



WM Financial Strategies

11710 ADMINISTRATION DRIVE
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June 9, 2017

**RE: City of Olivette, Missouri
Request for Proposals to Serve as Underwriter
Approximately \$1,385,000
Neighborhood Improvement District Bonds
(North Price Road Improvement District Project)**

WM Financial Strategies, as municipal advisor to the City of Olivette, Missouri (the “City”) is seeking proposals from at least three reasonably competitive market participants for the underwriting of approximately \$1,385,000 Neighborhood Improvement District, (North Price Road Improvement District Project), Limited General Obligation Bonds, Series 2017 (the “Bonds”).

A draft of the preliminary official statement is available electronically at www.wmfinancialstrategies.com.

Proposals will be accepted until 12:00 p.m., Central Time, on June 23. One copy should be sent to the City’s municipal advisor at Jhoward@wmfinancialstrategies.com and one copy should be sent to Darren Mann, the City’s Director of Finance at dmann@olivettemo.com.

Proposals must include responses to items 1 through 9 set forth below:

1. Underwriting Discount. 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 you would assign if the issue had been sold on June 20. If the rates are **not** based on par pricing, include the yield and reoffering price for each maturity based on an issue date of July 25 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 City’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 City executes the purchase contract, (2) a date prior to the sale and agreed upon prior to such date by the underwriter and the municipal 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 June 20 should reflect June 19 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 City intends to pay costs of issuance including paying agent, City Attorney fees, Bond Counsel fees, CUSIP fees, State of Missouri registration fees, rating fees, and municipal advisor fees. (Official statements will be provided in Portable Document Format only.) 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. Redemption of Provisions. Specify your proposed redemption provisions.

5. Underwriting or Purchase Agreement. The firm selected shall provide the municipal advisor, Bond Counsel and the City comments to the draft documents and underwriting agreement, to be prepared by Bond Counsel, within three business days following the selection of the proposed underwriter. The City plans to execute the agreement and Bond documents on July 11. Other than such terms and conditions as set forth herein, indicate any further internal approvals you will require as a condition to entering into an underwriting or purchase agreement (e.g. credit approval by commitment committee).

6. Issue Price. Describe whether the new Internal Revenue Service Rules will impact any of the terms of your proposal. Indicate whether you anticipate providing a certification regarding reoffering prices on the Bonds on the date of sale (with 10% of each maturity sold at the initial offering price or you are agreeing to hold the price for 5 business days).

7. MSRB's Rule G-17. Provide your firm's Rule G-17 disclosures to be signed by the Mayor on behalf of the City Council.

8. Good Faith Deposit. Indicate your firm's willingness to provide a 2% good faith deposit (a cashier's check, certified check or wired funds) on the day your underwriting agreement is adopted by the City.

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

The City anticipates selecting an underwriter based on the written proposals received, however, in the event that the City elects to interview one or more firms, such interviews will be held by telephone in the afternoon on June 23.

The City reserves the right to reject any and all proposals. The City may waive any variations which are considered to be in the best interest of the City. The City 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 City elects to terminate the financing prior to execution of an underwriting or purchase agreement the City 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