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April 23, 2018

City of Brookhaven, Georgia

General Obligation Special Purpose Local Option Sales Tax (SPLOST) Bond, Series 2018

The City of Brookhaven, Georgia (the “City”) is distributing this Request for Proposal (the “RFP”) to obtain a commercial loan evidenced by the City’s General Obligation SPLOST Bond, Series 2018 (the “2018 Bond”).

The proceeds of the 2018 Bond will be used to (i) finance certain public safety facilities and equipment; and, (ii) pay for the costs of issuance associated with the 2018 Bond. The 2018 Bond will be tax exempt and bank qualified.

The City is interested in receiving quotes for the 2018 Bond, which will be held through the estimated closing date as detailed in this RFP. The City desires a fully fixed interest rate bid for the 2018 Bond until final maturity.

The 2018 Bond will be a general obligation of the City and will constitute a pledge of the full faith, credit and taxing power of the City. The 2018 Bond will be payable (1) from the receipts of a special purpose one percent local option sales tax; and (2) from the general funds of the City, including ad valorem taxes levied, without limitation as to rate or amount, upon all taxable property within the City.

SPLOST Overview:

On November 7, 2017, DeKalb County, Georgia held an election regarding the imposition of a one (1) percent SPLOST within the County which included the authorization for the City of Brookhaven to issue General Obligation Debt in an amount not to exceed \$34,295,000, among other items. Seventy (70) percent of the constituents of DeKalb County (Countywide) approved the implementation of the SPLOST. Within the City of Brookhaven, the approval rate was sixty-four (64) percent.

The collections for the SPLOST began on April 1, 2018, and will continue until March 31, 2024. The City anticipates collecting approximately \$47 million over the 6-year period. This equates to roughly \$7.8 million annually. The City does not plan to issue the full amount authorized as part of the 2018 Bond.

Audited Financials and Budgets:

The City's historic audited financial statements are available at the following link:

<https://www.brookhavenga.gov/finance/page/comprehensive-annual-financial-reports>

The City's historic and current budgets are available at the following link(s):

<https://www.brookhavenga.gov/finance/page/budget>

Additional financial information is available upon request. No formal offering material will be prepared, although proposers should feel free to direct any questions about the City or its finances to the City's CFO – Steven Chapman email: steve.chapman@brookhavenga.gov.

Each proposal is subject to review and approval by the City Council and City staff. The City reserves the right to reject any or all proposals, to waive irregularities in any proposal, and to negotiate with any banking institution.

Your response to this RFP is appreciated. Outlined below are the Proposed Terms to be utilized in preparing your proposal.

The 2018 Bond Proposed Terms:

Issuer:	City of Brookhaven, Georgia
Purpose:	See descriptions provided above.
Tax Treatment:	Fully Tax-Exempt.
Bank Qualification:	<u>Bank Qualified</u>
Not-to-Exceed Par Amount:	\$11,000,000*
	* <u>Note</u> : Preliminary, subject to change.
Security:	The 2018 Bond will be a general obligation of the City and will constitute a pledge of the full faith, credit and taxing power of the City. The 2018 Bond will be payable (1) from the receipts of the SPLOST; and (2) from the general funds of the City, including ad valorem taxes levied, without limitation as to rate or amount, upon all taxable property within the City.
Rating:	None Applied for the Series 2018 Bond.
Final Maturity Date:	July 1, 2024
Principal Payment Dates:	Principal due annually, beginning July 1, 2019, until the Final Maturity Date.
Interest Payment Dates:	Semi-annual interest payments due on July 1 and January 1, commencing on January 1, 2019, calculated on a 30/360 day basis.

Interest Rate:

A fixed rate quote for the entire amortization period is preferred. If you are unable to commit to a fixed rate over the entire amortization period, please provide a fixed rate quote for the longest time period possible and specify all pertinent details relating to the rate reset, including the applicable index on which your quote will be based. For example, to the extent that you are willing to commit to a 6-year amortization for but cannot provide a fixed rate for the entire period, please specify the initial rate and its duration as well as the rate-reset information (e.g. 6-year amortization with an initial fixed rate for 3 years, with a rate reset for the remaining 3 years).

This issuance has a rate cap of 2.8% and must be considered as part of your quote.

Amortization Structure: The City would like to receive bids on the estimated principal structure as outlined below. The final principal amounts will be adjusted as mutually agreed upon once the final interest rate is known.

Estimated Amortization ⁽¹⁾

Date	Estimated Principal Amortization
7/1/2019	\$1,700,000
7/1/2020	1,850,000
7/1/2021	2,000,000
7/1/2022	2,000,000
7/1/2023	2,000,000
7/1/2024	1,300,000
Total	\$10,850,000

(1) Preliminary, Subject to change

Optional Redemption:

The City prefers maximum flexibility. Please specify the call structure that would provide the City with the most flexibility at the lowest cost of funds.

Drawdown:

All funds are anticipated to be drawn at closing.

Bank Closing Costs:

None anticipated to be paid by the City. Please specify any exceptions.

Annual/Ongoing Fees:

None anticipated to be paid by the City. Please specify any exceptions.

Opinion of Bond Counsel:

Bond Counsel to the City, Murray Barnes Finister LLP, will provide the necessary bond counsel opinion and documentation.

Ongoing Disclosure:

The City will provide annual audited financial statements. Please specify any additional requirements.

Direct Bank Loan: Proposals are requested for a direct bank loan evidenced by the 2018 Bond, by a single financial institution or a syndicate of financial institutions represented by one lead institution with which the City will deal with exclusively on all aspects of the financing. The successful bidder(s) will be expected to provide a letter in form satisfactory to the City and its Bond Counsel regarding the qualifications of the buyer and stating that the 2018 Bond is being purchased for its own account as evidence of the loan and with no intention of sale or distribution. No formal offering document will be prepared, although bidders should feel free to direct any questions about the City or its finances to the undersigned.

Award: The City Council and Staff, will determine which proposed loan offers the lowest cost to the City and consider terms, conditions and/or fees/expenses to be paid by the City. The City staff will make a recommendation to the City Council, which will make the formal award. The City reserves the right to reject any or all proposals and to waive any irregularity in any proposal or the process.

Closing: Closing is anticipated to take place by mail during the week of May 22, 2018. Please provide a fixed rate of interest that will be held firm until the closing.

Please specify any other terms or conditions that would impact the proposed structure of the financing agreement. The preliminary timetable for action is shown below.

Preliminary Timetable:

<u>Date</u>	<u>Action</u>
April 25	RFP is distributed to local, regional and national banking institutions.
May 16	RFP Responses due back to City at 11 am Eastern Time
May 18	Bond Counsel distributes draft of Bond Resolution
May 22	CFO to present RFP results to City Council. City Council Adopts Financing Resolutions and other necessary financing documents
Week of May 22	Bond Counsel Distributes Drafts of Closing Documents
Week of May 22	Close on the 2018 Bond

Inquiries:

All inquiries concerning clarification of the RFP must be made to Steven Chapman, City of Brookhaven CFO, in writing (e-mail is acceptable). As it is expected that each firm may have different needs for information, it is incumbent on each firm to make whatever inquiries it deems necessary to respond to the RFP. Any contact initiated by any banking institution with the City’s officials, staff or Bond Counsel outside of the City’s CFO concerning this RFP is prohibited. Any such unauthorized contact may cause the disqualification of the respondent from consideration.

Submission of Proposals:

By submitting a bid for the 2018 Bond, the City expects that the financing has received final or near final credit approval by your banking institution and that your banking institution is ready and able to provide the financing for the 2018 Bond should it be selected as the winning bidder. If this financing requires additional credit approvals after submission of your response please clearly indicate in your response the process by which these additional approvals will be obtained, the timing of receiving these approvals, and any additional information that will need to be provided by the City.

We look forward to your response by **11:00 a.m. EST on Wednesday, May 16, 2018**. Please send responses in either written or electronic format to the following:

Steven G. Chapman II

City of Brookhaven
4362 Peachtree Rd.

Brookhaven, Ga. 30319

Phone: 404-637-0620

Steve.chapman@brookhavenga.gov

In the meantime, should you have any further questions or concerns please feel free to call the number above. The City of Brookhaven looks forward to your response.

Sincerely,

Steven Chapman II
Assistant City Manager/CFO
City of Brookhaven, GA.