

**Indian River County  
Inter-Office Memorandum  
Office of Management and Budget**

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TO: Members of the Board of County Commissioners

DATE: December 10, 2018

SUBJECT: Municipal Advisory Agreement – Termination of FirstSouthwest and Request to Approve Agreement with Masterson Advisors LLC

FROM: Kristin Daniels - Director, Management & Budget

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**Description and Conditions**

On January 9, 2016, the Board of County Commissioners approved an agreement with FirstSouthwest to provide financial advisory services for the County. This agreement was for an initial term of five (5) years, with ten (10) one-year renewals. Per Section 6 of the agreement, if for any reason, personnel assigned is changed or replaced, the County has the right to immediately terminate the agreement. Because Managing Director Edward D. Stull, Jr. has moved from FirstSouthwest to Masterson Advisors LLC, it is requested that the current agreement with FirstSouthwest be terminated, and a new agreement with Masterson Advisors LLC be awarded. Edward D. Stull, Jr. has provided excellent service in the past including numerous debt issues. At this time, staff recommends that the Board of County Commissioners approve a new agreement with Masterson Advisors LLC. Like the prior agreement, the initial term would be five (5) years, with ten (10) one-year renewals.

**Funding**

The cost of services under the proposed agreement is unchanged from the prior agreement. Transaction fees under the agreement are shown in the table below. These costs are typically paid from the proceeds of the bond issue upon closing of the transaction. The contract also provides for additional services on an as-needed basis at an hourly rate. It should be noted that the County has not been charged these fees during the term of the prior agreement.

| <b>Debt Transaction Fee</b>      |               |   |
|----------------------------------|---------------|---|
| \$1.20 per \$1,000               | for the first | \$20,000,000 of debt instruments, plus        |
| \$0.75 per \$1,000               | for amounts   | greater than \$20,000,000 of debt instruments |
| Minimum \$15,000 per transaction |               |   |

**Recommendation**

Staff recommends that the Board of County Commissioners terminate the agreement with FirstSouthwest and approve the agreement with Masterson Advisors LLC.

**Attachment**

Municipal Advisory Agreement