

## East Goshen Township RFP for Underwriting Services for Municipal Bonds

Date: October 24, 2016

### Background:

East Goshen Township (“the Township”), Chester County, Pennsylvania (population 18,026) is accepting proposals for underwriting services from qualified firms to provide financing for an anticipated \$5.5 million general obligation bond sale in 2017. The Township is committed to responsible fiscal stewardship of its tax dollars, as evidenced by a AAA bond rating from Kroll Bond Rating Agency for the East Goshen Municipal Authority’s 2013 general obligation guaranteed debt.

The purpose of the bonds is to finance four capital projects that the Township plans to undertake within the next three years:

- The constructions of a 2.7 mile pedestrian-bike trail along Paoli Pike from Airport Road to Line Road, as outlined in the Paoli Pike Feasibility Study and Master Plan adopted by the Township Board of Supervisors on January 4, 2016 and available on our website under <https://eastgoshen.org/boards/trail-committee/documents>.
- The upgrades and improvements outlined in the Park Master Plan adopted by the Township Board of Supervisors on March 1, 2016 and available on our website under <https://eastgoshen.org/boards/park-recreation-commission>.
- The partial breach of the Milltown Dam, as outlined in an engineer’s report dated March 2016 and as agreed to by the Township Board of Supervisors on June 28, 2016. A copy of the engineer’s report can be found on our website under <https://eastgoshen.org/about-us/milltown-dam>.
- The full breach of the Hershey’s Mill Dam, as outlined in an engineer’s report dated May 13, 2016 and as agreed to by the Township Board of Supervisors on June 28, 2016. A copy of the engineer’s letter is available on our website under <https://eastgoshen.org/about-us/hershey-mill-dam/general-information>.

In addition, the Board of Supervisors has recently hired a land planner to work with two volunteer committees to develop plans for landscaping improvements above both dams to be undertaken after the two dams are breached, with these improvements paid either in full or in part from the bond proceeds.

The total anticipated cost of the four projects is \$9.66 million. The Township has received grant awards totaling \$2.89 million for the Trail and has several additional pending grant applications for both the Trail and the Park improvements.

Historically, the Township has issued debt over 20 years with level debt service, although the Township may be interested in other repayment terms as well, including different repayment periods and wrap-around debt service structures.

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**Required Information:**

To be considered, your proposal must, at a minimum, address the following six items:

1. A proposed amortization schedule (or schedules) for \$5.5 million in general obligation bonds issued at par using the prevailing yield as of November 1, 2016, for AA and AAA-rated municipal bonds over 20 years with level debt services payments, as well as any other structures or terms that the respondent thinks may be beneficial for the Township to consider.
2. A discussion of your firm's ability to offer a portion of the bond sale to retail investors and recommendation about the feasibility of doing so under the current market conditions.
3. A detailed breakdown of the costs set by your firm. These costs should be a best and final offer. Fees incidental to borrowing, but not set or negotiated by your firm, including bond counsel fees, credit rating agency fees and CUSIP fees, do not need to be listed.
4. List of representatives of your firm who would be assigned to the Township's bond sale, including job titles, responsibilities, years of relevant experience, and a brief biography with reference, if applicable, to experience as underwriter for other Chester County, PA municipal clients.
5. List of at least three references from Chester County, PA municipalities, authorities, school districts or the County government.
6. Any other relevant information about how your firm can differentiate itself from other municipal bond underwriters.

Brevity of responses is encouraged. Responses to this RFP should be 15 pages or less.

**Additional information:** Please contact Jon Altshul at [jaltshul@eastgoshen.org](mailto:jaltshul@eastgoshen.org) or 610-692-7171 for any additional information, including a copy of the Township's current amortization schedule. Most relevant financial information about the Township, including copies of the Township's most recent financial statements can be found on our website ([www.eastgoshen.org](http://www.eastgoshen.org)) under the "Services>Finance" tab. In addition, it is expected that copies of the Township's 2017 Proposed Budget and 2017-2021 Capital Improvement Program will be posted online by no later than Friday, October 28.

**Deadline:** An electronic copy of the proposal can be mailed to Jon Altshul at [jaltshul@eastgoshen.org](mailto:jaltshul@eastgoshen.org) and must be received by not later than November 18, 2016 at 5pm.

**Additional disclosures:** If a contract is entered into as a result of this RFP, the underwriter's costs and fees outlined in the selected firm's proposal will become contractual obligations of the firm. This request for proposals does not, under any circumstances, commit the Township to any cost incurred by any underwriting firm prior to the execution of the agreement between the selected underwriter and the Township. Each prospective underwriter is solely responsible for all costs associated with the preparation of a response to this RFP. The Township reserves the right to reject any and all proposals received as a result of this request and to negotiate separately with competing underwriters.