



## **Scope of Services – School District Debt Issuance**

Phoenix Advisors, LLC, as Financial Advisor, is an active participant at each juncture of your transactions to personally and professionally guide them to market and respond to your concerns and questions. Using our experience in the industry, our goal is to provide you with a complete understanding of the entire transaction and achieve the best for your taxpayers.

Phoenix Advisors has five primary objectives in school district transactions: (i) effective pre-referendum planning and analysis; (ii) plan and develop a financing strategy and structure that will best fit your needs; (iii) coordinate the financing process; (iv) provide consulting service through the actual execution of the financing; and (v) provide follow-up reporting and analyses. Below, we outline the services provided before and during the financing process.

### **1) PRE-REFERENDUM PLANNING AND ANALYSIS**

- ***Financial Planning***

Phoenix Advisors provides analytical and support services for financial planning efforts, including a comprehensive review of the school district's timetable and capital budget strategy.

- ***Tax Impact Analysis***

Our professionals are skilled in developing comprehensive tax impact analyses for the proposed financing based on debt service and lease purchase payments (current and future), debt service aid, changes in operating budget resulting from potential financings, and project revenues (i.e., energy savings, SRECS, and project fund investment income).

- ***Financial Modeling***

An evaluation of financing options and the careful structuring of financial models is provided by Phoenix Advisors to demonstrate each option's benefits, costs and impacts.

- ***Preparation of Public Information and Presentations***

Our professionals provide assistance in developing strategies, brochures for presentations at public hearings, and information to be provided to the community. We also assist with the preparation of presentations to municipal officials.

- ***News Releases***

To aid in the communications effort regarding the referendum, Phoenix Advisors assists with the preparation of news releases about the proposed referendum.

- ***Applications to Oversight Boards***



A clear and concise presentation is prepared in anticipation of potential questions and concerns of oversight boards, including the Local Finance Board and the Department of Education, as applicable.

2) **PLAN STRATEGY AND STRUCTURE**

Phoenix professionals look beyond just the current transaction. We research and analyze all of your outstanding debt to provide a financing solution that best satisfies your needs now and in the future. We realize that you are ever changing, and while working on the current transaction we are always watchful to maintain your flexibility to meet future needs and address shifting growth patterns. Among the services Phoenix Advisors provides to achieve these goals are:

- ***Examine and Analyze Financing Options and Concepts***  
The range of options for an issue has expanded significantly over the last several years and continues to evolve. We identify and analyze these options based upon cost-benefit and market analysis.
- ***Analysis of Financing Structures***  
The appropriate range of bond structures and credit enhancements are determined based on these analyses. For instance, during certain market conditions it may be more advantageous to issue short term notes rather than long term debt instruments.
- ***Design Debt Management Plan***  
A sound debt management plan that addresses the issuers existing financial strengths and growth patterns is designed to ensure the success of this and future transactions.



### 3) COORDINATE THE FINANCING PROCESS

Phoenix Advisors coordinates every step of your transaction. Whether it is meeting with you and your professionals or making clear and concise presentations, we add organization and capability to the financing process. Importantly, as an issuer, you are selling a product (your debt) and Phoenix Advisors is uniquely qualified to help mesh your needs with what the marketplace wants. The result: the lowest borrowing cost! In short, we diligently guide your transaction to the market with efficiency and expertise, achieving the best result for you. Among the services Phoenix Advisors provides are:

- ***Establish a Timetable for the Transaction***  
A timetable that outlines key events, dates and responsibilities for team members will be developed to ensure a quick and efficient financing.
- ***Manage the Financing Team***  
We will coordinate the financing by scheduling meetings, assigning work product responsibility, and contacting finance team members.
- ***Provide Input During Preparation of Financing Documents***  
Many important elements of the transaction will be set forth in the financing documentation. We advise as to critical components and appropriate language to aid in their completion.
- ***Assist in Preparation of Official Statement***  
Our professionals ensure that the current needs and requirements of investors, insurers, and rating agencies are satisfied with the contents of the Official Statement. We will either take the lead in preparing the document or provide careful review and support in another professional's efforts.
- ***Coordinate the Approval Process of Oversight Boards***  
A clear and concise presentation is prepared in anticipation of potential questions and concerns of all oversight boards.
- ***Develop a Rating Agency Strategy***  
An issue's rating may be the single most important factor in the cost of the financing. We add real value to the rating agency process by developing a strategy, assembling and presenting the appropriate information to obtain the best result. We will also help you select the right fit for your transaction.
- ***Evaluate Printing, Insurance, and Other Expenses***  
To avoid unnecessary expenses, Phoenix Advisors will draw specifications, solicit and evaluate bids, and recommend the most cost-effective provider with the capability to deliver the required product.



#### 4) EXECUTION OF FINANCING

We are constantly watching and evaluating the market to help you select the best time to move forward with your transaction. Our experienced professionals provide you with valuable statistics and points of reference to gauge the overall market climate and evaluate bids. After your successful sale, to ensure a smooth finish, Phoenix Advisors monitors all the details of your closing. This includes the error-free movement of funds and advice concerning the most effective investment of the transaction's proceeds. Among the services Phoenix Advisors provides to achieve these goals are:

- ***Structure the Terms of Financing***

The terms of a bond issue are essential to the achievement of financing goals and a successful marketing effort. Phoenix Advisors' professionals will carefully analyze the options available for structure, principal payment, redemption features, capitalized interest, and payment dates.
- ***Investor Outreach***

Information will be prepared and presented to potential investors and bidding underwriters to educate them regarding your debt offering. If appropriate, specially coordinated meetings will be instituted to answer questions and provide feedback. These efforts will directly bolster demand in the market, reducing borrowing costs to you.
- ***Monitor the Market and Provide Recommendations for Timing***

We evaluate the market climate to schedule your debt offering under the most advantageous market conditions available.
- ***Provide Key Financial Indices and Comparisons***

To assist you in evaluating the interest rates received for the financing, we will provide valuable statistics and comparisons. This information will allow you to understand the results and their relation to other comparable financings.
- ***Active Participation in Bond Sale***

We provide real-time translation of events as they unfold during competitive bid submission. For negotiated transactions, we have active dialogue and input with underwriters in setting the interest rates to guard your best interests.
- ***Ensure a Smooth Closing***

Phoenix Advisors arranges for the transfer of funds at closing and carefully reviews closing documents to ensure an error-free movement of bond proceeds and other funds on hand.



#### 5) **FOLLOW-UP REPORTING AND ANALYSIS**

Phoenix Advisors' professionals stay by your side after your transaction is closed. We will provide you with follow-up reports and analysis displaying the details of your transaction and your new debt service requirements. We view our relationship with you as an ongoing process, not just a single transaction. Always vigilant for opportunities to save money for our clients, we will monitor your outstanding debt for refinancing prospects, bring to your attention market innovations, and willingly review and financing proposals. Of course, we will always be available to answer any questions that arise. The services Phoenix Advisors provides for follow-up reporting and analysis include:

- ***Assist in Arranging or Providing for Investment of Bond Proceeds***  
Phoenix Advisors will recommend strategies and appropriate investments that accommodate the issuer's disbursement requirements and comply with Federal Arbitrage Regulations.
- ***Provide a Permanent Debt Service Schedule***  
After the closing, Phoenix Advisors provides a clear presentation of your debt service requirements to be used during budget preparation and on debt service payment dates.
- ***Create Summary Reports and Analysis***  
Our professionals will provide reports summarizing your transaction to share with oversight boards and others, as you may choose.
- ***Monitor Outstanding Debt***  
Phoenix Advisors monitors your outstanding debt, even after your transaction closes, continuously watching for opportunities to save you money.



## Compensation

The services offered by Phoenix Advisors, LLC greatly enhance your ability to structure and manage all areas of debt financing. Our value-added services result in savings of time, effort and, importantly, interest cost. This means you save money over the entire life of the financing. Our market expertise will serve to assure that negotiations with the underwriter will be on a level playing field. Phoenix Advisors' professionals, uniquely, have extensive background and real-world experience from the underwriter's perspective. This means that beyond working with the finance team to assure an efficient and smooth transaction, we can sit at your side, across the table from the underwriter, to monitor market rates and ensure that you will get the best possible interest rate on your issue.

Importantly, our fee is **all-inclusive**. We do **not** charge 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. We know that this is a unique and important feature of Phoenix Advisors' compensation.

Our compensation for Financial Advisory services is as follows:

- a) **For Bonds Issued:**
  - \$1.00 per \$1,000 for up to \$15,000,000 in par issued (minimum of \$13,500)
  - \$0.75 per \$1,000 in par issued over \$15,000,000
  
- b) **For Notes Issued:**
  - \$0.25 per \$1,000 issued (minimum of \$2,500)
  
- c) **Out-of-Pocket Expenses.....NONE**