

**REQUEST FOR PROPOSALS FOR INVESTMENT OF PROCEEDS
RECEIVED FROM THE SALE OF \$48,536,000 SCHOOL BONDS
OF THE BOARD OF EDUCATION OF THE TOWNSHIP OF
BELLEVILLE IN THE COUNTY OF ESSEX, NEW JERSEY**

PROJECT FUND

Initial Deposit: \$ 48,536,000*
(Refer to Attached Estimated Draw-Down Schedule)

Source of Deposit: \$ 48,536,000 School Bonds to be issued March 22, 2018 (the "Bonds")

GENERAL REQUIREMENTS

The Board of Education of the of Township of Belleville School District in the County of Essex (the "School District") is currently seeking proposals from qualified firms interested in serving as investment manager for the proceeds of the Bonds indicated above. (the "Project Fund"). The School District desires to contract with a manager who will act in a fiduciary capacity to manage these funds in accordance with the Tax Code and in a manner to preserve principal, provide liquidity to meet construction draws and maximize income. All investments acquired with managed funds must be qualified for investment by New Jersey School Districts. Generally, these investments include direct governmental obligations and guaranteed government agency obligations, within a permitted maturity timeframe.

Scope of Work

1. Direct the investment, evaluate the performance and, when appropriate, direct the sale and reinvestment of all Project Fund assets under management.
2. Place all orders for the purchase, sale, loan or exchange of portfolio securities with brokers or dealers and give instructions to the custodian for delivery or receipt of cash and/or securities.
3. Provide independent confirmation of all securities transactions to the School District.
4. Monitor the creditworthiness of all investments under management.
5. Provide the School District with regular monthly statements of investment activities. Provide the School District with monthly reports of interest earnings, investment performance and the market value of all investments.
6. Conduct all aspects of the investment program consistent with the Internal Revenue Code and applicable regulations of the State of New Jersey.

*may vary

7. Work with the School District to assure coordination of investments, delivery of securities and the availability of funds, as needed, to pay draw-down requirements.
8. Provide arbitrage rebate compliance services with regard to (i) assuring compliance with arbitrage regulations, if applicable, and (ii) providing reviews at the required intervals.

A preliminary draw-down schedule for the Project Fund of the Bonds is attached. The arbitrage yield has been calculated at 3.2996 %.

Proposals

Proposals should acknowledge the respondent's ability to meet the requirements listed in the Scope of Work and complete the following:

1. Describe the investment management organization of your firm/program including the location of the office from which the funds are to be managed.
2. Identify those individuals who would perform the work in this engagement. Describe how their work would be managed and their responsibilities assigned. Please address your accessibility to the School District and frequency of contact.
3. Based on the current interest rate climate, please discuss your proposed investment proposal for the School District, and how it would achieve the School District's objective of safety, liquidity and the maximization of investment income. Please include the following in your discussion:
 - a. What percentage of the Project Fund would you recommend investing in liquid securities and what percentage would you recommend investing in longer term securities? Discuss your strategy for meeting the School District's short and long-term Project Fund draw-down requirements.
 - b. If the interest rate climate changes, what impact would you foresee on (i) the distribution between short and long-term investments, (ii) on estimated interest earnings and (iii) on your overall investment management fee?
 - c. How will you insure coordination of investment, delivery of securities and the availability of funds to meet draw-down requirements?
4. Provide a portfolio model or models, along with cash-flow schedule(s), based on the attached draw-down schedule, showing the expected total return for the entire duration of the Project Fund. Provide details on investments, calculations of net earnings and the average weighted yield after fees. Please detail any proposed liquidity and fixed

rate investment component and base your projections on market conditions as of March 15, 2018.

5. If applicable, please describe any rate guarantees for any investments.
6. Once securities are purchased, please describe the proposed custodial arrangement including name of custodian and any associated fees not included in (9) below. Please include hard dollar, basis point or spread fees.
7. If your firm uses an outside provider (non-related bank) for portfolio liquidity, please describe the flow of funds relating to investment interest payments, maturities and project disbursements. Will outside balance be incorporated into the monthly asset statements? Should the School District want to use its current bank for portfolio liquidity, would your firm be amenable to that arrangement?
8. Confirm that all proposed investments conform with N.J.S.A. 18A:20-37.
9. Describe and itemize the method of compensation you propose and the amount of compensation for the proposed Project Fund portfolio. Please itemize all fees that may be incurred by the School District including annual investment management fees, custody fees, disbursement of fund fees, and fees associated with reinvestment of proceeds. Please identify fees or expenses derived through expense ratios, or other costs which are deducted from gross yield. Provide information for each type of fee, and when it is calculated and collected. Please provide this information for each investment component being proposed.
10. Please describe the availability and frequency of asset statements as well as on-line capabilities. Please provide copies of sample reports and, if available, a website address where your firm's on-line capabilities can be assessed.
11. Describe your firm's ability to prepare both annual and five-year Arbitrage Rebate Compliance Reports and detail any fees associated with these reports not included in (9) above. Please indicate whether fees for such reports will be assessed on an annual basis or at the end of each required reporting period. Identify the firm that would provide rebate calculations if different from the firm submitting this proposal. If you believe arbitrage regulations could potentially impact the investment strategy for the Project Fund, please discuss.
12. Provide a listing of references which should include investment management services provided to school districts in the State of New Jersey.
13. Provide the name(s) of any professional firm(s) or individuals currently doing business with the School District and with which your firm or organization currently maintains a formal (contractual) or formal business relationship. Describe in detail the nature of the business relationship and the method of compensation received by your firm or by

any such firm or individual. Does the existence of this relationship represent a potential conflict of interest which should be considered?

Responses

To be considered, a copy of a written proposal must be sent to the School District by 2:00 PM on March 20, 2018 along with either a written or emailed proposal sent to the School District's Financial Advisor, by such time. Please use the following addresses:

School District

Matthew J. Paladino, Business Administrator
Board of Education of the Township of Belleville School District
102 Passaic Avenue
Belleville, New Jersey 07109

Financial Advisor

Mary Lyons, Managing Director
Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505
mlyons@muniadvisors.com

Please contact the Financial Advisor with any questions at 609-291-0130.

Belleville Board of Education
 Estimated Draw-Down Schedule
 2017 Referendum

2018												
1	2	3	4	5	6	7	8	9	10	11	12	Total
\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 1,876,659	\$ 1,876,659	\$ 1,876,659	\$ 3,330,505	\$ 3,330,505	\$ 3,330,505	\$ 3,330,505	\$ 20,051,995
2019												
1	2	3	4	5	6	7	8	9	10	11	12	Total
2,662,179	2,662,179	2,662,179	2,662,179	2,662,179	2,662,179	2,662,179	2,662,179	2,662,179	1,508,333	1,508,333	1,507,723	\$ 28,484,005
												\$ 48,536,000