

RESOLUTION 11-22

A RESOLUTION TO SELECT A FINANCIAL ADVISOR FOR THE CITY OF SPRING HILL AND AUTHORIZE AGREEMENT FOR FINANCIAL SERVICES

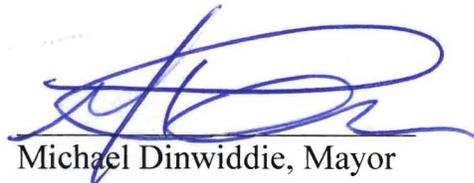
WHEREAS, the City of Spring Hill is in need of a Financial Advisor; and

WHEREAS, the City of Spring Hill advertised and accepted Requests for Qualifications (RFQ) on September 13, 2010; and

WHEREAS, the Budget and Finance Advisory Committee interviewed firms answering the RFQ; and

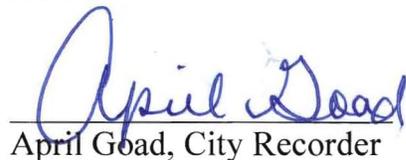
NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill selects Public Financial Management (PFM), Memphis, TN, to serve as the City of Spring Hill Financial Advisor on an hourly basis or on a fixed quarterly arrangement, as described in Engagement Agreement and as approved by City Attorney. (Recommended by staff and Budget and Finance Advisory Committee on February 22, 2011.)

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 22nd day of February, 2011.



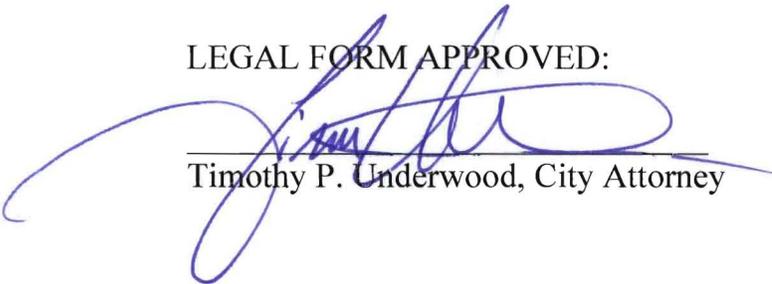
Michael Dinwiddie, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Timothy P. Underwood, City Attorney

PUBLIC FINANCIAL MANAGEMENT, INC.

AGREEMENT FOR FINANCIAL ADVISORY SERVICES

This agreement, made and entered into this ___ day of _____, 2011, by and between the City of Spring Hill, Tennessee ("Client") and Public Financial Management, Inc., (hereinafter called the "Financial Advisor" or "PFM") sets forth the terms and conditions under which the Financial Advisor shall provide services.

WHEREAS, Client is desirous of obtaining the services of a financial advisor to develop and assist in implementing Client's strategies to meet its current and long-term operations and capital financing needs and render assistance in respect to debt transactions; and

WHEREAS, PFM is generally knowledgeable of accounting and legal requirements applicable to Tennessee counties and qualified on best management practices for local governments and it is the expectation that PFM's services are to be reflective of their knowledge and qualifications. A brief description of PFM's relevant experience to this Scope of Services has been included as Appendix C.

NOW, THEREFORE, in consideration of the above mentioned premises and intending to be legally bound hereby, Client and PFM agree as follows:

I. SCOPE OF SERVICES

PFM shall provide, upon request of the Client services related to financial planning and policy development and services related to debt issuance, examples of which, not intended to be exclusive, are set forth in Appendix A to this Agreement.

II. WORK SCHEDULE

The services of the Financial Advisor are to commence as soon as practicable after the execution of this Agreement and a request by the Client for such service.

Services which are not related to a particular transaction shall be completed as agreed between the Client and the Financial Advisor.

III. FINANCIAL ADVISORY COMPENSATION

For the services described, PFM's professional fees and expenses shall be paid as follows:

1. For services related to general financial planning, policy development and financial analysis, PFM shall receive a quarterly retainer of \$4,000 effective as of the date of this Contract. For special projects requested of the client, a budget will be developed prior to the start of the project work, based upon the standard hourly rates identified below. Services will be billed no more frequently than quarterly.

Experience Level Hourly Rate

Managing Director	\$300.00
Senior Managing Consultant	\$250.00
Consultant	\$200.00
Associate	\$150.00

2. For services related to debt transactions as detailed in Appendix A.2, PFM will be compensated on a per bond fee basis based upon the following table:

<u>Issue Amount</u>	<u>Fee Per \$1,000</u>
First \$5 million	\$2.50 per thousand
Next \$5 million	\$1.75 per thousand
Next \$15 million	\$1.25 per thousand
Next \$25 million	\$1.00 per thousand
Over \$50 million	\$0.75 per thousand

For services rendered with respect to any revenue or advance refunding financings, the above fees shall increase by 25%. The minimum compensation for financial advisory work related to any single series debt transaction shall be \$20,000.00 with a maximum of \$85,000.00.

3. For fees as to Special Services described in Appendix A, PFM shall negotiate in advance a not-to-exceed amount and other mutually agreeable terms.

Reimbursable Expenses

In addition to fees for services, PFM will be reimbursed for necessary, reasonable, and documented out-of-pocket expenses incurred, including travel, meals, lodging telephone, mail, and other ordinary cost and any actual extraordinary cost for graphics, printing, data processing and computer time which are incurred by PFM. Appropriate documentation will be provided.

IV. TERMS AND TERMINATION

This agreement shall remain in effect unless canceled in writing by either party upon thirty (30) days written notice to the other party.

V. NON-ASSIGNABILITY

PFM shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the Client.

VI. INFORMATION TO BE FURNISHED TO THE FINANCIAL ADVISOR

All information, data, reports, and records in the possession of the Client necessary for carrying out the work to be performed under this Agreement shall be furnished to the Financial Advisor and the Client shall cooperate with the Financial Advisor in all reasonable ways.

VII. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to-wit:

City of Spring Hill, TN
199 Town Center Parkway
P. O. Box 789
Spring Hill, TN 37174

PUBLIC FINANCIAL MANAGEMENT, INC.
Two Logan Square
18th & Arch Streets
Suite 1600
Philadelphia, PA 19103-2770
Attention: Chief Executive Officer

PUBLIC FINANCIAL MANAGEMENT, INC.
530 Oak Court Drive
Suite 160
Memphis, TN 38117
Attention: Lisa Daniel

VIII. TITLE TRANSFER

All materials prepared by PFM pursuant exclusively to this Agreement shall be the property of the Client. Upon termination of this Agreement, Financial Advisor shall deliver to the Client copies of any and all material pertaining to this Agreement.

IX. FINANCIAL ADVISOR'S REPRESENTATIVES

The primary team assigned to complete the Scope of Services for the Client has been identified in Appendix B. The primary team will be supported by other PFM staff members and specialists as needed. The Client has the right for any reason to request PFM to replace any member of the advisory staff. Should the Client make such a request, PFM shall promptly suggest a substitute for approval by the Client.

X. INDEPENDENT CONTRACTOR

The Financial Advisor, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint ventures of Client by virtue of this Agreement or any actions or services rendered under this Agreement.

XI. ENTIRE AGREEMENT

This Agreement represents the entire agreement between Client and PFM and may not be amended or modified except in writing signed by both parties.

XII. CONFLICTS OF INTEREST

PFM represents and warrants that PFM has no actual or potential conflicts of interest in providing services to the Client under this Contract. If a real or perceived conflict of interest should arise, PFM will immediately inform the Client and take agreed-upon action to resolve.

XIII. TERMINATION OF CONTRACT

Either party may terminate this Agreement with thirty (30) days written notice at any time without cause. Work will cease and no additional hours will be charged upon notice of termination.

IN WITNESS THEREOF, the Client and Financial Advisory have executed this Agreement as of the day and year herein above written.

ATTEST: City of Spring Hill, TN

By: _____
(Witness) Name, Title

DATE: _____

ATTEST: PUBLIC FINANCIAL MANAGEMENT, INC.

BY: _____
(Witness) Lisa Daniel, Managing Director

DATE: _____

Appendix A

1. Services related to general Financial Planning and Policy Development upon request of the Client:

- Assist the Client in the formulation of Financial and Debt Policies and Administrative Procedures.
- Review current debt structure, identifying strengths and weaknesses of structure so that future debt issues can be designed to maximize ability to finance future capital needs. This will include, but not be limited to, reviewing existing debt for the possibility of refunding that debt to provide the Client with savings.
- Analyze future debt capacity to determine the Client's ability to raise future debt capital.
- Assist the Client in the development of the Client's Capital Improvement program by identifying sources of capital funding for infrastructure needs.
- Assist the Client with the development of the Client's Financial Plan by assessing capital needs, identifying potential revenue sources, analyze financing alternatives such as pay-as-you-go, lease/purchasing, short-term vs. long-term financings, assessments, user fees, impact fees, developer contributions, public/private projects, and grants and provide analysis of each alternative as required as to the budgetary and financial impact.
- Review the reports of accountants, independent engineers and other project feasibility consultants to ensure that such studies adequately address technical, economic, and financial risk factors affecting the marketability of any proposed revenue debt issues; provide bond market assumptions necessary for financial projections included in these studies; attend all relevant working sessions regarding the preparations, review and completion of such independent studies; and provide written comments and recommendations regarding assumptions, analytic methods, and conclusions contained therein.
- Manage and maintain computer models for long-term capital planning which provide for inputs regarding levels of ad valorem and non-ad valorem taxation, growth rates by operating revenue and expenditure item, timing, magnitude and cost of debt issuance, and project operating and capital balances, selected operating and debt ratios and other financial performance measures as may be determined by the Client. *Initial development of such models may be considered a Special Project.*
- Provide debt services schedules reflecting varying interest rates, issue sizes, and maturity structures as these are needed for feasibility consultants or for related Client fiscal planning; and
- Attend meetings with Client's staff, consultants and other professionals and the Client.
- Review underwriter's proposals and submit a written analysis of same to the Client.
- Undertake any and all other financial planning and policy development assignments made by the Client regarding bond and other financings, and

financial policy including budget, tax, cash management issues and related fiscal policy and programs.

- Assist the Client in preparing financial presentations for public hearings and/ or referendums.
- Provide special financial services as requested by the Client.

2. Services Related to Debt Transactions (Includes short term financings, notes, loans, letters of credit, line of credit and bonds). Upon the request of the Client:

- Analyze financial and economic factors to determine if the issuance of bonds is appropriate.
- Develop a financing plan in concert with Client's staff which would include recommendations as to the timing and number of series of bonds to be issued.
- Assist the Client by recommending the best method of sale, either as a negotiated sale, private placement or a public sale. In a public sale, make recommendation as to the determination of the best bid. In the event of a negotiated sale, assist in the solicitation, review and evaluation of any investment banking proposals, and provide advice and information necessary to aid in such selection.
- Advise as to the various financing alternatives available to the Client.
- Develop alternatives related to debt transaction including evaluation of revenues available, maturity schedule and cash flow requirements.
- Evaluate benefits of bond insurance and/or security insurance for debt reserve fund.
- If appropriate, develop credit rating presentation and coordinate with the Client the overall presentation to rating agencies.
- Assist the Client in the procurement of other services relating to debt issuance such as printing, paying agent, registrar, etc.
- Identify key bond covenant features and advise as to the financial consequences of provisions to be included in bond resolutions regarding security, creation of reserve funds, flow of funds, redemption provisions, additional parity debt tests, etc.; review and comment on successive drafts of bond resolutions.
- Review the requirements and submit analysis to bond insurers, rating agencies and other professionals as they pertain to the Client's obligation.
- Assist the Client and Bond/Underwriter's Counsel in the review of the offering documents related to publically offered debt issuance.
- Review the terms, conditions and structure of any proposed debt offering undertaken by the Client and provide suggestions, modifications and enhancements where appropriate and necessary to reflect the constraints or current financial policy and fiscal capability.
- Coordinate with Client's staff and other advisors as respects the furnishing of data for offering documents, it being specifically understood that Financial Advisor is not responsible for the inclusion or omission of any material in published offering documents.

- Provide regular updates of tax-exempt bond market conditions and advise the Client as to the most advantageous timing for issuing its debt.
- Advise the Client on the condition of the bond market at the time of sale, including volume, timing considerations, competing offerings, and general economic considerations.
- Assist and advise the Client in negotiations with investment banking groups regarding fees, pricing of the bonds and final terms of any security offering, and make in writing definitive recommendations regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions.
- Arrange for the closing of the transaction including, but not limited, to bond printing, signing and final delivery of the bonds.

If the transaction is competitive, the services of the financial advisor will be modified to reflect that process.

3. Special Services. Upon request of the Client:

PFM may provide other services which shall include, but not be limited to, the following:

1. Impact fee financial analysis
2. Grantsmanship
3. Rate analysis
4. Management analysis
5. Referendum assistance
6. Legislative initiatives
7. Project assessment analysis
8. Implementation of revenue enhancement programs
9. Financial analysis of projects being developed by engineer/ architect studies
10. Negotiate on behalf of the Client for proposed projects
11. Services for acquisition of Private Utility

Appendix B – Primary Team (Resumes)

Lisa Daniel, Managing Director and Engagement Manager: joined PFM in 1999 and is responsible for the Financial Advisory business managed from the Memphis office. Ms. Daniel advises a mix of cities, counties, states and authorities including Shelby County, TN, the Metropolitan Government of Louisville-Jefferson County, KY, the State of Tennessee, and the Metropolitan Nashville Airport Authority. Ms. Daniel provides these clients with a broad range of financial advisory services including identifying potential financing alternatives for various projects, preparing debt capacity analyses, evaluating debt restructuring opportunities, coordinating rating agency relations, and executing debt transactions. Ms. Daniel has been instrumental to the successful execution of several complex transactions including those issued by the Memphis-Shelby County Sports Authority (Fed-Ex Forum) and Memphis-Shelby County Airport Authority.

Ms. Daniel also serves as the Director of PFM's State Pool Program and State Revolving Fund sectors. Lisa serves as the primary project manager for Kansas Development Finance Authority, New York State Environmental Facilities Corporation and Iowa Finance Authority. For these clients alone, she has orchestrated the issuance of over 75 bond issues representing over \$5.5 billion to finance Clean Water and Drinking Water needs. To further support these programs, she has supervised the development of customized transaction management models, including those designed to assess program capacity, measure default tolerance levels and design optimal capital financing structures. Her vast knowledge of program intricacies and the specific regulations governing tax exempt financings evolved from nine years spent with Ernst & Young's bond verification and arbitrage rebate practices.

Prior to joining PFM, Ms. Daniel served as the Manager of the Arbitrage Rebate and Verification Group of Ernst and Young LLP, where she worked for nine years. Ms. Daniel graduated with a BA in Economics and Business Administration from Rhodes College in Memphis, Tennessee, and is a Certified Public Accountant (inactive).

Lauren Lowe, Senior Managing Consultant and Project Manager: joined PFM in September 2004 as a Consultant in the Fort Myers, Florida office. Throughout her time in Florida, Lauren provided technical and analytical support for a variety of clients including cities, counties, utility districts and airports. While working in Fort Myers, Ms. Lowe was involved in debt structuring of over \$1.1 billion in bond issues and over \$51 million in bank loans and lines of credit. Her experience includes Airport Revenues, Gas Taxes, Water, Sewer and Solid Waste System Revenues, Infrastructure Sales Surtax, General Obligation and Capital Revenue Transactions. Ms. Lowe maintained complex Cash Flow Models (Transportation-Toll Facilities) and Capital Improvement Plans. Other analyses completed by Ms. Lowe include Pricing, Debt Capacity and Refunding (Current, Advance and Forward). Ms. Lowe provided primary analytical support on all competitive and negotiated sales for the Fort Myers office.

In August 2007, Ms. Lowe joined the Memphis office. Lauren continues to provide analytical analysis as well as transaction management on debt transactions and structuring, strategic planning, pricing and cash flow analysis to Memphis clients. While working in Memphis, Lauren has contributed to the successful completion of over \$2.6 billion in debt structuring. Ms. Lowe has experience managing project administration for State, City, County, Airport, Public Power and Utility System clients. Lauren currently serves as the project manager to the City of Germantown, TN; City of Franklin, TN; City of Chattanooga, TN and the State of Tennessee.

Ms. Lowe graduated from Mississippi State University where she received a Bachelor of Science degree in Business Administration with a major in Finance.

Ryan Childs, Consultant and Analytical and Quantitative Support: Ryan Childs joined Public Financial Management, Inc. as a Consultant in June 2006. Ryan works as a part of the Memphis office with a variety of municipal clients. He presently works with senior staff on structuring, sizing, and pricing debt transactions, financial modeling, capacity and cash flow analyses. Mr. Childs has worked with clients across the municipal spectrum including states, cities, airports, universities, and water and sewer districts.

Ryan previously worked as part of the PFM Pricing Group, which provides pricing resources and negotiation support for PFM's clients nationwide, continually monitoring and analyzing the municipal market to offer PFM's clients reliable and accurate market information. Ryan advised PFM's client on market conditions, bond pricing and negotiations. He has assisted PFM clients with hundreds of transactions totaling since joining the PFM in 2006.

Mr. Childs is a graduate of Rhodes College, where he received a Bachelor of Arts in International Business Administration with a minor in Computer Science. Ryan is a Level 2 candidate in the Chartered Financial Analyst program.

Joshua McCoy, Consultant and Analytical and Quantitative Support: joined Public Financial Management, Inc. as a Consultant in July 2008. After completing the comprehensive training program in Philadelphia, he returned to the Memphis office to assist with a variety of clients in the Southeast.

Mr. McCoy's present duties include working with a variety of municipal clients, including the State of Tennessee, the City of Germantown, and the City of Franklin, including various other and local governments and state revolving funds, on structuring, sizing and pricing new money and refunding municipal bond issues. Mr. McCoy also provides assistance in assessing issuer's outstanding debt and performing analyses of refunding opportunities as well as cash flow modeling, debt capacity and funding analyses.

Mr. McCoy has supported senior staff on over \$1.9 billion in debt transactions, financial planning, refunding and financial modeling. His transaction experience encompasses a full range of issuance types including taxable, tax-exempt, competitive and negotiated sales as well as an array of refunding and debt restructuring issues.

Mr. McCoy is a graduate of Rhodes College, where he received a Bachelor of Arts degree in Economics and Business. Mr. McCoy is a Level 1 candidate in the Chartered Financial Analyst program.

Valesa S. J. Wells, a Senior Managing Consultant in the Memphis office, has been employed with PFM since 1995. Ms. Wells is currently involved in PFM's Strategic Consulting practice which focuses on multi-year planning and budgetary and operations reviews for cities and counties. Ms. Wells is currently providing project management support for PFM's multi-year project to implement Budgeting for Outcomes and other initiatives to improve financial and management and performance measurement systems in the City of New Orleans, LA. She is also currently working with the State of Tennessee to identify current practices and policies regarding and recommend best practices for managing and budgeting for contingency funds related to capital and maintenance projects that could generate cost savings or other efficiencies.

Prior to joining PFM's Strategic Consulting practice, Ms. Wells' client service included quantitative and technical analysis, including sizing, structuring, marketing and pricing for both competitive and negotiated bond transactions; preparation of disclosure documents; preparation of debt management and fund balance policies; working with clients to develop comprehensive credit presentations which demonstrate the client's historical financial performance relative to

industry benchmarks, management practices, and development of long-term strategies for capital investment and debt management.

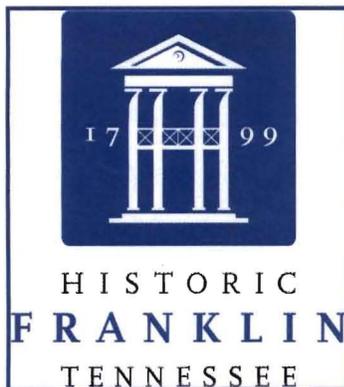
Ms. Wells' financial advisory experience has included serving the City of Memphis, TN; Shelby County, TN., the Town of Collierville, TN; the Metropolitan Government of Nashville and Davidson County, TN; the City of Bartlett, TN; the City of Chattanooga, TN; Hamilton County, TN; the City of Knoxville, TN; and the Metro Government of Louisville/Jefferson County, KY.

Ms. Wells' received a Bachelor of Arts (Cum Laude) in Professional and Technical Writing from the University of Memphis and is currently pursuing an MBA in Finance from the University of Memphis.

Appendix C – Relevant Experience

As an independent financial advisory firm, PFM operates completely independent of the underwriting of municipal securities by banks and securities dealers. It is important to keep in mind that underwriter trading desks generally provide accurate information, assuming that the right questions are asked, but underwriters have to meet the goals of two clients: the issuer and the investor. PFM's only role is a fiduciary responsibility to meet the goal of its sole client, the issuer.

Therefore, our independent perspective on the market means that the County will receive our unbiased advice as to matters relating to the County's existing debt profile and future opportunities to raise capital. For example, PFM will assist the County to identify the method of sale that has the greatest chance of minimizing borrowing costs within acceptable transaction parameters, whether it is competitive or negotiated. The effective pricing of bond issues and related costs of issuance is a hallmark of PFM. We supply unbiased market information to facilitate successful outcomes on transactions. The following two case studies demonstrate value in which we have brought to our Tennessee clients' issuances.



City of Franklin, Tennessee

PFM was hired in February 2009 to serve as the financial advisor to the **City of Franklin, Tennessee (“the City”)**. PFM assisted the City to develop a Reserve Fund Balance Policy and a Debt Management Policy that have been accepted and approved by the Finance Committee and adopted by the Board of Mayor and Alderman. Once policy guidelines were in place, PFM developed a Capacity Analysis Model to assist the Capital Improvement Committee and the Board of Mayor and Alderman in capital improvement funding decisions. This Capacity Analysis Model is used to stress test revenues and expenditures and to identify various funding scenarios given a broad set of variables to determine debt affordability and aid in capital budgeting decisions. As the City's Financial Advisor we have evaluated the existing debt portfolio in the context of their existing policies, goals and objectives and are working with senior administration to develop a long-range debt strategy. This includes an analysis of the use of variable rate and fixed rate debt and the appropriate levels of each as well as an evaluation of any risks associated with existing debt as it relates to third parties. In the past year and a half, we have become a valued member of the City's team and look forward to using our experiences with Franklin to better serve other cities within Tennessee.



City of Murfreesboro, Tennessee

In May of 2009, PFM was hired to assist the **City of Murfreesboro, Tennessee (the “City”)** to refinance of a portion of the City's, as well as their Water and Sewer System and the Electric Systems, troubled variable rate loans. Due to third party liquidity providers being downgraded, the City witnessed an increase in interest rates related to some of its variable rate loans. Historically, the City and its departments have enjoyed the low cost of borrowing associated with a 100% variable rate debt profile, however as liquidity provider contracts have become scarce and more expensive, the City found it uneconomical and risky to restructure the troubled loans with a variable rate refinancing. As part of our engagement with the City, PFM has provided educational support on risk assessment and municipal fixed rate

bond mechanics and provided the new City Administration with financial advice related to fixed rate bond issuances. Based upon our advice the City is now moving forward with a fixed rate refinancing to restructure its troubled variable rate loans and to diversify its current debt portfolio to include a greater percentage of fixed rate debt. In addition to the refinancing of a portion of the City's variable rate loans, PFM identified a current refunding for the Electric System which is projected to produce a present value savings of 5.89% or slightly over \$22,000 in annual debt service relief.

In addition to providing financial advice related to fixed rate bond issuance PFM also assisted the City with developing a strategic rating presentation to be presented to the rating analysts. Prior to our engagement, the City only had an issuer rating through Moody's. Because in the post-insured market investors are more focused on issuer credit ratings, PFM recommended that the City precede with a secondary rating from Standard & Poor's in order to attract more investors to the City's credit. As a result of our analysis, preparation and assistance related to the development of a clear rating presentation, the City's "A1" credit rating was affirmed by Moody's and Standard & Poor's assigned the City a rating of "AA-".

References

We have provided the following references to the County that can speak to PFM's knowledge and expertise as a partner and financial advisor.

<p>City of Bartlett, TN Mark Brown CAO/CFO P.O. Box 341148 Bartlett, Tennessee 38134 901.385.1060</p>	<p>City of Franklin, TN Russell Truell Assistant City Administrator/CFO City Hall 109 3rd Avenue South Franklin, TN 37064 615.791.1457</p>	<p>State of Tennessee Mary-Margaret Collier Director of State and Local Finance 1600 James K Polk State Office Building Nashville, TN 37243 615.747.5370</p>
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REQUEST FOR QUALIFICATIONS

for

FINANCIAL SERVICES

for

CITY OF SPRING HILL, TENNESSEE

AUGUST 30, 2010

Introduction

Purpose

This Request for Qualifications (RFQ) is to solicit proposals from qualified companies to act as the financial advisor to Spring Hill, Tennessee (the "City"). During the late fourth quarter, 2010, or early first quarter, 2011, the City projects it will issue debt of approximately Eighteen Million Dollars (\$18,000,000) for capital improvement purposes in its expansion of the Wastewater Plant. The City anticipates securing a loan of Ten Million (\$10,000,000) from the State Revolving Loan Fund. The remaining balance is estimated to be Eight Million (\$8,000,000). The debt shall be issued under the provision of Title 9 or Title 12 of the Tennessee Code Annotated. It is anticipated that the debt will be a tax-exempt, fixed rate bond issue or some other appropriate fixed rate type as recommended by the financial advisor.

Proposal Submittal

Sealed proposals (Two (2) copies) will be accepted by the Finance Director no later than 2:00 P.M. on Sep 13, 2010 at the office of Mr. James H. Smith, Finance Director & Assistant City Administrator, Spring Hill City Hall, 199 Town Center Parkway, P.O. Box 789, Spring Hill, Tennessee, 37174. All proposals must be submitted in accordance with the conditions and instructions provided herein.

Schedule

RFQ released - Aug 30, 2010.

Deadline for proposal submittal - Sep 13, 2010.

This schedule is intended as a guideline for the timing of various events in this effort. Management requirements and other factors may cause certain of these dates to vary from original intentions. **In no event will the deadline for proposal submittal be changed.**

GENERAL CONDITIONS

Conformity with RFQ

All proposals must conform to the requirements presented in this RFQ. Proposals not in conformity may be rejected. Exceptions to any requirement must be clearly noted in the company's response.

Advisor Agreement

Upon award of this project, the parties will enter into a mutually acceptable written contract. All terms and conditions contained in this RFQ, together with the company's materials submitted in response, shall become a part of the contract. All contracts between the parties shall be governed by and enforced in accordance with the laws of the State of Tennessee. The company shall furnish a sample form of the agreement proposed by his/her firm.

Licenses

The company and the individuals providing financial advice to the City shall have and maintain all required licenses necessary for it to conduct business in the State of Tennessee.

Right to Reject Proposals

The City reserves the right to reject any or all proposals, to waive technicalities or informality and to accept any proposal deemed to be in the best interest of the City. The City reserves the right to seek additional or new proposals and to waive informalities and minor inequities in proposals received.

Rights to Submitted Material

All proposals, responses, inquiries, or correspondence relating to or in reference to this RFQ, and all reports, charts, displays, schedules, exhibits, and other documents provided by companies will become the property of the City when received. The company understands that all documents submitted will become public record.

Additional Information

All inquiries or requests for additional information relative to this RFQ should be directed to Mr. James H. Smith, Finance Director & Assistant City Administrator. His telephone number is (931) 486-2252. X 245.

COMPANY INFORMATION

A major consideration in awarding a contract is the experience and services the firm is able to provide, and the company personnel who will be handling the proposed debt issue. The following information must be supplied by each company:

General Company Information

Please furnish the following:

1. Brief History of Your Company
2. Date Incorporated

3. Total Assets & Stockholder Equity Capital
4. Location of office(s) in the State of Tennessee
5. Municipal Bond services offered

Recent Bond Issues

Please furnish a list of at least five (5) recent fixed rate municipal bonds issued that were at least \$2,000,000 in size for cities in Tennessee for which your company served as advisor and/or underwriter during the last twelve months, listing for each issue the name of issuer, date, amount, purpose, contact person, address, and telephone number.

Advisor Representative Resumes

Please furnish a brief resume of each of the key personnel who will be directly responsible for working with the appropriate official(s) of the City on this project. The individual resumes should include:

- Underwriting, Financial Advisory and Investment Banking Experience
- Each individual's securities registration status with the appropriate state and federal authorities.

SCOPE OF SERVICES – BOND ISSUE

Each company is required to submit a statement outlining the scope of services that the company proposes to provide. The following items should be addressed for companies submitting proposals for the issuance of tax-exempt bonds:

Marketing/Oversight and Sales of Bond Issue

The financial advisor shall provide assistance and guidance to the City throughout the process of debt issuance, including but not limited to the following services:

- Assist in the solicitation of an underwriter(s).
- Assist in the receipt and opening of bids relative to bond sales.
- Bond Counsel – It is the intention of the City to use nationally or regionally recognized bond counsel. Please indicate the law firm or firms that your company will use on this bond issue. The financial advisor will maintain correspondence with the bond counsel and regulatory officials and assist bond counsel in preparation of all financial documents and assist in the preparation and printing of necessary offering documents (i.e. preliminary and final official statements, official notices of sale, bid forms, and other market documents).
- Secure a printer of bonds.
- Arrange for assignment of CUSIP numbers.
- Arrange for interim financing/credit supplements when needed.
- Assist in the solicitation of bids for appointment of a trustee and/or paying agent and registrar.
- Coordinate the proper registration of the bonds.
- Set a schedule/calendar for financing and issuance with bond counsel.

- Arrange for closing and transfer of proceeds on the day of closing. The closing must be conducted in Tennessee.
- Responsible for preparation of all City resolutions in accordance with applicable law.
- Advertise pending offerings in appropriate national financial press publications and assure distribution of offering documents to a comprehensive list of potential bond purchasers/investors.
- Coordinate all activities related to the bond issue with the State of Tennessee, Director of Local Finance.
- Make prudent recommendations as to the size of bond issue, amortization schedules, and reduction and control of debt per capita.
- Conduct market timing analysis as actual date of closing draws near.

ISSUANCE COSTS – BOND ISSUE

The following information is required for companies submitting proposals for the issuance of the City's fixed rate debt:

Issuance Costs

Each company must complete all items on the attached Cost of Issuance form, **Exhibit I**. The proposal submitted shall include all expenses the City will be responsible for in connection with the debt issuance. **Any expenses that the company has not listed on Exhibit I in response to this RFQ will not be paid by the City**, with the sole exception of any legal fees charged by the City Attorney. The costs and expenses detailed below shall in no way limit the company's obligation to disclose all other costs that may not have been mentioned.

SELECTION PROCESS

The selection of a company by the City will involve both objective and subjective elements. The process to be used to make this selection is outlined below:

Request for Qualifications (RFQ)

This RFQ is intended to provide interested companies with uniform information concerning the City's requirements, and to result in uniform responses for comparison purposes. In responding to this RFQ, companies must adhere to the required format and use the required forms.

PROPOSAL FORMAT (REQUIRED)

Proposals should be written in a concise, straightforward and forthright manner, and superficial marketing statement and material should be avoided. Proposals should be organized in the following manner, using forms contained in the exhibits where appropriate:

Bonds Proposal Format

1. Statement of company credentials, history and experience in handling municipal bond issues to include tax-exempt and taxable, such as Build America Bonds
2. Two years of company's most recent Audited Financial Statements
3. Representative resumes including state securities licenses and registration
4. At least Five (5) recent Tennessee city fixed rate bond issues during last 12 months
5. Scope of services provided
6. Cost of issuance **Exhibit I**

EXHIBIT I

COST OF ISSUANCE

The following costs are proposed as an estimated maximum cost for the issuance of bonds:

	Firm's Proposal for <u>Cost of Issuance</u>
FINANCIAL ADVISOR COST	\$ _____
LEGAL EXPENSES:	
1. Bond Counsel Cost	_____
2. Bond Closing Cost	_____
BOND REGISTRAR & PAYING AGENT COST AS FOLLOWS:	
1. Closing Cost	_____
2. Annual Fee	_____
OTHER SERVICES, FEES, AND EXPENSES AS FOLLOWS:	
1. Printing Cost	_____
2. Advertising Cost	_____
3. Cost of obtaining a Moody's or S&P rating	_____
4. Bond insurance	_____
5. Underwriter's Discount	_____
6. All other Fees, Services and Expenses	_____
TOTAL ESTIMATED MAXIMUM COST TO THE CITY FOR ISSUING BONDS	\$ _____

Having read and considered the Requests for Qualifications (RFQ) from Spring Hill, Tennessee, we hereby submit the following proposal for the City's consideration.

Any deviations from the Request for Qualifications are clearly explained in this attached information.

Firm

Signed

Address

Typed Name

Address

Date

County, State, Zip