

**City of Burlington, Vermont  
Underwriter Proposals**

	<u>Oppenheimer</u>	<u>Piper Jaffray</u>
<b>Experience</b>		
Tax-exempt	930 issues; \$67.4MM	1,384 issues; \$30.91B
Taxable	82 issues; \$5MM	259 issues; \$3.28B
Negotiated New England	332 issues; \$68.3MM 94 deals	1,325 issues; \$19.25B 106 issues; \$1.2B
Vermont	2 City deals in 2010	2 State of Vermont issues since 2009
<b>Underwriting Capabilities</b>	Full resources of firm devoted to muni clients; balanced distribution	73 sales people in 14 offices; 800 Tier I, 1200 Tier II and III; retail distribution agreement w/Charles Scwab; fixed income distribution agreement w/Pershing LLC
<b>Marketing Plan</b>	Investor calls; high net worth retail sales force	W/o credit enhancement - target institutional only; W/credit enhancement - retail & institutional (up to 30% retail)
<b>Advantages</b>	National presence, experienced personnel	Taxable and NE experience; national presence; extensive distribution capabilities
<b>Fees</b>		
Management	\$2.00/bond	\$0.00/bond
Takedown	\$6.38/bond	\$6.00/bond
Risk	\$0.00/bond	\$0.00/bond
Expenses	\$0.50/bond	\$0.20/bond
<b>Underwriter's Counsel</b>	Faegre Baker Daniels, Minneapolis	No preference
<b>Call</b>	5-yr par call	MWC
<b>Spreads</b>		
1		2.00% to 1-yr
2		2.15% to 2-yr
3		2.35% to 3-yr
4		2.25% to 5-yr
5	0.88% to 5-yr	2.50% to 5-yr
6		2.25% to 7-yr
7		2.50% to 7-yr
8		2.25% to 10-yr
9		2.50% to 10-yr
10	2.73% to 10-yr	2.75% to 10-yr
11		
12		
13		
14		
15	3.48% to 10-yr	
16		
17		
18		
19		
20	2.98 to 30-yr	2.50% to 30-yr
<b>Cost</b>		
True Interest Cost	5.4347%	5.2474%
Total Debt Service	\$15,276,481	\$15,030,448
<b>Timetable</b>	Close 7 weeks after first draft of POS	Need 5 days between POS & pricing
<b>Notes</b>	May be willing to negotiate fees	Assured Guaranty insured saves 0.05%; Build America Mutual insured saves 0.20%

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	<u>Roosevelt &amp; Cross</u>	<u>Stern Brothers &amp; Co.</u>
<b>Experience</b>		
Tax-exempt	1,539 sr./co-sr. issues; \$17.561B	Served as UW, FA, Placement Agent, Remarketing Agent or Selling Group Member on >\$60B
Taxable	63 sr./co-sr. issues; \$643.686MM	Served as UW, FA, Placement Agent, Remarketing Agent or Selling Group Member on >\$11B
Negotiated	498 sr./co-sr. issues; \$6.411B	N/A
New England	275 sr./co-sr. issues; \$5.807B	N/A
Vermont	3 sr./co-sr. issues; \$39.91MM, including 2 City deals in 2011	N/A
<b>Underwriting Capabilities</b>	100% of capital resources to muni clients; 22 sales reps; work with City & advisors to develop in-depth knowledge of financial condition, plans & prospects	100% of capital resources to muni clients; strength is w/institutional buyers & high net worth; 18 sales reps
<b>Marketing Plan</b>	Recommend institutional pricing	Sales point memo; contact specific high yield taxable institutional investors, hedge funds & investment managers
<b>Advantages</b>	Specialize in NE and Mid-Atlantic; successful with lower grade credits	Experience w/non investment grade, institutional focused firm
<b>Fees</b>		
Management	\$0.00/bond	\$2.50/bond
Takedown	\$5.67/bond	\$9.00/bond
Risk	\$0.00/bond	\$1.25/bond
Expenses	\$0.19/bond	\$1.38/bond
<b>Underwriter's Counsel</b>	McKee, Guiliani and Cleveland, Montpelier - \$10,000	Mintz Levin; Peck Shaeffer & Williams; McKee Guiliani & Cleveland
<b>Call</b>		
<b>Spreads</b>		
1	3.49% to 2-yr	
2	4.00% to 2-yr	
3	3.85% to 3-yr	
4	3.62% to 5-yr	
5	4.75% to 5-yr	
6	3.62% to 7-yr	
7	5.25% to 7-yr	
8	3.52% to 10-yr	
9	3.77% to 10-yr	
10	4.02% to 10-yr	
11		
12		
13		
14		
15	4.27% to 10-yr	
16		
17		
18		
19		
20	4.52% to 10-yr	4.30% to 10-yr
<b>Cost</b>		
True Interest Cost	6.1869%	6.3606%
Total Debt Service	\$16,258,113	\$16,483,603
<b>Timetable</b>	Close April 30	Close April 30
<b>Notes</b>		

**RESOLUTION RELATING TO  
FISCAL STABILITY GENERAL  
OBLIGATION BONDS**

**CITY OF BURLINGTON**

In the year Two Thousand and Thirteen .....  
Resolved by the City Council of the City of Burlington, as follows:

WHEREAS, the Mayor and the City Council have recognized the need to undertake steps to improve the cash flow of the City and eliminate the deficit general fund unassigned fund balance of the City so as to strengthen the financial condition of the City, and reduce the reliance on bank financing to meet normal cash flow requirements;

WHEREAS, in its efforts to improve the City's financial conditions, improve the City's credit rating, and reduce the City's borrowing costs and reliance on short-term financing, the City Council requested, pursuant to Sec. 25 of the City Charter, that the Mayor call a Special City Meeting to be held on November 6, 2012, to vote on the question of whether the City Council be authorized to issue general obligation bonds or notes ("fiscal stability bonds") in one or more series in an amount not to exceed Nine Million Dollars and 00/100 (\$9,000,000.00) for the purpose of funding one or more reserve funds to be used for working capital, costs and expenses for the City and its departments, thereby reducing the City's reliance on short term debt;

WHEREAS, the voters at the November 6, 2012 special meeting of the City, by in excess of a 2/3 vote, authorized the issuance of general obligation bonds or notes in an amount not to exceed \$9,000,000 for such purposes;

WHEREAS, the City's Interim Chief Administrative Officer, after consultation with the City's financial advisor, has recommended, that, given the City's current bond rating and market conditions, the most advantageous interest rate and payment terms with respect to the fiscal stability bonds are most likely to be achieved by the sale of such fiscal stability bonds through a firm commitment underwriting;

WHEREAS, the City's Interim Chief Administrative Officer has received proposals from qualified underwriting firms and recommends, based upon costs, qualifications, and time schedule, that Piper Jaffray & Co., be selected as the underwriting firm for the fiscal stability bonds;

NOW THEREFORE, BE IT RESOLVED that the City Council determines that it is necessary to pledge the credit of the City through the issuance of general obligation bonds or notes in an amount not to exceed \$9,000,000 (the "Bonds") for the aforesaid purposes and upon prior approval of the Board of Finance, does so authorize the pledging of the City's credit, the form of the evidence of indebtedness to be issued, the terms and conditions thereof, including interest rate, maturity, payment schedule, and such other requirements as may be necessary, are to be determined by the Chief Administrative Officer, upon the prior approval of the City's Board of Finance;

The Bonds may be sold to Piper Jaffray & Co. (the "Underwriter"), in a firm commitment underwriting.

The Bonds, when issued and delivered, shall be valid and binding general obligations of the City payable according to the terms and tenor thereof from unlimited ad valorem taxes duly assessed on the grand list of all taxable property in the City.

The Mayor and Chief Administrative Officer are, and each one of them is, hereby authorized and directed to prepare an Official Statement of the City as they deem necessary in the City's best interest. The Mayor and the Chief Administrative Officer are, and each one of them is, hereby authorized to execute and deliver a final Official Statement, a bond purchase agreement with the Underwriter, continuing disclosure undertakings, and to execute and deliver all other documents and instruments necessary or convenient in connection with the issuance of the Bonds.

The authority granted to the Chief Administrative Officer hereunder may be performed by the Interim Chief Administrative Officer of the City or by the Assistant Chief Administrative Officer for Finance.