

REQUEST FOR TERM SHEETS

CITY OF COLLINSVILLE MADISON AND ST. CLAIR COUNTIES, ILLINOIS

<p style="text-align: center;">\$1,675,800* DEBT CERTIFICATES (WATER TREATMENT PLANT SOLAR PROJECT), SERIES 2024D</p>

REQUEST: The City of Collinsville, Madison and St. Clair Counties, Illinois (the “City”) is seeking terms from lenders to purchase \$1,675,800* aggregate principal amount of Debt Certificates (Water Treatment Plant Solar Project), Series 2024D (the “Certificates”). The Certificates will be issued to finance the purchase and installation of solar panels.

PROPOSAL OPENING: Proposals must be received by e-mail sent to the City, at financedirector@collinsvilleil.org or cityclerk@collinsvilleil.org, no later than 11:00 A.M. C.T. on April 8, 2024. Respondents bear all risks of delivery failure.

All questions regarding the City and this Proposal should be directed to Dustin Ziebold, Finance Director, at (financedirector@collinsvilleil.org) or (618-346-5200 ext. 1127).

PROPOSAL CONSIDERATION: The Certificates will be sold on a negotiated basis. Upon receipt of the proposals, the City will determine which proposal is in the best interest of the City. The City reserves the right to further negotiate interest rates and any details of the Certificates with individual respondents submitting proposals. The City will award the sale of the Certificates to the financial institution whose proposal the City determines to be in the best interests of the City. If awarded the sale of the Certificates, the selected purchaser must hold all terms until the Delivery Date of the Certificates.

AWARD OF CERTIFICATES: The Certificates will be formally awarded by the City on April 23, 2024.

PURPOSE: The Certificates are being issued to finance the costs of purchasing and installing solar panels, and to pay expenses

*Preliminary, Subject to Change

incidental to such improvements and costs of issuance of the Certificates.

AUTHORITY: The Certificates are issued pursuant to the Illinois Municipal Code, the Local Government Debt Reform Act of the State of Illinois, and the home rule powers of the City as provided in Section 6 of Article VII of the Constitution of the State of Illinois.

SECURITY: The Certificates are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, except that the rights of the owners of the Certificates and the enforceability of the Certificates may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. There is no statutory authority for the levy of a separate tax in addition to other City taxes or the levy of a special tax unlimited as to rate or amount to pay the principal and interest due on the Certificates.

DELIVERY DATE: May 1, 2024

MATURITY: The City's expected principal amortization schedule for the Certificates is below, subject to change based on the final cost of the improvements and the interest rate of the financing.

Maturity Date	Amount
11/1/2025	\$191,800
5/1/2026	196,600
11/1/2026	201,500
5/1/2027	206,600
11/1/2027	211,800
5/1/2028	217,000
11/1/2028	222,500
5/1/2029	228,000

INTEREST: Interest on the Certificate will be payable on May 1 and November 1 of each year, commencing November 1, 2024.

OPTIONAL REDEMPTION: After the solar panels are installed and operating (approximately August 31, 2024), the City expects to receive incentives from the Federal Government through tax credits and other organizations. The final timing and amount of these incentives is undetermined, but the City expects to receive the

incentives in the approximate amount of \$1,144,000 on or around September 30, 2025:

The City desires to use the proceeds received from the tax credits and grants and potentially other City funds on hand to prepay Certificates. To maintain flexibility around the receipt of the grants and tax credits, it is the City's desire that the Certificates be subject to optional redemption in whole or in part on any date on or after June 1, 2025 at par plus accrued interest to the date fixed for redemption.

If your bank is unable to offer optional redemption in whole or in part on or after June 1, 2025, the City will consider alternative structures with the end goal of allowing the City to take advantage of the incentive receipts through lowering or eliminating debt service on the Certificates.

RATING:

The City has not requested a rating on this issue. The City's currently outstanding general obligation bonds are rated "Aa3" by Moody's Investors Service. *A rating may not be requested without contacting and receiving the permission of the City.*

NO OFFERING DOCUMENT: No preliminary or final official statement, private placement memorandum, or other offering document will be prepared by the City.

COSTS OF ISSUANCE: Financing and legal costs will be paid by the City out of the proceeds of the Certificates. A respondent must disclose in its offer the amount of any fees or expenses the respondent will charge the City. Any such fees or expenses will be added to the total interest cost for purpose of evaluating the proposal.

INVESTOR LETTER: The purchaser will be required to execute an investor letter, wherein the purchaser will certify to the City that it (1) is acquiring the Certificates for its own account and solely for investment purposes and not with a view to any distribution of any Certificate or any interest therein or a portion thereof or with any present intention of distributing or selling any Certificate or any interest therein or portion thereof and (2) has knowledge and experience in financial and business matters, including the acquisition and holding of tax-exempt obligations, that it is capable of evaluating the merits and risks of purchasing the Certificates and is able to bear such risks.

LEGAL OPINION AND TAX MATTERS: Gilmore & Bell, P.C., bond counsel to the City, will provide a legal opinion as to the legality of, and tax treatment of interest on, the Certificates. Interest on the Certificates is excludable in

gross income of the owners thereof for federal income tax purposes. Interest on the Certificates is not exempt from present State of Illinois income taxes. Ownership of the Certificates may result in other state and local tax consequences to certain taxpayers, and bond counsel will express no opinion regarding any such consequences arising with respect to the Certificates.

FEDERALLY TAX EXEMPT: Yes

BANK QUALIFICATION: No

REGISTRAR/ PAYING AGENT: TBD – If you would like to act as Paying Agent and Registrar on the Certificates, please provide any upfront fee- \$_____, and/or annual cost - \$_____ associated with acting as the Paying Agent and Registrar on the Certificates if a fee is required.

If you would not like to act as Paying Agent and Registrar, we can assign one. (Assign one, yes _____)

MUNICIPAL ADVISOR: Piper Sandler & Co. is assisting the City as its municipal advisor on this financing. **As the City’s municipal advisor, Piper Sandler solely owes a fiduciary duty to the City, and is not serving as a broker or placement agent for the financing.**

PROPOSAL CONTENT:

Please provide, at minimum, your interest rate, method of interest calculation (30/360, Actual/360, etc), terms and conditions for a 5 year fixed rate financing with final maturity and amortization listed above under “MATURITY”. We will consider alternative structures to the extent offered. Please indicate any origination fees or third party fee amounts, such as bank counsel or miscellaneous expenses. If a fee range is provided, the highest fee will be assumed in the analysis of the responses.

Please also indicate the redemption provision or provisions that you are willing to offer. As noted under “OPTIONAL REDEMPTION” above, the City desires flexibility to prepay early from the expected receipt of tax credit and grant funds or other funds of the City.

DISCLAIMER:

No proposing firm representative or third-party solicitor shall contact the City’s elected officials regarding this request for proposal while it remains open, except for questions about this Request for Term Sheets or City finances to be directed to Dustin Ziebold, Director of Finance, using the contact information listed below. Violation of this provision will be deemed grounds for immediate disqualification of a proposal and may be considered in future requests for proposal.

The City reserves the right to reject any and all proposals, and may waive any defect, irregularity, or informality contained any proposal. The City reserves the right to select the proposal deemed most advantageous to the City, in its sole discretion, and to negotiate directly with any respondents. Preparation and submission of a response to this request for proposals is at the sole expense and risk of the responding financial institutions, and it is understood by the selected financial institution that no fees or other compensation will be paid if the proposed financing is abandoned or does not close. If deadlines are modified or addenda to this request for proposal are prepared, all parties shall be notified contemporaneously.

Dustin Ziebold
Finance Director
City of Collinsville, Illinois
Phone: 618 346-5200 ext. 1127
Email: financedirector@collinsvilleil.org

APPENDIX A

SELECTED FINANCIAL AND ECONOMIC INFORMATION OF THE CITY

The Links below provide recent financial information for the City of Collinsville.

Audited Financial Statements

The Comprehensive Annual Financial Reports for the fiscal years ending December 31, 2022 and before can be found on the City's website at the following link:

<https://www.collinsvilleil.org/departments/finance/financial-statements>

Bond Disclosure Data

Under its existing bond issue documents, the City is required to annually post certain financial information on the Municipal Securities Rulemaking Board's EMMA system. This information includes sales tax data, property tax and assessed valuation data, and data on revenues, expenses, and fund balance.

The City's past five EMMA continuing disclosure annual filings can be found at the following links:

2023 Disclosure (for year ended 12/31/2022):

<https://emma.msrb.org/P11681059-P11293803-P11723957.pdf>

2022 Disclosure (for year ended 12/31/2021):

<https://emma.msrb.org/P21595015-P21230474-P21653286.pdf>

2021 Disclosure (for year ended 12/31/2020):

<https://emma.msrb.org/P11514249-P11171854-P11587626.pdf>

2020 Disclosure (for year ended 12/31/2019):

<https://emma.msrb.org/RE1372074-RE1065648-RE1475511.pdf>

2019 Disclosure (for year ended 12/31/2018):

<https://emma.msrb.org/ES1280877-ES1002506-ES1403985.pdf>

Annual Budgets

Annual budgets for the fiscal years ending December 31, 2024 and before can be found on the City's website at the following link:

<https://www.collinsvilleil.org/departments/finance/budget>