Board of County Commissioners
Leon County, Florida

Policy No. 95-1

Title:	Selecting and Managing the Method of Sale of Local Government Bonds
Date Adopted:	February 28, 1995
Effective Date:	February 29, 1995
Reference:	N/A
Policy Superseded:	N/A

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1. The Board of County Commissioners of Leon County, Florida hereby adopts this policy governing the method of sale decision, if it has the ability to make the choice. This policy shall ensure that:

   a. the method-of-sale decision is based on an analysis of financial, market, transaction-specific and issuer-related factors;

   b. an evaluation of the most appropriate method of sale is conducted for each issue;

   c. this jurisdiction can defend its decision, irrespective of which method of sale it chooses.

2. Leon County shall use the competitive method of sale when conditions generally favoring that method of sale exist. In order to protect the public's interest and avoid concerns of allegations of impropriety in the selection or compensation of finance professionals, this jurisdiction should use the competitive method of sale when the following conditions exist:

   a. the issuer is familiar with the market;

   b. the issuer is a stable and regular borrower;

   c. there is an active secondary market for the issuer's bonds;

   d. the issue has a non-enhanced credit rating of A or above or can obtain a credit enhancement prior to the competitive sale;

   e. the debt is backed by a strong and stable revenue source (i.e. full faith and credit or well-known and stable revenue stream);

   f. the issue is neither too large nor too small;

   g. the issue or debt instrument is not viewed as complex, innovative or requiring explanation;

   h. interest rates are stable, market demand is strong, and the market is not saturated with comparable credits; and

   i. policy considerations, such as minority business enterprise (MBE) participation and regional firm participation, can be reasonably addressed through the Notice of Sale.

3. Specified practices shall be followed which ensure that negotiated sales are subject to a competitive and accountable process. In the event that a competitive sale is not feasible or practical based on an analysis of the above-mentioned factors, a negotiated sale may be appropriate. When negotiating a sale, however, the County should:

   a. ensure fairness in the selection of underwriter by considering multiple proposals;

   b. remain actively involved in each step of the negotiation and sale process;

   c. ensure that adequate municipal finance expertise is available, either from in-house staff or independent finance professionals;

   d. avoid conflicts of interest which may occur when the County's financial advisor also acts as its underwriter;

   e. request financing professionals to disclose firms and personnel engaged to promote their interests;

   f. request financing professionals to disclose joint proposals, joint accounts and fee-splitting arrangements, plans, parties and changes thereto; and

   g. require submission of review and monitor compliance with "agreement Among Underwriters."

4. If neither the straight competitive nor the negotiated sale fits the Board's needs, it may consider alternative approaches, which may include but are not limited to:

   a. combining the flexibility offered by negotiated sale and competition in the pricing offered by competitive sale by utilizing the legal framework of a negotiated sale but price the issue through solicitation of bids from interested underwriters; and

   b. minimize cost of engaging outside expertise by "unbunding" financial services - hiring a financial advisor or investment banker only for certain portions of the sale.