



Township of Lower Merion, PA

Series B of 2019 General Obligation Bonds Board of Commissioners Presentation

June 5, 2019

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Transaction Overview

◆ \$8,820,000 General Obligation Bonds, Series B of 2019

- Sale Date: Wednesday, June 5, 2019
- Anticipated Dated and Delivery Date: July 9, 2019
- Use of Proceeds: \$9,558,553.25 for Financing Various Capital Projects
- Bank Qualified
- Ratings:
 - Moody's **Aaa, Stable outlook**
 - Standard & Poor's: **AAA, Stable outlook**

Comparison of Recent Tax-Exempt Sale Results							
Series	Par	Purpose	Tax Status	Sale Date	1st Call Date	Average Life	TIC
A of 2010	18,995,000	Refunding	BQ	4/21/2010	1/15/2021	8.744 years	3.082266%
B of 2010	9,460,000	New Money	BQ	4/21/2010	1/15/2016	6.039 years	2.589618%
C of 2010	14,540,000	New Money	Taxable BABs	4/21/2010	1/15/2021	15.735 years	3.384897%
A of 2011	15,345,000	Refunding	Non-BQ	11/10/2010	1/15/2021	6.014 years	2.196739%
B of 2011	10,830,000	Refunding	Non-BQ	6/29/2011	1/15/2021	12.091 years	3.486284%
A of 2012	11,680,000	Refunding	Non-BQ	4/4/2012	1/1/2022	7.908 years	2.361818%
A of 2013	9,935,000	New Money	BQ	2/20/2013	4/1/2020	13.043 years	2.283896%
A of 2014	9,405,000	Refunding	BQ	3/12/2014	7/15/2019	6.145 years	2.074263%
B of 2014	9,455,000	New Money	BQ	4/2/2014	7/15/2019	11.307 years	2.862649%
A of 2015	4,195,000	Refunding	Non-BQ	10/20/2014	NC	4.430 years	1.405081%
B of 2015	9,595,000	New Money	Non-BQ	10/20/2014	4/15/2023	12.040 years	2.872874%
A & B of 2015	13,790,000	Refunding & New Money	Non-BQ	10/20/2014	4/15/2023	9.725 years	2.638407%
A of 2016	3,655,000	Refunding	BQ	4/6/2016	NC	2.783 years	0.779620%
B of 2016	7,625,000	New Money	BQ	5/4/2016	11/1/2021	11.059 years	2.068876%
A of 2017	9,805,000	New Money	BQ	9/13/2017	10/1/2022	11.272 years	2.424570%
A of 2019	8,780,000	Refunding	BQ	5/8/2019	7/15/2024	9.204 years	2.338029%
B of 2019	8,820,000	New Money	BQ	6/5/2019	7/15/2024	11.849 years	3.079846%

Auction Summary

◆ General Auction Statistics:

- Total firms bidding: 4
- Total bids: 11
- Total lead changes: 3
- Time of auction: 15 minutes 51 seconds

◆ Overall, bids improved by a total of 0.14% between the initial bid and the winning bid.

◆ The cover bid (2nd place) and the winning bid were separated by only 0.0152%.

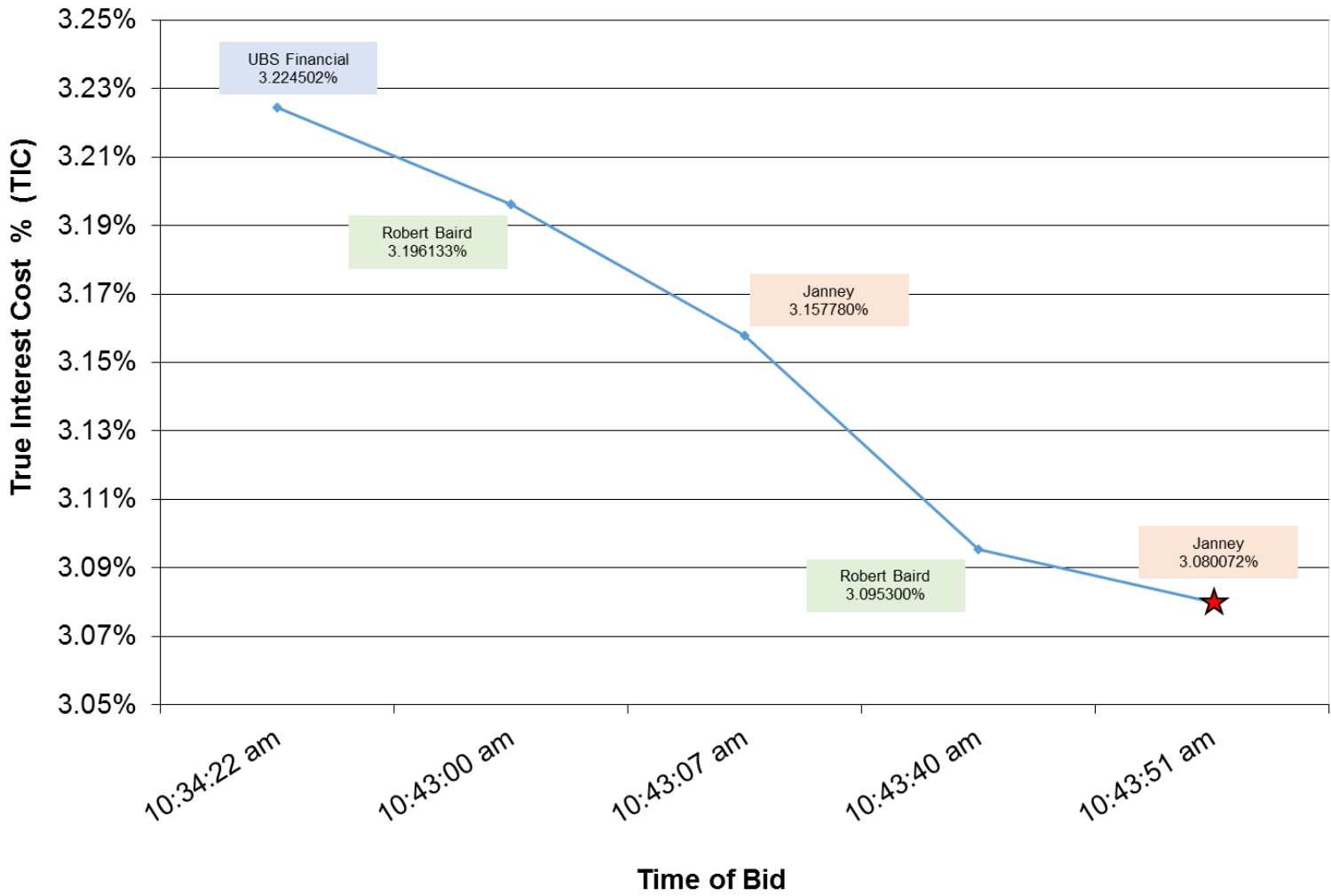
Summary of Bids

- ◆ Bidders were initially asked to bid on \$8,875,000 of Bonds maturing in years 2020 through 2039.

General Obligation Bonds, Series B of 2019					
Rank	Bidder	TIC	Time of Bid	# of Bids	Cumulative Improvement
1st	Janney Montgomery Scott	3.080072%	10:43:51 am	3	0.08%
2nd	Robert Baird	3.095300%	10:43:40 am	2	0.10%
3rd	Raymond James	3.127983%	10:45:37 am	3	0.03%
4th	UBS Financial Services	3.128686%	10:45:31 am	3	0.10%

TOTAL BIDS: **11**

Summary of Leading Bids During Auction



Series A Final Bond Pricing Results

- After awarding the winning bid, the size of the Bonds was decreased by \$55,000 from \$8.875 million to \$8.820 million to account for issuance premium.

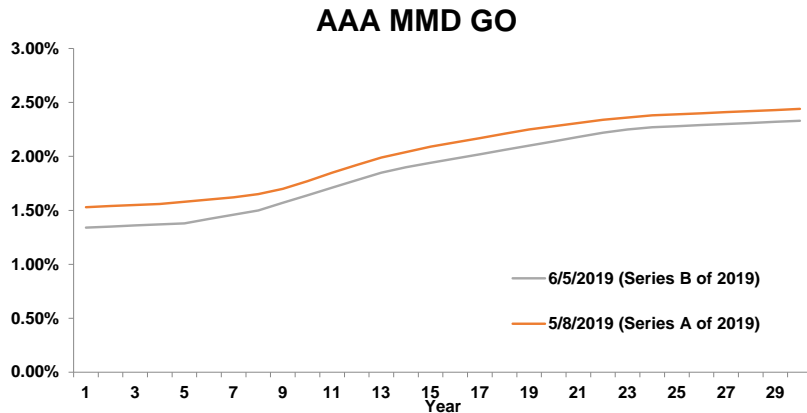
\$8,820,000 G.O. Bonds, Series B of 2019 (Tax-Exempt, BQ)						
<i>Winning Bidder: Janney Montgomery Scott, TIC: 3.079846%</i>						
Year	Maturity	Par	Coupon	Final Yields	Wednesday, 06/05/2019, 3:00PM	
					'AAA' MMD*	Spread
2020	7/15/2020	280,000	5.000%	1.360%	1.340%	2.0 b.p.
2021	7/15/2021	300,000	5.000%	1.370%	1.350%	2.0 b.p.
2022	7/15/2022	315,000	5.000%	1.380%	1.360%	2.0 b.p.
2023	7/15/2023	330,000	5.000%	1.390%	1.370%	2.0 b.p.
2024	7/15/2024	345,000	5.000%	1.400%	1.380%	2.0 b.p.
2025 (C)	7/15/2025	365,000	4.000%	1.450%	1.420%	3.0 b.p.
2026 (C)	7/15/2026	375,000	4.000%	1.500%	1.460%	4.0 b.p.
2027 (C)	7/15/2027	390,000	4.000%	1.570%	1.500%	7.0 b.p.
2028 (C)	7/15/2028	410,000	4.000%	1.650%	1.570%	8.0 b.p.
2029 (C)	7/15/2029	425,000	4.000%	1.750%	1.640%	11.0 b.p.
2030 (C)	7/15/2030	440,000	4.000%	1.820%	1.710%	11.0 b.p.
2031 (C)	7/15/2031	460,000	4.000%	1.880%	1.780%	10.0 b.p.
2032 (C)	7/15/2032	475,000	4.000%	1.950%	1.850%	10.0 b.p.
2033 (C)	7/15/2033	495,000	4.000%	2.000%	1.900%	10.0 b.p.
2034 (C)	7/15/2034	515,000	4.000%	2.040%	1.940%	10.0 b.p.
2035 (C)	7/15/2035	535,000	4.000%	2.080%	1.980%	10.0 b.p.
2036 (C)	7/15/2036	555,000	4.000%	2.120%	2.020%	10.0 b.p.
2037 (C)	7/15/2037	580,000	4.000%	2.160%	2.060%	10.0 b.p.
2038 (C)	7/15/2038	605,000	4.000%	2.200%	2.100%	10.0 b.p.
2039 (C)	7/15/2039	625,000	4.000%	2.240%	2.140%	10.0 b.p.

Weighted Average Spread: 6.9 b.p.

*AAA MMD is a 5.0% coupon index. Maturities without 5.0% coupons will have increased spreads to this index (2025 - 2039 maturities)

Pricing Comparison

- ◆ Tax-exempt rates have decreased since May 8, 2019 (the date of the Township's last sale).
 - 1 to 10 year rates decrease from 0.13% to 0.20%
 - 11 to 20 year rates decrease from 0.14% to 0.15%



Township of Lower Merion, PA G.O. Bonds						
Historical Spreads to AAA MMD						
Year	Series B of 2019			Series A of 2019		
	Coupon	Actual Pricing	Spread to AAA MMD	Coupon	Actual Pricing	Spread to AAA MMD
1	5.00%	1.36%	2.0 bps	5.00%	1.54%	1.0 bps
2	5.00%	1.37%	2.0 bps	5.00%	1.55%	1.0 bps
3	5.00%	1.38%	2.0 bps	5.00%	1.56%	1.0 bps
4	5.00%	1.39%	2.0 bps	5.00%	1.56%	(0.0 bps)
5	5.00%	1.40%	2.0 bps	5.00%	1.57%	(1.0 bps)
6	4.00%	1.45%	3.0 bps	2.00%	1.70%	10.0 bps
7	4.00%	1.50%	4.0 bps	2.00%	1.75%	13.0 bps
8	4.00%	1.57%	7.0 bps	2.00%	1.80%	15.0 bps
9	4.00%	1.65%	8.0 bps	2.00%	2.00%	30.0 bps
10	4.00%	1.75%	11.0 bps	2.00%	2.05%	28.0 bps
11	4.00%	1.82%	11.0 bps	3.00%	2.15%	30.0 bps
12	4.00%	1.88%	10.0 bps	3.00%	2.25%	33.0 bps
13	4.00%	1.95%	10.0 bps	3.00%	2.35%	36.0 bps
14	4.00%	2.00%	10.0 bps	3.00%	2.45%	41.0 bps
15	4.00%	2.04%	10.0 bps	3.00%	2.50%	41.0 bps
16	4.00%	2.08%	10.0 bps			
17	4.00%	2.12%	10.0 bps			
18	4.00%	2.16%	10.0 bps			
19	4.00%	2.20%	10.0 bps			
20	4.00%	2.24%	10.0 bps			

Weighted Avg Spread:

6.9 bps

14.1 bps

Impact on Existing Debt Service

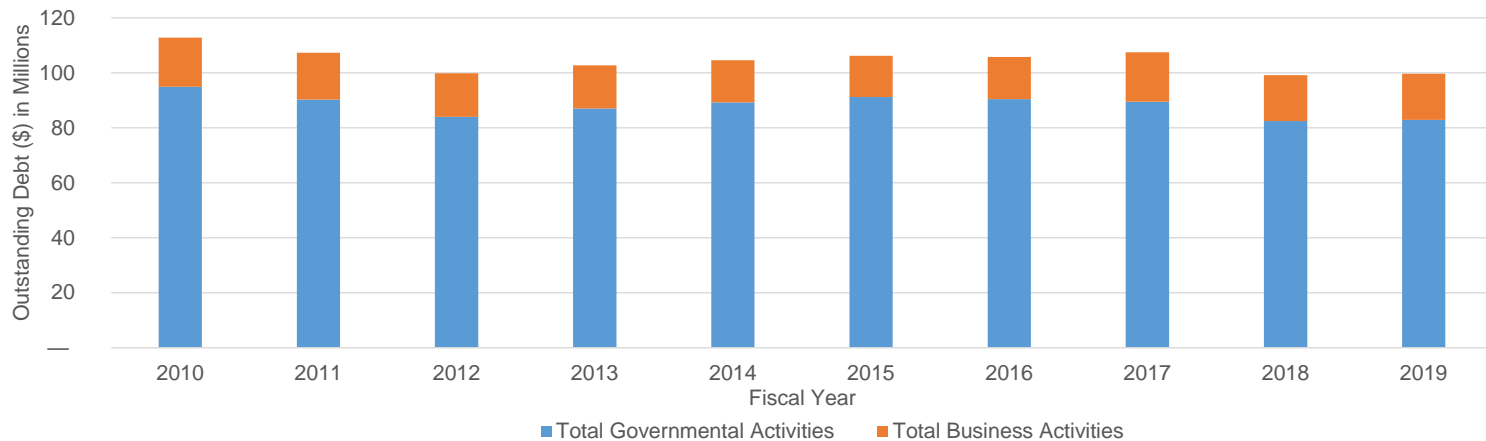
Aggregate Fiscal Year Debt Service After Series B of 2019 Issuance			
A	B	C	D
FY	Existing Debt Service	Series B of 2019 Debt Service	Post Issuance Debt Service
2019	\$ 3,355,819.00		\$ 3,355,819.00
2020	11,198,124.00	654,641.67	11,852,765.67
2021	10,890,829.00	654,500.00	11,545,329.00
2022	10,532,291.00	654,500.00	11,186,791.00
2023	10,113,301.00	653,750.00	10,767,051.00
2024	9,520,678.00	652,250.00	10,172,928.00
2025	8,783,177.00	655,000.00	9,438,177.00
2026	8,019,493.00	650,400.00	8,669,893.00
2027	7,099,735.00	650,400.00	7,750,135.00
2028	6,183,390.00	654,800.00	6,838,190.00
2029	5,312,084.00	653,400.00	5,965,484.00
2030	4,562,196.00	651,400.00	5,213,596.00
2031	3,888,007.00	653,800.00	4,541,807.00
2032	3,361,117.00	650,400.00	4,011,517.00
2033	2,887,388.00	651,400.00	3,538,788.00
2034	2,359,595.00	651,600.00	3,011,195.00
2035	1,761,059.00	651,000.00	2,412,059.00
2036	1,091,988.00	649,600.00	1,741,588.00
2037	633,450.00	652,400.00	1,285,850.00
2038		654,200.00	654,200.00
2039		650,000.00	650,000.00
	\$ 111,553,721	\$ 13,049,442	\$ 124,603,163

*Existing Debt Service as of 7/9/2019



Outstanding Debt (Principal) of the Township

Year*	Total Governmental Activities	Total Business Activities	Total Primary Government
2010	94,934,169	17,930,831	112,865,000
2011	90,266,132	17,083,868	107,350,000
2012	84,023,568	15,866,432	99,890,000
2013	87,072,404	15,687,596	102,760,000
2014	89,278,505	15,326,495	104,605,000
2015	91,196,632	15,043,368	106,240,000
2016	90,453,101	15,346,899	105,800,000
2017	89,473,260	18,046,740	107,520,000
2018	82,514,064	16,700,936	99,215,000
2019	82,899,925	16,800,075	99,700,000



* As of December 31 annually