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R. Ray Kljajic, a Citi Fixture in Chicago, Moves On.

CHICAGO — Public finance banker R. Ray Kljajic, a staple of Chicago's municipal bond community, is leaving Citi after a 25-year career there.

Kljajic said he was "very pleased yet saddened" to announce his impending departure, according to an email obtained by The Bond Buyer.

The firm announced Kljajic's resignation internally on Tuesday in a memorandum distributed by Howard "Ward" Marsh, head of the broker-dealer's municipal securities division.

The email said Kljajic was leaving to pursue other areas of interest involving U.S. infrastructure investment and tax policy. That includes work with investment funds, sources said.

"There is no doubt Ray will pursue these activities with the same passion, hard work, creativity and professional dedication that he brought to his work for so long as a leading senior banker here at Citi," Marsh wrote. "Ray not only led the Midwest Region with distinction for many years, he has played key roles in several of Citi's more prominent convention center, hotel, P3 and urban Infrastructure partnership initiatives."

Marsh called Kljajic a "trusted confidant" for many of the firm's long-time clients and noted his contributions to the national dialogue on public-private partnerships, infrastructure investment and related tax policies.

Kljajic and Marsh did not return calls to further comment. The firm declined to comment.

Sources said it was Kljajic's choice to leave and he would be wrapping up work by the end of the month.

Citi finished off 2014 in the third slot among senior managers in the Midwest, credited by Thomson Reuters with leading \$1.3 billion of deals.

Kljajic started at Citi, then Smith Barney, in 1989.

He was a general government banker who built a specialty in transportation and then in asset privatization and public-private partnerships.

The firm worked on the financing for the winning bidder on the groundbreaking lease of the Chicago Skyway toll bridge in 2005 and served in the same role in the subsequent lease of the Indiana toll road.

In past conversations, Kljajic said highlights of his career included project financings at O'Hare International Airport including the International Terminal, McCormick Place Convention Center financings, including the groundbreaking convention center hotel financing.

Citi currently is working on a short-term loan financing for a new hotel at the convention center that

would eventually be rolled into long-term debt.

Kljajic, a Chicago native who grew up in nearby Gary, Indiana, previously worked at the former Drexel Burnham Lambert from 1988 to 1989.

He started his career at the former Continental Illinois National Bank and Trust as an analyst in 1978 and worked his way up to banking until his departure in 1987.

It was in 1984 while Kljajic was at Continental that he brought a short-term financing idea to Walter Knorr, then comptroller for the administration of Chicago Mayor Harold Washington.

Knorr, who went on to serve as chief financial officer to former Mayor Richard Daley, remembered calling Kljajic a "fine prospect" when asked by the Smith Barney team before the firm hired him.

Knorr, now chief financial officer for the University of Illinois, said he came to rely on Kljajic and the Citi team on transportation financing while at the city.

"You could tell Ray knew his stuff" from the beginning, Knorr said.

"Ray has just the right balance of understanding the financing needs of an issuer and the salesmanship of a banker. Some bankers come in with the product du jour. Ray brought in what an issuer needs," Knorr said.

Kljajic recruited Knorr as he eyed a private sector job. Knorr joined the Citi team in 2002 to serve as a co-head of the Midwest group with Kljajic.

Illinois' former debt manager John Sinsheimer, who recently resigned, praised Kljajic as a client's banker.

"He always had the client's interests foremost in mind and worked hard to get the best deal for the client," Sinsheimer said.

During periods of his tenure at Citi, Kljajic led the firm's Midwest group or served as a co-head.

More recently he had shifted his focus to the firm's infrastructure finance and P3 group.

Thomas Coomes had been leading the Midwest public finance banking region until the summer of 2014 when Samantha Costanzo, previously of Jefferies, was hired. Coomes and Costanzo serve as co-heads of the region.

Sources said Kljajic had butted heads with Costanzo, who had previously worked for the firm and was cut during a round of layoffs in 2008.

Sources also said Kljajic had long been eyeing other opportunities more focused in the infrastructure field and felt with some recent top-level public finance changes it was good time to make the leap.

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