



## WM Financial Strategies

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11710 ADMINISTRATION DRIVE  
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March 16, 2018

**RE: Village of Glen Carbon, Illinois  
Request for Proposals for Underwriter for  
Approximately \$8,000,000  
General Obligation Bonds (Alternate Revenue Source), Series 2018**

In connection with the above referenced Bonds, WM Financial Strategies is serving as municipal advisor to the Village of Glen Carbon, Illinois (the "Village") and Chapman and Cutler LLP, Chicago, Illinois is serving as Bond Counsel. In its capacity as a registered municipal advisor, WM Financial Strategies, on behalf of the Village, is seeking proposals from at least three reasonably competitive market participants to underwrite the Bonds.

A draft of the preliminary official statement is available electronically at [www.wmfinancialstrategies.com](http://www.wmfinancialstrategies.com).

Written proposals will be accepted until 12:00 p.m., Central Time, on April 4 by email to the Village's municipal advisor at [Jhoward@wmfinancialstrategies.com](mailto:Jhoward@wmfinancialstrategies.com) and to the Village's Director of Finance, Scott Borrer at [SBorrer@glen-carbon.il.us](mailto:SBorrer@glen-carbon.il.us).

Proposals must include responses to items 1 through 10 set forth below:

1. Underwriting Discount or Fees. Indicate your proposed underwriting discount (as a percentage of the par amount).
2. Interest Rates. Using the maturity schedule shown in the Preliminary Official Statement, provide a listing, by year, of the interest rates and yields you would assign if the issue had been sold on March 29. (Interest rates may not exceed 4%.) If the rates are **not** based on par pricing, include the yield and reoffering price for each maturity based on an issue date of May 10 which is the anticipated date of closing.

**Proposals should include justification of the yields set forth in the proposal based on either indexing or comparables as described below.**

a) *Proposals Without Rate Indexing*. Provide samples for comparable issues your firm has recently priced. The samples (not more than 4) should include the name of the issue, principal amounts per maturity, interest rates, yields and reoffering prices. In addition, include the relationship of the yields to the AAA MMD (if possible) at the time of pricing and describe in detail how the pricing for the samples compares to the yields described for the Village's transaction. Describe in detail the process you will use for establishing the final rates.

b) *Proposals With Rate Indexing*. If rate indexing is included as part of your proposal the index must be based on yields to maturity and the following information must be provided:

1. A detailed description of the index method to be used including the name of the published index to be utilized, the relationship between the **yields to maturity** in the proposal and the yields in the published index, and the expiration date of your indexing offer.
2. The date that will be used as the sale date for purposes of indexing. (Acceptable dates include, for example, (1) the date the Village executes the Bond Purchase Agreement, (2) a date prior to the sale and agreed upon prior to such date by the underwriter and the financial advisor, (3) a set date that is a specified number of days prior to the sale.)
3. A copy of the published rate table against which rates will be indexed must be included in your proposal. If the index uses a one-day lag, the index used on March 29 should reflect March 28 rates.
4. The conditions under which the index will not apply such as the suspension of trading on the New York Stock Exchange.

If your index permits the final rates to be higher than the ratio of the proposal rates to the published rate index (such as a volatility or rounding factor) this will be taken into account in analyzing the proposal.

Rate indexing, if utilized, is intended to provide an upper limit on interest rates. It is understood that if the firm selected utilizes rate indexing, best efforts will be used to offer the Bonds at rates lower than the index. In addition, it is understood that most indexes reflect a one-day lag in rates that may make marketing difficult in a volatile rate environment. Accordingly, on the date of sale, WM Financial Strategies will permit an upward variance of up to 10 basis points to the rate index.

3. Costs of Issuance and Underwriter's Counsel. The Village intends to pay costs of issuance including paying agent fees, rating fees, Village Attorney fees, Bond Counsel fees, CUSIP fees, and municipal advisor fees. Any other expenses, including the fees of Underwriter's Counsel, if any, shall be the responsibility of the underwriter selected. If you intend to employ an underwriter's counsel, please provide the name and address of the firm.

4. Terms of the Bonds. Specify your proposed redemption provisions that would provide the lowest possible yields to maturity and as reflected in your response to 2. above. In addition, indicate the shortest redemption date you would be willing to provide (e.g. five years) and the impact it would have on the yields to maturity.

5. Local Sales. The Village has a strong desire to have a portion of the Bonds reserved for local sales to individual investors. Please indicate whether your firm is willing to allocate Bonds for a local sale. If so, describe the process by which your firm will allocate Bonds for a local sale including the amount and time limit under which the allocation would be made and any impact it would have on the yields you have described in 2. above.

6. Issue Price. Indicate whether you anticipate providing a certification regarding reoffering prices on the Bonds on the date of sale (e.g. with 10% of each maturity sold at the initial offering price and holding the price for 5 business days for any maturity with less than 10% sold) or your alternative for establishing issue price.

7. Underwriting Agreement. The firm selected shall be responsible for providing the form of the Bond Purchase Agreement and such Agreement will be provided to the municipal advisor, Bond Counsel and the Village for review, within three business days following the selection of the proposed underwriter. The Village plans to execute the Bond Purchase Agreement and the Bond documents on

April 24. Other than such terms and conditions as set forth herein, indicate any further internal approvals you will require as a condition to entering into a Bond Purchase Agreement (e.g. credit approval by commitment committee).

8. MSRB's Rule G-17. Provide your firm's Rule G-17 disclosures to be signed by the Mayor on behalf of the Board of Trustees.

9. Good Faith Deposit. Indicate your firm's willingness to provide a 2% good faith deposit (a cashier's check, certified check or wired funds) prior to 2:00 p.m. on the day your underwriting agreement is adopted by the Village.

10. Personnel. Provide the name and phone number for the person who will serve as the Village's contact.

The Village anticipates selecting an underwriter based on the written proposals received, however, in the event that the Village elects to interview one or more firms, such interviews will be held by telephone on April 5.

The Village reserves the right to reject any and all proposals. The Village may waive any variations which are considered to be in the best interest of the Village. The Village will take all matters included in the request for proposals into account in determining the best proposal and will select the firm it deems to have the best proposal, not necessarily the lowest price. In the event the Village elects to terminate the financing prior to execution of a Bond Purchase Agreement the Village will have no obligation to any firm submitting a proposal.

If you have any questions regarding this issue or the request for proposals, please contact the undersigned.

Sincerely,

Joy A. Howard  
Principal