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February 27, 2020

Ms. Wendy Mis, Clerk-Treasurer  
Town of Munster  
1005 Ridge Road  
Munster, IN 46321-1849

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Re: Continuing Disclosure Services

Dear Ms. Mis:

As you are aware, Baker Tilly Municipal Advisors, LLC (successor to H.J. Umbaugh & Associates, Certified Public Accountants, LLP) (the "Firm") currently serves as the Town of Munster's (the "Client") dissemination agent, handling required filings on the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access (EMMA) system for outstanding bonds (the "Bonds") which are subject to continuing disclosure requirements (the "Services").

Each year, the Firm confirms its engagement for continuing disclosure services. For 2020, the new engagement letter is attached. This engagement will cover the preparation of the annual reporting for the period ended December 31, 2019 (the "Annual Reporting") as well as other filings required under your continuing disclosure agreements, such as reportable events and audit filings. The Firm will provide these Services to the Client as well as any additional services set forth in Exhibit A and requested by the Client.

**Additionally, unless the Client provides written notification to the Firm that the Client will not require the Services within 30 days of receipt of this letter, the Firm will commence the work to provide the Services for the Annual Reporting.**

For issuers that issued bonds after February 27, 2019, new reportable event requirements will be in effect for these bonds. Please answer the additional Question C in Exhibit A-1.

Thank you for your prompt attention to this matter and for allowing us to be of service to you. Please do not hesitate to contact us with any questions.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC

By:   
Matthew R. Eckerle, Director

#### Accountants' Opinion

In performing our engagement, we will be relying on the accuracy and reliability of information provided by Client personnel. The services provided may include financial advisory services, consulting services, and accounting report services such as compilation, preparation, and agreed upon procedures reports. Please see Exhibit A. We will not audit, review, or examine the information. Please also note that our engagement cannot be relied on to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will report to you any evidence or information that comes to our attention during the performance of our procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

The procedures we perform in our engagement will be heavily influenced by the representations that we receive from Client personnel. Accordingly, false representations could cause material errors to go undetected. The Client, therefore, agrees to indemnify and hold us harmless for any liability and all reasonable costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material errors resulting from false representations made to us by any Client personnel and our failure to provide an acceptable level of service due to those false representations.

The responsibility for auditing the records of the Client rests with the Indiana State Board of Accounts and the work performed by the Firm shall not include an audit or review of the records or the expression of an opinion on financial data.

#### Client Responsibilities

It is understood that the Firm will serve in an advisory capacity with the Client. The Client is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge or experience to oversee the services we provide. The Client is responsible for evaluating adequacy and results of the services performed and accepting responsibility for such services. The Client is responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

#### Additional Services

Exhibit A sets forth the scope of the Services to be provided by the Firm. From time to time, additional services may be requested by the Client beyond the scope of Exhibit A. The Firm may provide these additional services and be paid at the Firm's customary fees and costs for such services. In the alternative, the Firm and the Client may complete a revised and supplemented Exhibit A to set forth the additional services (including revised fees and costs, as needed) to be provided. In either event, the terms and conditions of this letter shall remain in effect.

#### E-Verify Program

The Firm participates in the E-Verify program. For the purpose of this paragraph, the E-Verify program means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 (P.L. 104-208), Division C, Title IV, s.401(a), as amended, operated by the United States Department of Homeland Security or a successor work authorization program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work authorization status of newly hired employees under the Immigration Reform and Control Act of 1986 (P.L. 99-603). The Firm does not employ any "unauthorized aliens" as that term is defined in 8 U.S.C. 1324a(h)(3).

#### Mediation Provision

The Client and the Firm agree that if any dispute (other than our efforts to collect any outstanding invoice(s)) arises out of or relates to this engagement, or any prior engagement we may have performed for you, and if the dispute cannot be settled through informal negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures (or such other administrator or rules as the parties may mutually agree) before resorting to litigation. The parties agree to engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall take place in Indianapolis, Indiana, or such other location as the parties may mutually agree. If the parties are unable to mutually agree on the selection of a mediator, the mediator shall be determined in accordance with the American Arbitration Association's Commercial Mediation Procedures.

The results of any such mediation shall be binding only upon a written settlement agreement executed by each party to be bound. Each party shall bear its own costs and fees, including attorneys' fees and expenses, in connection with the mediation. The costs of the mediation, including without limitation the mediator's fees and expenses, shall be shared equally by the participating parties. Any ensuing litigation shall be initiated and maintained exclusively before any state or federal court having appropriate subject matter jurisdiction located in Indianapolis, Indiana.

#### Other Financial Industry Activities and Affiliations

Baker Tilly Investment Services, LLC ("BTIS") is registered as an investment adviser with the Securities and Exchange Commission ("SEC") under the Federal Investment Advisers Act of 1940. BTIS provides discretionary and non-discretionary investment management services to government and municipal entities. BTIS may provide advisory services to the clients of Baker Tilly.

Baker Tilly Virchow Krause, LLP ("BTVK") is an advisory, tax and assurance firm headquartered in Chicago, Illinois. Baker Tilly Virchow Krause, LLP and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTVK is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms in 47 territories, with 33,600 professionals.

Baker Tilly Capital, LLC ("BTC"), a wholly owned subsidiary of BTVK, is a limited purpose broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"). BTC provides merger & acquisition, capital sourcing and corporate finance advisory services. BTC may provide transaction advisory services to clients of Baker Tilly.

Baker Tilly Financial, LLC ("BTF"), a wholly owned subsidiary of BTVK, is a state-registered investment adviser that provides both discretionary and non-discretionary investment advice, investment and pension consulting and portfolio management services to individual and institutional clients. BTF may provide advisory services to the clients of Baker Tilly.

Baker Tilly has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

## EXHIBIT A

### Scope of Services

This Scope of Services relates to the Client's reporting requirements to comply with the Securities and Exchange Commission Rule 15c2-12 ("Rule") as set forth in the Continuing Disclosure Undertaking Agreement(s) ("CDU") executed for the bonds listed in Exhibit A-1 ("Bonds").

#### **Article I. PREPARATION AND FILING OF ANNUAL REPORTING**

The Firm will provide a list of the executed CDUs that it requires to complete its Services. **The Client agrees to provide the Firm with a copy of each CDU that has been executed for the Bonds, including any master and supplemental CDUs.**

##### **A. The Firm will:**

- Identify the Client's reporting obligations as contained in each CDU and Final Official Statement (FOS) for each of the Bonds;
  - Prepare any necessary operating data for the reporting period (CDAF);
  - Obtain annual unaudited financial report;
  - Send the CDAF to the Client for approval and execution of any necessary notices;
  - Provide to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System ("EMMA"), the annual information required under the respective CDU;
  - Provide the unaudited financial report and CDAF to other interested parties as required by the CDU or requested by the Client; and
  - If not filed at the time of the CDAF, file and provide to other interested parties audited financial statements or examination reports of the Client as prepared and examined by the Indiana State Board of Accounts, together with the opinion of such accountants and all notes thereto. (It is the Client's responsibility to provide the Firm with a copy of the Audit or Examination Report immediately upon receipt thereof to ensure that the filing occurs within the time requirements of the CDU).
- If not filed at the time of the unaudited financial report, file and provide to other interested parties the audited financial statements or examination reports of the Client as prepared and examined by the Indiana State Board of Accounts, together with the opinion of such accountants and all notes thereto. (It is the Client's responsibility to provide the Firm with a copy of the Audit or Examination Report immediately upon receipt thereof to ensure that the filing occurs within the time requirements of the CDU).

#### **Article II. ASSISTANCE FILING REPORTABLE EVENTS ON EMMA**

Upon notification of one of the events listed below (collectively, Reportable Events), the Firm will assist the Client with filing any Reportable Events. Most Reportable Events are required by the Rule to be filed within ten business days of the occurrence. To assist with the compliance and to remind the Client of Reportable Events, the Firm will send the Client a brief semi-annual survey. **However, Clients should notify the Firm as soon as possible should they believe a reportable event has or may have occurred to enable the Firm to file a timely notice on EMMA. It is the Client's sole responsibility to notify the Firm of the potential occurrence of a Reportable Event.**

1. Principal and interest payment delinquencies;
2. Non-payment related defaults; if material<sup>1</sup>;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 -TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to the rights of bondholders, if material<sup>1</sup>;

## **EXHIBIT A**

### **Scope of Services**

#### **Article V. RATING SURVEILLANCE SUPPORT (Upon Request)**

If applicable for rated outstanding bonds, the Firm will assist with compiling responses to rating agency requests for data and information during the rating surveillance process. The Firm will also participate on rating surveillance calls and provide additional support as needed.

#### **Article VI. OTHER POST ISSUANCE SERVICES (Upon Request)**

If requested, the Firm will provide to the Client other post issuance services including, but not limited to, consultation related to disclosure operating procedures, post issuance policies and procedures and debt management.

**EXHIBIT A-1**

C. If bonds were issued on or after February 27, 2019, new Reportable Events (#15 and #16 above) are now required to be disclosed if they occur. The incurrence of a material financial obligation (#15) must be filed on EMMA within 10 business days of being incurred. Examples of financial obligations are the following:

- Debt which is payable from a debt service fund
- Tax anticipation warrants
- Leases, that are vehicles to borrow (if you are not sure – please let us know, and send the lease agreement)
- Private placement or bank loans or notes
- Guarantees of debt
- Derivative instruments
- Energy savings contracts
- Bond anticipation notes
- SRF loans and USDA- Rural Development loans
- Common school fund loan

\*Note: A Financial Obligation is not reportable unless it is deemed material to the bond issued.

Please list below any financial obligations incurred since February 27, 2019 with the amount of the financial obligation and repayment period and the date of incurrence (if unsure, please include for discussion):

Financial Obligation (with Amount & Repayment Period)	Incurrence Date
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
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D. Please list below any other events that may be material and may have a significant effect on the security of the bonds.

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On behalf of Town of Munster, I certify the above information to be correct and complete.

**Town of Munster**

Dated: \_\_\_\_\_

By: \_\_\_\_\_

## Exhibit C

### Disclosure Statement of Municipal Advisor

#### **PART A – Disclosures of Conflicts of Interest**

MSRB Rule G-42 requires that municipal advisors provide to their clients' disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

**Material Conflicts of Interest** – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under this Agreement, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

**General Mitigations** – As general mitigations of the Firm's conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client's best interests without regard to the Firm's financial or other interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

- I. **Affiliate Conflict.** BTIS, an affiliate of the Firm (the "Affiliate"), has or is expected to provide certain advice to or on behalf of Client that is directly related to the Firm's activities within the Scope of Services under this Agreement. In particular, providing advice to Client regarding investment of bond proceeds. The Affiliate's business with Client could create an incentive for the Firm to recommend to Client a course of action designed to increase the level of Client's business activities with the Affiliate or to recommend against a course of action that would reduce or eliminate Client's business activities with the Affiliate. Furthermore, this potential conflict is mitigated by the fact that the Affiliate is subject to its own comprehensive regulatory regime as a registered investment adviser with the Securities and Exchange Commission under the federal Investment Advisers Act.
- II. **Compensation-Based Conflicts.** The fees due under this Agreement are in a fixed amount established at the outset of the Agreement. The amount is usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.
- III. **Other Municipal Advisor Relationships.** The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. This conflict of interest is mitigated by the general mitigations described above.