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Engagement Proposal for Redevelopment Commission

Jeff Peters [jpeters@petersmunicipalconsultants.com]

Sent: Friday, January 23, 2015 5:51 PM
To: Robert Henderson
Cc: Joe McGuinness; Nichole Franklin [nfranklin@petersmunicipalconsultants.com]
Attachments: Franklin RDC Engagement.doc (4 MB) [Open as Web Page]

Rob,

Please review the attachment and see if it spells out your desires. If not, please advise of any changes and I will revise our proposal.

If the proposal meets all your desires, then please accept it as our submission.

Also, please only share the "Scope of Services" section with any other vendors from which you are seeking a proposal.

Please call if you have questions or wish to discuss further.

Joe,

Please provide any comments that you think are needed.

Thanks JP

—
Jeffrey A. Peters, MPA, CPA (Inactive)
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January 23, 2015

City of Franklin Redevelopment Commission
70 East Monroe Street
Franklin, IN 46131

Dear Franklin Redevelopment Commission:

This letter is written to describe the services that Peters Municipal Consultants, LTD is able to perform for the Redevelopment Commission and to serve as an engagement letter.

Peters Municipal Consultants, LTD, is focused on providing superior consulting services to local government units, utilities, and related entities in Indiana. We are registered municipal financial advisors with the SEC and MSRB. Our firm's concentrated efforts recognize that the success of your entity depends upon the ability to deliver services to constituents in the most efficient and cost effective manner. Further, we realize that while our clients must contend with ever increasing complexities, their needs are more specific and they must be more discriminating about the professionals they retain. We are committed to providing services of the highest quality and welcome the opportunity to serve your entity. Our practice is built on service, innovation, and solving our clients' fiscal issues. Our firm's core belief is that the relationships we build with our clients are more like partnerships. Each partnership strengthens and matures with the successes of our clients.

Peters Municipal Consultants, LTD is able to provide the following services:

Scope of Services

- Develop an Excel template and TIF revenue projection on a per parcel and per personal property tax return basis with the following requirements:
 - o Template to include historical year of 2014.
 - o Template to include budget year of 2015.
 - o Template to include projected years for each future year in which a TIF District remains active.
 - o Template to be constructed to allow Redevelopment Commission staff to update parcel data as new assessments become available.
 - o Template to subtotal real property and personal property separately.
 - o TIF revenue projection to be sufficient as a support for potential future bond issue.

- Develop amortization schedules, in Excel, showing the maximum estimated amount of bond issue based on above, with the following restrictions:
 - o All amortization schedules are to use only 50% of the projected TIF Revenue.
 - o All amortization schedules are to assume a closing date of 06/30/16.

- One amortization schedule is to have a 10 year amortization.
 - One amortization schedule is to have a 12 year amortization.
 - One amortization schedule is to have a 15 year amortization.
- Develop three Excel worksheets which summarize and incorporate the above into a Fund projection with the following requirements:
 - Each Fund projection to include historical year 2014.
 - Each Fund projection to include budget year 2015.
 - Each Fund projection to include projected years for each future year in which a TIF District remains active.
 - Each Fund projection to include the beginning Fund cash balance.
 - Each Fund projection to include encumbrances, if any, and calculate the fund balance (cash balance less encumbrances).
 - Each Fund projection to progress the cash and fund balances through the projection period.
 - Each Fund projection to include projected revenues consistent with the TIF revenue projection.
 - One Fund projection to include the projected expenditures consistent with projected 10 year amortization.
 - One Fund projection to include the projected expenditures consistent with projected 12 year amortization.
 - One Fund projection to include the projected expenditures consistent with projected 15 year amortization.
 - All above Excel worksheets are to be included in one Excel workbook, properly linked to one another so that updates for new assessment data update the TIF Revenue projection which updates the Fund projection and updates the amounts in the respective Fund projections which are not committed to TIF Bond Debt Service. The Excel workbook is to be unlocked, available for manipulation by the Redevelopment Commission staff, and become property of the Redevelopment Commission upon payment of invoice(s).
 - Attend Redevelopment Commission meeting and answer all questions related to the above.

We will not be auditing, reviewing, compiling, or performing any agreed upon procedures or attestation regarding financial statements as defined by the American Institute of Certified Public Accountants (AICPA).

We will invoice at the beginning of each month for work performed for the entity during the previous month(s) at an hourly rate of \$150 plus out of pocket expenses. Our rate is subject to change on January 1 each year.

We expect our hourly fees, for the above services, to not exceed \$15,000.

We currently serve as the Fiscal Consultants and Financial Advisors to the City of Franklin. In those capacities, we currently maintain a Fiscal Plan for the City which should contain the above information so that the City and Redevelopment Commission have a single comprehensive fiscal policy document to lay out capital improvement and operations for the community and provide the key decision makers with a document on which to rely when making decisions for these vital expenditures. Also, we have an in depth understanding of the financial state of the City and community as it relates to the bond market. We have assisted the City in its Standard & Poor's bond rating while serving as the Financial Advisors for the 2012 Park Bond Issue. We also served as the Financial Advisors for the 2013 Wastewater Refunding Bonds.

Also, if the Excel workbook is updated by the staff of the Redevelopment Commission, then the Redevelopment Commission may want to authorize additional professional time for a consultant to qualitatively evaluate the outcome of the data, investigate any abnormalities, and massage the revenue estimate as appropriate. Revenue projection is rarely a straight forward process without the need for qualitative professional judgment.

Additionally, changes to the revenue projection may change the bond amount for amortization which may require professional time to appropriately revise the amortization schedules.

Further, we are available to serve as Financial Advisors for Tax Increment Finance (TIF) Bonds or perform other finance activities as directed by the client. We can submit a separate engagement letter for Financial Advisor services, as needed. Lastly, we can perform other finance activities at our hourly rate plus out of pocket expenses, at the direction of the client.

Please sign and date below to acknowledge your agreement with the above stated terms.

Authorized Official
City of Franklin Redevelopment Commission, Indiana

DATE: _____

Sincerely,

Peters Municipal Consultants, LTD

Peters Municipal Consultants, LTD

Peters Municipal Consultants, LTD certifies the use of E-Verify when hiring and do not knowingly employ an unauthorized alien.