

**RFP2014-43 FINANCIAL ADVISORY FOR DEPARTMENT OF FINANCE
OPENING DATE: 12/11/2014 AT 11:00AM**

TERM OF CONTRACT: ONE (1) YEAR	RFP2014-43 FINANCIAL ADVISORY SERVICES				
NUMBER OF RESPONDENTS:	5				
NAME OF BIDDER	PUBLIC FINANCIAL MANAGEMENT, INC.	PHOENIX ADVISORS, LLC	GB ASSOCIATES	ACACIA FINANCIAL GROUP, INC.	NW FINANCIAL GROUP, LLC
ADDRESS	PRINCETON METRO CENTER III, SUITE 110	4 WEST PARK STREET	24 BROADLAWN DRIVE	601 ROUTE 73 NORTH, SUITE 206	2 HUDSON PLACE - 3RD FL.
CITY, STATE, ZIP	821 ALEXANDER ROAD, PRINCETON, NJ 08540	BORDENTOWN, NJ08505	LIVINGSTON, NJ 07039	MARLTON, NJ 08053	HOBOKEN, NJ 07030
CONTACT NAME	STEPHEN FARBER	ANTHONY P. INVERSO	NEIL E. GROSSMAN	KIM M. WHELAN	DENNIS J. ENRIGHT
TELEPHONE	609-452-0263	609-2391-0130	973-994-4314	856-234-2266	201-656-0115
FAX	609-452-0952	609-291-9940	973-994-4042	856-234-6691	201-656-4905
E-MAIL	FABERS@PFM.COM	AINVERSO@MUNIADVORS.COM	NEGGBA@VERIZON.NET	KWHELAM@ACACIAFIN.COM	DENRIGHT@NWFINANCIAL.COM
STOCKHOLDER DISCLOSURE STATEMENT	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
REQUIRED EVIDENCE EEO/AFFIRMATIVE ACTION REGULATIONS QUESTIONAIRE	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
NJ BUSINESS REGISTRATION CERTIFICATE	INCLUDED	NEEDED FROM AWARDED VENDOR	INCLUDED	INCLUDED	INCLUDED
NON-COLLUSION AFFADAVIT	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
AFFIRMATIVE ACTION STATEMENT	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
AMERICANS WITH DISABILITIES ACT OF 1990 LANGUAGE	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
CERTIFICATION AND DISCLOSURE OF POLITICAL CONTRIBUTIONS	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
DISCLOSURE OF INVESTED ACTIVITIES IN IRAN	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
EIC	CERT#4283 EXP.5/15/2015	CERT#36711 EXP.3/15/2019	CERT#52163 EXP 1/15/2021	CERT#11262 EXP. 6/15/2020	CERT # 45453 EXP. 9/15/2017
60-DAY EXTENSION COMPLIANCE	YES	YES	NO	YES	YES
EXCEPTIONS (IF ANY)	NONE	NONE	NONE	NONE	NONE
CERTIFICATE OF INSURANCE	NEEDED FROM AWARDED VENDOR	NEEDED FROM AWARDED VENDOR	NEEDED FROM AWARDED VENDOR	NEEDED FROM AWARDED VENDOR	NEEDED FROM AWARDED VENDOR
WILLING TO PROVIDE PRIORITY EMERGENCY SERVICES	N/A	YES	N/A	YES	YES
W-9	N/A	INCLUDED	INCLUDED	INCLUDED	INCLUDED
HOURLY RATES	SEE ATTACHED BREAK-DOWN OF HOURLY RATES	SEE ATTACHED BREAK-DOWN OF HOURLY RATES	SEE ATTACHED BREAK-DOWN OF HOURLY RATES	SEE ATTACHED BREAK-DOWN OF HOURLY RATES	SEE ATTACHED BREAK-DOWN OF HOURLY RATES
FATAL FLAW	NONE	NONE	NONE	NONE	NONE

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STOCKHOLDER DISCLOSURE STATEMENT	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
REQUIRED EVIDENCE EEO/AFFIRMATIVE ACTION REGULATIONS QUESTIONAIRE	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
NJ BUSINESS REGISTRATION CERTIFICATE	INCLUDED	NEEDED FROM AWARDED VENDOR	INCLUDED	INCLUDED	INCLUDED
NON-COLLUSION AFFADAVIT	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
AFFIRMATIVE ACTION STATEMENT	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
AMERICANS WITH DISABILITIES ACT OF 1990 LANGUAGE	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
CERTIFICATION AND DISCLOSURE OF POLITICAL CONTRIBUTIONS	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
DISCLOSURE OF INVESTED ACTIVITIES IN IRAN	INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
EIC	CERT#4283 EXP.5/15/2015	CERT#36711 EXP.3/15/2019	CERT#52163 EXP 1/15/2021	CERT#11262 EXP. 6/15/2020	CERT # 45453 EXP. 9/15/2017
60-DAY EXTENSION COMPLIANCE	YES	YES	NO	YES	YES
EXCEPTIONS (IF ANY)	NONE	NONE	NONE	NONE	NONE
CERTIFICATE OF INSURANCE	NEEDED FROM AWARDED VENDOR	NEEDED FROM AWARDED VENDOR	NEEDED FROM AWARDED VENDOR	NEEDED FROM AWARDED VENDOR	NEEDED FROM AWARDED VENDOR
WILLING TO PROVIDE PRIORITY EMERGENCY SERVICES	NOT INCLUDED	YES	N/A	YES	YES
W-9	NOT INCLUDED	INCLUDED	INCLUDED	INCLUDED	INCLUDED
TOTAL PRICE	SEE HOURLY RATE ATTACHED BREAK-DOWN OF PRICING	SEE HOURLY RATE ATTACHED BREAK-DOWN OF PRICING	SEE HOURLY RATE ATTACHED BREAK-DOWN OF PRICING	SEE HOURLY RATE ATTACHED BREAK-DOWN OF PRICING	SEE HOURLY RATE ATTACHED BREAK-DOWN OF PRICING
FATAL FLAW	NONE	NONE	NONE	NONE	NONE

Fee Proposal

PFM is eager to serve as Trenton's financial advisor and we feel the following fee proposal reflects both that desire and fair pricing for the expertise, resources and level of service that PFM will bring to meet the City's needs. We are flexible in negotiating a mutually acceptable arrangement for the compensation of our services.

Financial Advisory Services—Notes

We propose a fee of \$0.75 per \$1,000 of the par amount issued with minimum transaction fee of \$15,000.

Financial Advisory Services—New Money Bonds

We propose a fee of \$0.75 per \$1,000 of the par amount issued with minimum transaction fee of \$15,000.

Financial Advisory Services—Refunding Bonds

We propose a fee of \$0.75 per \$1,000 of the par amount issued with minimum transaction fee of \$20,000.

Financial Advisory Services—Hourly Rates

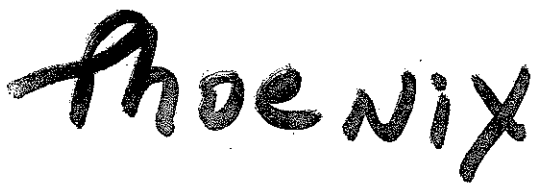
PFM is committed to providing the City with the most comprehensive financial advisory services available, and to make those services available to City in such a manner as to allow the City, at its sole discretion, to most effectively utilize PFM. To that end, PFM has designed a fee structure which is straightforward and manageable. We propose to charge the following hourly rates for financial advisory services not in connection with a debt transaction:

Managing Director	\$275
Director	\$250
Senior Managing Consultant	\$225
Senior Analyst/Analyst	\$200
Associate	\$100

PFM is accustomed to working with clients to establish fee caps of various kinds whether those be for specific periods of time, for specific work plans, or for individual transactions.

PFM would request reimbursement for reasonable out-of-pocket travel and miscellaneous expenses in connection with our engagement as financial advisor. Appropriate documentation and third party receipts will be provided with each invoice.

Public Financial Mgt.



D. Compensation proposal.

Compensation Proposal

Based upon the multi-faceted, wide-ranging need for financial advisory services to be provided, we have separated our Cost Proposal into two basic components: Transactional and Non-Transactional services. Our goal is to provide value-added service to any and all of your financing needs.

There are two important features concerning our compensation: First, our compensation is all-inclusive for the functions included in our Scope of Services. We do not add on hourly rate charges nor do we charge extra for out-of-pocket expenses, fees for travel time, or attendance at meetings. **Out-of-pocket expenses are always difficult for a client to monitor and can ultimately be significant.** Second, our Debt Issuance fee is payable only upon the closing of your issue.

1) *Transactional Services (Debt Issuance)*. For all transactional services relating to the sale of Bonds or Notes, Phoenix Advisors proposes fees based on the par amount of Bonds or Notes issued according to the following schedule:

- a) Fee for Bonds: \$0.90 per \$1,000 issued (minimum of \$12,500)
- b) Fee for Notes: \$0.45 per \$1,000 issued (minimum of \$3,500)

2) *Non-Transactional Services (Optional)*. Phoenix Advisors proposes the following optional hourly rate fee for non-transactional professional services (not directly related to the issuance of debt), including, but not limited to, early preliminary modeling and conceptual meetings and discussions, according to the following schedule:

Chief Executive Officer	\$175/hr
Managing Director	\$150
Associate/Analyst	\$ 95

The above hourly rate charges only apply to specialized, non-transactional services that would be agreed to by a client prior to any hourly rate work being undertaken. They are not "add-ons" to our "Transactional Services" outlined in "1" above.

3) *Out-of-Pocket Expenses* **NONE**

Phoenix Advisors does not charge for any out-of-pocket expenses incurred with regard to providing our Financial Advisory services. Third party charges, pre-approved and directed by a client to be paid by Phoenix Advisors are billed at cost with no mark-up.

D. Compensation

The City's RFP indicates that the financial advisory services will include all elements relating to the issuance of bonds and/or notes *and any other financial analyses as may be requested* during the year. However, we believe (from recent contracts) that it is also the intention of the City that, to the extent possible all financial advisory services be funded from proceeds of debt issuances, as it has not wished to include the cost of financial advisory services in its operating budget. Our proposal will reflect this understanding.

It is, of course, very difficult (if not impossible) to gauge the level of services that might be required under the "other analyses" umbrella. However, we have a good idea of what will be involved, due to our intimate knowledge of the City's budget and other financial issues and pressures. This stems from our long history with the City, including the current year, which gives us unique insight into the City's needs and how we may best be able to help.

Therefore, we would propose the following compensation arrangement, which we believe addresses all of the City's needs and concerns:

- \$7,500 for each Note sale
- \$5,000 for each issuance through the NJEIT (note that the separate Fund and Loan components will be considered a single issuance with just one fee applied)
- \$12,500 for the contemplated refunding of the 2007 Bonds (lower cost since we have already started the work)
- \$15,000 for each other bond sale
- 60 hours of non-debt-related services and analyses included with no additional charge

In terms of the non-debt services and analyses that the City might require, our normal hourly rate is \$180/hour. However, as noted above, we would include 60 hours of such services at no charge to the City. We would let the City know well in advance of our reaching that limit and would propose a new contract or amendment (whichever the City prefers) to provide for additional services.

We have never sought additional compensation from the City above what was included in our original proposal each year.

We are confident that our proposal will be the most cost-effective from the City's perspective, and significantly lower than a financial advisor whose fee is tied to the amount of debt issued (the City's refunding bonds will total between \$35-\$40 million and the City will have to roll over (or permanently finance) more than \$20 million in Notes (plus any new capital that needs to be raised in 2015). Based on two refunding bond issuances and a Note sale, our fee would total \$35,000 on \$60+ million in debt (perhaps as much as \$80 million, depending on the City's new-money needs), and the 60 hours of other services would be included as well.

Ms. Whelan's strengths include new money project financings, refunding transactions, cash flow management and forecasting, alternative financings techniques, pooled financings, revenue-backed projects, and renewable energy initiatives. Ms. Whelan earned a Bachelor's degree in Economics with a concentration in Finance and Wealth Management from E. Craig Wall Sr. College of Business Administration at the University of Coastal Carolina.

Compensation Proposal.

Acacia Financial Group, Inc. proposes that the compensation for financial advisory services provided to the City be based on: (i) the par amount of the bonds or notes or (ii) on an hourly basis. Reasonable out-of-pocket expenses may be added to each compensation component. Acacia's proposed fee structures are described below:

1. Based on the Par Amount of the Issue:

Bonds

For financial advisory services rendered to the City in connection with the sale of bonds, Acacia proposes to be compensated at a rate of \$0.90 per \$1,000 of par value issued, with a minimum fee of \$15,000 per issue.

Notes

For financial advisory services rendered to the City in connection with the sale of notes, Acacia proposes to be compensated at a rate of \$0.90 per \$1,000 of par value issued, with a minimum fee of \$9,500 per issue.

2. Hourly Basis:

For general consulting services, Acacia proposes that compensation be based upon the hourly rate of \$225/hr.

3. Other Financings/Transactions:

For financings that include unique and/or complex financing structures or require additional services beyond our general scope, Acacia proposes that the fee for such transactions be negotiated in advance.

4. Expenses:

Acacia proposes to be reimbursed for the following reasonable expenses incurred in providing the services set forth herein at rates which are approved upon submission of appropriate invoices: graphics, postage, photocopies, telecopies, freight charges and telephone.

D. COMPENSATION

For financial advisory services provided, NW Financial proposes a compensation schedule as follows:

1) New Money and/or Refunding bond transactions:

For services provided in connection with a new money or refunding bond transaction, NW proposes to be compensated at the following rates:

Refunding par size of:

\$1.00-\$9,999,999: Flat fee of \$8,500 plus reasonable out of pocket expenses.

\$10,000,000-\$19,999,999: \$.85/\$1000 bonds issued, plus reasonable out of pocket expenses.

\$20,000,000-\$30,000,000: \$.75/\$1000 bonds issued, plus reasonable out of pocket expenses.

NOTE: NW will only be paid upon the successful closing of the bond issue.

2) Consulting:

For consulting services provided on projects other than the sale of bonds or notes, NW proposes to be compensated on a monthly basis based on the hourly rates as follows:

<u>Position</u>	<u>Hourly Rate (\$/hour)</u>
Principal	\$195
Managing Director	\$185
Senior Vice President	\$180
Vice President	\$170
Analyst	\$150

3) Reimbursable Expenses:

NW proposes to invoice for reasonable out of pocket expenses such as phone, postage, copies, travel, etc. at the time of a bond or note transaction closing or monthly with the submission of hourly invoicing for consulting projects assigned.

