the following: 1) Review all bond documents, 2) prepare the preliminary official statement and official statement for the sale of the County's bonds, advise and assist the County to assure the information contained in the official statement is accurate and complete in all material respects, and render to the County and the underwriters a 10b-5 opinion that there are no material omissions or misstatements, 3) prepare the County's continuing disclosure agreement required by Section 15c2-12 of the Securities Exchange Act of 1934, 4) advise on matters of material event disclosures and related matters regarding secondary market disclosure, 5) advise the County on changes in Federal and State legislation and regulatory matters involving disclosure matters applicable to the County, and 6) attend Commission and staff meetings when requested.

**Disclosure Counsel Fee** - Disclosure Counsel will receive 50% of bond counsel fee unless unusual circumstances warrant a higher or lower fee. Underwriter's counsel will be paid a nominal fee to prepare the bond purchase agreement and represent the underwriters.