



CITY OF CRESCENT CITY

Mayor Jason Greenough
Council Member Blake Inscore
Council Member Isaiah Wright

Mayor Pro Tem Alex Campbell
Council Member Beau Smith

AGENDA SPECIAL CITY COUNCIL MEETING VIRTUAL VIA ZOOM

MONDAY

FEBRUARY 22, 2021

6:00 P.M.

Note: the posted agenda has been modified to rearrange the order of the agenda items. There have been no additions or subtractions of the agenda materials or summaries.

Due to the current public health emergency resulting from COVID-19, the public may access and participate in the public meeting using one or more of the following three methods: (1) participate online via Zoom – details to join the meeting will be on both the City of Crescent City – City Hall Facebook page as well as the City of Crescent City website (www.crescentcity.org); (2) watch the meeting via livestream on YouTube (Channel: City of Crescent City, California) and submit comments via publiccomment@crescentcity.org; or submit a written comment by filing it with the City Clerk at 377 J Street, Crescent City, California 95531 prior to 4:00 pm, February 22, 2021. If you require a special accommodation, please contact City Clerk Robin Patch at 464-7483 ext. 223.

ZOOM PHONE NUMBER: (253) 215-8782

CLOSED SESSION WEBINAR ID: 861 9340 7190

OPEN SESSION WEBINAR ID: 836 5355 6865

NOTE: THE CLOSED SESSION BEGINS AT 5:00 p.m.

FOLLOWED BY THE OPEN SESSION MEETING AT 6:00 p.m.

CLOSED SESSION

Call to order
Roll call

ANNOUNCEMENT OF CLOSED SESSION ITEMS

- Conference with Legal Counsel: Existing Litigation (Govt. Code § 54956.9(d)(1)) Bertsch-Ocean View CSD v. City of Crescent City, et al., Del Norte Superior Case No. CVUJ-2020-1287

- **Conference with Legal Counsel: Anticipated Litigation** (Govt. Code § 54956.9(d)(2)):
One case

OPEN SESSION

Call to order
Roll call
Pledge of Allegiance

REPORT OUT ON CLOSED SESSION

PUBLIC COMMENT PERIOD

Any member of the audience is invited to address the City Council on any matter that is within the jurisdiction of the City of Crescent City. Comments of public interest or on matters appearing on the agenda are accepted. Note, however, that the Council is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action, which may include placement on a future agenda. All comments shall be directed toward the entire Council. Any comments that are not at the microphone are out of order and will not be a part of the public record. After receiving recognition from the Mayor, please state your name and city or county residency for the record. Public comment is limited to three (3) minutes. The public is additionally allotted three minutes each in which to speak on any item on the agenda prior to any action taken by the Council.

CEREMONIAL ITEMS - None

CONSENT CALENDAR - None

REPORTS AND PRESENTATIONS

1. Johnson Controls Presentation by Project Manager Brian LaBrie

- *Recommendation: Hear presentation*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*

PUBLIC HEARINGS – None

CONTINUING BUSINESS - None

NEW BUSINESS

2. Municipal Financial Advisor Services Agreement

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Authorize the City Manager to sign a Professional Services Agreement with Urban Futures, Inc.*
- *Adopt Resolution No. 2021-09, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY*

3. Lighthouse Way Parking Complaint

- *Recommendation: Hear staff report*
- *Technical questions from the Council*
- *Receive public comment*
- *Further Council discussion*
- *Direct staff as necessary and appropriate*

CITY COUNCIL ITEMS

- **Legislative Matters** – Consider miscellaneous legislative matters pertinent to the City of Crescent City. Authorize the Mayor to sign the appropriate letters and/or positions with respect to such matters.
- **City Manager Report and City Council Directives** – Pursuant to Crescent City Municipal Code § 2.08.200, the City Council may instruct the city manager on matters of importance to the administrative services of the City and provide direction with respect to subordinates of the City Manager. (Directives from individual Council Members that are not objected to by any member present shall be considered an order of the City Council.)
- **Reports, Concerns, Referrals, Council travel and training reports** – In accordance with Gov't Code § 54954.2(a), City Council Members may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda.

ADJOURNMENT

Adjourn to the Measure S Workshop for the Crescent City Police Department of the City Council of the City of Crescent City scheduled for Thursday, February 25, 2021 at 5:30 p.m., via Zoom, Crescent City, CA 95531.

POSTED:

February 19, 2021

/s/ Robin Patch

City Clerk/Administrative Analyst

Vision:

The City of Crescent City will continue to stand the test of time and promote quality of life and community pride for our residents, businesses and visitors through leadership, diversity, and teamwork.

Mission:

The purpose of our city is to promote a high quality of life, leadership and services to the residents, businesses, and visitors we serve. The City is dedicated to providing the most efficient, innovative and economically sound municipal services building on our diverse history, culture and unique natural resources.

Values:

Accountability
Honesty & Integrity
Excellent Customer Service
Effective & Active Communication
Teamwork
Fiscally Responsible

CITY COUNCIL AGENDA REPORT



TO: MAYOR GREENOUGH AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

DATE: FEBRUARY 22, 2021

**SUBJECT: JOHNSON CONTROLS PRESENTATION BY PROJECT MANAGER
BRIAN LABRIE**

RECOMMENDATION

- Hear presentation
- Technical questions from the Council
- Receive public comment
- Further Council discussion

BACKGROUND

Please see the attached Johnson Controls Preliminary Project Executive Summary regarding the implementation of a City-wide efficiency project.

STRATEGIC PLAN ASSESSMENT

This action supports Strategic Plan Goal #3, Objective B to maintain responsible fiscal management and accountability.

ATTACHMENTS

- Johnson Controls Preliminary Project Executive Summary

Crescent City

Johnson Controls Preliminary Project Executive Summary

Crescent City selected Johnson Controls as the City's partner through a competitive RFP and interview process to identify and implement a City-wide efficiency project with the purpose of reducing the City's operating costs while improving aged infrastructure. Johnson Controls is a firm that specializes in implementing self-funded projects through a comprehensive risk transfer model.

The self-funded projects are structured by identifying City-wide energy, water and operational efficiency improvements. Johnson Controls quantifies the annual financial value of the savings generated by these measures, using industry-standard processes, which is then extrapolated over the term that the efficiency improvements will be financed, often 15-25 years. By calculating the net present value of the total savings, it gives the City the total amount of funding that is available to pay for City improvements. The project is structured financially in a way that the debt service payments are less than or equal to the reduction in operating costs that the City achieves to ultimately make what is a budget-neutral infrastructure improvement project.

Johnson Controls takes on the risk of project performance by utilizing a design-build construction model and by guaranteeing a not-to-exceed maximum price along with the savings to the City that will ultimately be used to pay for the project. Having engineering and construction managed by Johnson Controls reduces costs and accelerates schedule. This model also eliminates potential issues from engineers and contractors pointing fingers at one another when issues arise which can lead to Change Orders, Requests for Information (RFI's), associated delays and added costs. The guaranteed not-to-exceed price removes the risk of cost overruns to the City so that construction costs do not balloon after contract execution. Being that the savings from efficiency measures are used to pay for the project costs, it is imperative that the savings are realized as to not leave the City with a debt service payment that it cannot afford. Johnson Controls mitigates this financial risk by providing a savings guarantee. If guaranteed savings are not realized by the City, Johnson Controls writes a check to the City to cover the losses. Johnson Controls' savings guarantee is tried and true being utilized by countless public agencies across the globe and is highly valued by the financial institutions that lend funds for these projects.

Existing Conditions:

- Aged, inefficient, and maintenance-heavy equipment/infrastructure
 - Water Meters
 - Pumps, Motors, Variable Frequency Drives (VFD's)
 - Lighting
 - HVAC
- High operational costs for City buildings, water distribution, and wastewater treatment
- Vacant City-owned building desired to be retrofitted to Crescent City's New City Hall

Work Completed to Date:

- Preliminary City-wide analysis and project feasibility study
- Preliminary project scope identification, associated cost, and savings estimates

Project Summary:

- Estimated preliminary self-funding project cost ranging from \$4,700,000 to \$7,100,000
- Replace water meters, lighting, pumps, motors, and HVAC with premium efficiency models
- Leverage Solar Energy Generation to reduce the purchase of electricity/gas from utilities
- Leverage additional available savings to fund retrofits to the New City Hall building

Next Steps:

1. Work with City's Financial Advisor to review project structure and Project Development Agreement
2. Review and approve agreement to complete Project Development Agreement
3. Complete required project development to deliver an executable construction contract to the City
4. Commence project construction



CITY COUNCIL AGENDA REPORT

TO: MAYOR GREENOUGH AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

**BY: LINDA LEAVER, FINANCE DIRECTOR
MARTHA D. RICE, CITY ATTORNEY**

DATE: FEBRUARY 22, 2021

SUBJECT: MUNICIPAL FINANCIAL ADVISOR SERVICES AGREEMENT

RECOMMENDATION

- Hear staff report
- Technical questions from the Council
- Receive public comment
- Further Council discussion
- Authorize the City Manager to sign a Professional Services Agreement with Urban Futures, Inc.
- Adopt Resolution No. 2021-09, A Resolution of the City Council of the City of Crescent City Amending the Fiscal Year 2020-21 Budget

BACKGROUND

The City has engaged Johnson Controls, Inc. for an energy efficiency audit and proposal of projects that will increase efficiency and reduce costs. The goal of the projects is to generate enough energy and water savings to offset the cost of the improvements. The energy audit (Phase 1) is complete and was at no cost to the City. As will be presented in its entirety by Johnson Controls earlier on this agenda the Phase 1 energy audit is a preliminary City-wide analysis and project feasibility study which resulted in the evaluation of several potential energy saving projects across all City funds including Water, Sewer, and General Funds. Through this discovery phase many potential energy projects were deemed unfeasible based on the City's current infrastructure and energy efficiency incentive options. However, there are several projects in various City funds that have been identified as feasible. These include the replacement of water meters, street lights, facility lighting, pumps, motors, and HVAC with premium efficiency models as well as leverage solar energy generation to reduce the purchase of electricity/gas from utilities. The total preliminary estimated cost of these projects could range to a total project amount of over 7 million dollars.

If the City Council chooses to proceed with Phase 2 of the project, Johnson Controls will develop the plans and construction cost estimates. Phase 2 would include signing a Project Development Agreement. That phase involves a significant commitment from the City: if Johnson Controls is able to fully develop a project that meets the agreed-upon criteria and the City chooses not to proceed, the City would be required to reimburse Johnson Controls for its design work (also referred to as a breakage fee); if the City proceeds with the project, the cost of the design work would be rolled into the overall project cost.

While any proposed project is intended to be, at a minimum, self-funding, that realization occurs over a period of years. The City will have to pay upfront to complete the project. Options for financing these projects include both public and private placements. As staff do not have experience or expertise in this area, the City Council authorized the issuance of an RFP for a municipal financial advisor.

ITEM ANALYSIS

The City issued a Request for Proposals in late November and received 7 proposals. The selection committee comprised of the City Manager, City Finance Director, City Public Works Director, and City Attorney selected 4 firms to interview. The competition was very tight, but staff came to the unanimous decision to select Urban Futures, Inc. to serve as the City's Municipal Financial Advisor for this project. The Urban Futures team consists of CEO Michael Busch, Managing Director Wing-See Fox, and Senior Associate Branden Kfoury.

The City has negotiated a Phase 1 and Phase 2 approach to the municipal financial advisory services. In Phase 1, Urban Futures will assist the City by analyzing and validating the proposal from Johnson Controls to assist the City in determining whether it is in the City's best interest to move forward into a Project Development Agreement. After Urban Futures completes Phase 1, if the City Council chooses to enter into the Project Development Agreement with Johnson Controls and then into project construction, Urban Futures will assist the City with all aspects of the financing (Urban Futures Agreement Phase 2).

Urban Futures will perform the following services in its role as municipal financial advisor:

- Phase 1 Scope of Activities:
 - Schedule meetings/calls with staff and Johnson Controls, Inc. to request all necessary data
 - Discuss needs and goals of City
 - Validation of savings and assumptions used by Johnson Controls, Inc. in its Feasibility Study;
 - Break out estimated savings by project
 - Set up conference calls with City and Johnson Controls, Inc. to review information;
 - Identify and analyze preliminary financing alternatives for funding the project; and

- Produce validation report/audited cost savings projection
- Phase 2 Scope of Activities:
 - Review and provide input on Johnson Controls, Inc., Project Development Agreement
 - Provide recommendation for financing method
 - Credit analysis
 - Assist in selection of additional financing team members
 - Develop financing timetable
 - Assist with identifying leased assets if necessary
 - Coordinate activities of the financing team
 - Review financing documents
 - Prepare staff reports as requested
 - Plan and coordinate presentations to rating agencies, bond insurers, and investors as required
 - Assist with private placement (as applicable), including working with the placement agent to solicit lenders, evaluating and selecting the lender, negotiating with the lender

Compensation for Phase 1 activities is set at a not-to-exceed amount of \$10,000. Compensation for Phase 2 activities will be a flat rate of either \$30,000 for a private placement or \$35,000 for a public placement. Regardless of the financing method, the compensation will be rolled into the financing and not be paid out-of-pocket.

FISCAL ANALYSIS

The financial impact to the budget for these services will be no more than \$10,000. As the initial phase involves analysis of possible energy projects across the General Fund, Sewer Fund, and Water Fund, the cost of the financial analysis will be shared by the three funds. Any cost of assisting with financing will be rolled into the cost of the financing.

STRATEGIC PLAN ASSESSMENT

This action supports Strategic Plan Goal #3, Objective B to maintain responsible fiscal management and accountability.

ATTACHMENTS

- Resolution No. 2021-09
- Professional Services Agreement / Engagement Letter
- Urban Futures, Inc. Proposal

RESOLUTION NO. 2021-09

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AMENDING
THE FISCAL YEAR 2020-21 BUDGET OF THE CITY OF CRESCENT CITY**

WHEREAS, the budget for the fiscal year beginning July 1, 2020, as submitted by the City Manager, was reviewed by the City Council and a public hearing was held thereon the 22nd day of June 2020; and

WHEREAS, the City Council adopted said budget and has the authority to amend said budget from time to time; and

WHEREAS, the City is engaged in an energy efficiency audit with Johnson Controls, Inc. and finds it fiscally prudent to hire a municipal financial advisor to assist the City in evaluating the proposed energy project; and

WHEREAS, the fulfillment of these priorities requires an amendment to the budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRESCENT CITY AS FOLLOWS:

1. That the Fiscal Year 2020-21 City of Crescent City Annual Budget is hereby amended and appropriated in the amounts identified below:

	Revenue Increase (Decrease)	Expense Increase (Decrease)
General Fund		\$3,334
Sewer Fund		\$3,333
Water Fund		\$3,333

APPROVED and ADOPTED and made effective the same day at a special meeting of the City Council of the City of Crescent City held on the 22nd day of February, 2021, by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jason Greenough, Mayor

ATTEST:

Robin Patch, City Clerk

CITY OF CRESCENT CITY PROFESSIONAL SERVICES AGREEMENT

This professional services agreement ("Agreement") is made and entered into this 1st day of February 2021 by and between the City of Crescent City, a California municipal corporation ("CITY") and Urban Futures, Inc., a California corporation ("CONSULTANT"), for municipal financial advisor services.

RECITALS

WHEREAS, CITY has determined it is necessary and desirable to secure certain technical and professional services; and

WHEREAS, CITY has utilized a competitive process to select CONSULTANT; and

WHEREAS, CONSULTANT is qualified and willing to provide such services pursuant to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, IT IS AGREED by and between CITY and CONSULTANT as follows:

1.0 INCORPORATION OF RECITALS. The recitals set forth above, and all defined terms set forth in such recitals and in the introductory paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.

2.0 SCOPE OF SERVICES.

2.01 SERVICES TO BE PERFORMED. Subject to policy direction and approvals as CITY through its staff may determine from time to time, CONSULTANT will perform the services set forth in Exhibit "A" attached hereto and incorporated herein by reference.

2.02 SCHEDULE FOR PERFORMANCE. CONSULTANT must perform the services identified in Exhibit "A" as expeditiously as is consistent with generally accepted standards of professional skill and care and the orderly progress of work. Target completion dates for key date sensitive tasks are listed in Exhibit "A".

2.03 STANDARD OF QUALITY. All work performed by CONSULTANT under this Agreement must be in accordance with all applicable legal requirements and must meet the standard of quality ordinarily to be expected of competent professionals in CONSULTANT'S field of expertise.

2.04 COMPLIANCE WITH LAWS. CONSULTANT must comply with all applicable federal, state, and local laws, codes, ordinances, regulations, orders, and decrees. CONSULTANT represents and warrants to CITY that CONSULTANT will, at its own cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance and approvals that are legally required for CONSULTANT to practice its profession or are necessary and incident to the lawful prosecution of the services it performs under this Agreement, including a City business license.

- 2.05 PERSONNEL.** CONSULTANT agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this Agreement. Failure to assign such competent personnel will constitute grounds for termination of this Agreement by CITY. Any replacement of Engagement Partner, Managers, or other senior staff assigned to the engagement must be approved by CITY.
- 2.06 FACILITIES, EQUIPMENT, AND OTHER MATERIALS.** CITY will provide CONSULTANT with reasonable workspace during fieldwork, including access to telephone lines, internet, photocopying, and fax machine. CONSULTANT will, at its sole cost and expense, furnish all other facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.
- 2.07 ENGAGEMENT LETTER.** The terms of the Engagement Letter provided by CONSULTANT are attached hereto and incorporated herein as described in Exhibit "C."

3.0 COMPENSATION.

- 3.01 AMOUNT OF COMPENSATION.** The compensation to be paid by CITY to CONSULTANT for the services rendered hereunder are as specified in Exhibit "B" attached hereto and incorporated herein by this reference. Total payments for "Phase 1 Activities" are not-to-exceed \$10,000 and compensation for "Phase 2 Activities" will be a flat fee determined by the method of financing, all as specified in Exhibit B.
- 3.02 ADDITIONAL SERVICES.** CITY will make no payment to CONSULTANT for any extra, further, or additional services unless such services and payment have been mutually agreed to and this Agreement has been formally amended in accordance with Section 7.
- 3.03 INVOICING AND PAYMENT.** CITY will pay CONSULTANT within 30 days of receipt of CONSULTANT's invoice. If there is a dispute as to one or more line items on the invoice, CITY will pay the undisputed portion within 30 days of receipt. The parties will exercise good faith and diligence in the resolution of any disputed invoice amounts and CITY will pay promptly upon resolution of the dispute. CONSULTANT will not be paid until a fully executed W-9 has been received.
- 4.0 WORK PRODUCT REVIEW.** CONSULTANT will make its work product available to CITY for review. If additional review and/or revision is required by CITY, CITY will conduct reviews in a timely manner.
- 5.0 TERM OF AGREEMENT.** This Agreement is effective as of the date first above written and will continue until services are completed or the Agreement is terminated pursuant to Section 6, whichever occurs first.
- 6.0 EARLY TERMINATION.**
- 6.01 WRITTEN NOTICE.** Either party has the right to terminate this Agreement for any reason, at any time, by serving upon the other party sixty (60) calendar days'

advance written notice of termination. CONSULTANT will discontinue all services within thirty (30) days of receipt of such notice from CITY. The notice will be deemed served and effective for all purposes on the date it is deposited in the U.S. mail, certified, return receipt requested, and sent to the other party at the address indicated in Section 11.0. CITY also has the right to terminate this Agreement for cause immediately upon CONSULTANT'S failure to cure any violation of this Agreement or failure to perform under this Agreement within 10 days of receiving written notice thereof by CITY.

6.02 DELIVERY OF WORK. If CITY issues a notice of termination, CONSULTANT must deliver to CITY copies of all writings, whether or not completed, which were prepared by CONSULTANT, its employees, or its subcontractors, if any, pursuant to this Agreement. The term "writings" includes, but is not limited to, handwriting, typewriting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, symbols, or combinations thereof.

6.03 PAYMENT FOR SERVICES RENDERED. If CITY issues a notice of termination, CONSULTANT will be entitled to receive compensation for all services rendered prior to the effective date of termination.

7.0 AMENDMENTS. Modifications or amendments to the terms of this Agreement must be in writing and executed by both parties to be valid and enforceable.

8.0 NONDISCLOSURE OF CONFIDENTIAL INFORMATION. Except as required by law, CONSULTANT must not, either during or after the term of this Agreement, disclose to any third party any confidential information relative to the work of CITY without the prior written consent of CITY.

9.0 DISCLOSURE. CONSULTANT must provide CITY with full disclosure of any other clients that it is currently serving in Del Norte County, including a brief description of the nature of the work being performed. If CONSULTANT initiates service to new clients within Del Norte County during the term of this Agreement, CONSULTANT must disclose such service to CITY. CONSULTANT may be excused from this disclosure requirement if the client demands confidentiality and the work does not prevent a conflict of interest for CONSULTANT.

10.0 INDEPENDENT CONTRACTOR. In the performance of the services in this Agreement, CONSULTANT is an independent contractor and is not an agent or employee of CITY. CONSULTANT, its officers, employees, agents, and subcontractors, if any, have no power to bind or commit CITY to any decision or course of action, and must not represent to any person or business that they have such power. CONSULTANT has the right to exercise full control of the supervision of the services and over the employment, direction, compensation, and discharge of all persons assisting CONSULTANT in the performance of said service hereunder. CONSULTANT is solely responsible for all matters relating to the payment of its employees, including compliance with social security and income tax withholding, workers' compensation insurance, and all other regulations governing such matters.

11.0 NOTICE.

11.01 DELIVERY. Any notices or other communications to be given to either party under this Agreement must be in writing, delivered to the addresses set forth below, and will be effective, as follows:

- (a) by personal delivery, effective upon receipt by the addressee;
- (b) by facsimile, effective upon receipt by the addressee, so long as a copy is provided by certified U.S. mail, return receipt requested, postmarked the same day as the facsimile;
- (c) by certified U.S. mail, return receipt requested, effective 72 hours after deposit in the mail.

IF TO CITY:

City of Crescent City
Attn: City Manager
377 J Street
Crescent City, CA 95531
Phone: (707) 464-7483
Fax: (707) 465-1719
Email: ewier@crescentcity.org

IF TO CONSULTANT:

Urban Futures, Inc.
Attn: Michael Busch
17821 17th Street, Suite 245
Tustin, CA 92780
Phone: (714) 283-9334
Fax: (714) 283-5465
Email: michaelb@urbanfuturesinc.com

Either party may change its address for notice purposes by complying with the notice procedures in this Section.

12.0 OWNERSHIP OF MATERIALS. CITY is the owner of all records and information created, produced, or generated as part of the services performed under this Agreement. At any time during the term of this Agreement, at the request of CITY, CONSULTANT must deliver to CITY copies of all writings, records, and information created or maintained pursuant to this Agreement. The term "writings" in this Section has the same definition as provided in subsection 6.02. Any forms, software, and/or services provided and created by the CONSULTANT will remain the property of the CONSULTANT. All documents or work created using these systems will remain the property of CITY. CITY has no rights to any of the CONSULTANT'S intellectual property or an invention that may be a result of work performed by CONSULTANT.

13.0 DUTIES OF THE CITY. The CITY must provide the CONSULTANT with all files, records, and information pertinent to services to be performed hereunder.

14.0 BINDING AGREEMENT. This Agreement binds the successors of CITY and CONSULTANT in the same manner as if they were expressly named herein.

15.0 WAIVER. Waiver by either party of any default, breach, or condition precedent may not be construed as a waiver of any other default, breach, or condition precedent or any other right under this Agreement. The failure of either party at any time to require performance by the other party of any provision hereof will not affect in any way the right to require such performance at a later time.

16.0 NONDISCRIMINATION.

16.01 COMPLIANCE. CONSULTANT must comply with all federal and state anti-discrimination and civil rights laws. CONSULTANT must not discriminate in the

conduct of the work under this Agreement against any employee, applicant for employment, or volunteer because of race, color, creed, religion, national origin, ancestry, sex, gender (including pregnancy, childbirth, breastfeeding or related medical conditions, gender identity, gender expression, age (40 and above), marital status, sexual orientation, denial of family and medical care leave, medical condition, genetic information, physical or mental disability (including HIV and AIDS), military or veteran status, denial of pregnancy disability leave or reasonable accommodation.

16.02 POSTING. CONSULTANT agrees to post in conspicuous places, available to all employees and applicants for employment, notices that CONSULTANT will provide an atmosphere for employees, clients, and volunteers that is free from harassment or discrimination on the bases set forth in subsection 16.01.

17.0 INSURANCE.

17.01 Required Coverage. CONSULTANT, at its sole cost and expense, must obtain and maintain in full force and effect throughout the entire term of this Agreement the following described insurance coverage:

<u>Policy Type</u>	<u>Minimum Limits of Coverage</u>
(i) Workers' Compensation	Per California Law
(ii) Employer's Liability	\$1,000,000 per accident for BI/Disease
(iii) Comprehensive Automobile ISO Form # CA 0001	\$1,000,000 per accident for BI/PD CSL, Code I – All autos
(iv) Commercial/Comprehensive General Liability ISO Form # CG 001 01	\$1,000,000 per occurrence for BI/PD, including products completed, personal injury and advertising injury; \$2,000,000 aggregate
(v) Professional Liability (E&O)	\$1,000,000 per occurrence or claim and \$2,000,000 aggregate

17.02 Additional Insured Status. CITY, its elected and appointed officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of CONSULTANT including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONSULTANT'S insurance.

17.03 Primary Coverage. For any claims related to this Project, the CONSULTANT'S insurance coverage will be primary insurance as respects CITY, its elected and appointed officials, employees, agents and volunteers. Any insurance or self-insurance maintained by CITY, its elected and appointed officials, employees, agents or volunteers will be in excess of the CONSULTANT'S insurance and will not contribute with it.

- 17.02 Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by CITY. CITY may require CONSULTANT to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language must provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or CITY.
- 17.03 Waiver of Subrogation.** CONSULTANT hereby grants CITY a waiver of any right to subrogation which any insurer of said CONSULTANT may acquire against CITY by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CITY has received a waiver of subrogation endorsement from the insurer.
- 17.04 Claims-Made Policies.** If any of the required policies provide coverage on a claims-made basis, then: (a) the retroactive date must be shown and must be before the commencement of work; (b) insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the work; and (c) if coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the commencement of work, then CONSULTANT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.
- 17.05 Verification of Coverage.** CONSULTANT must provide with Certificates of Insurance for all required coverages as well as Declarations and applicable Endorsement Pages prior to commencement of work. However, failure to obtain the required documents prior to the commencement of work will not operate to waive CONSULTANT's obligation to provide them at any time thereafter when requested. CITY reserves the right to demand complete, certified copies of all required insurance policies, including endorsements, required by the specifications, at any time.
- 17.06 Notice of Cancellation.** Each insurance policy required by this Section must be endorsed to state that coverage may not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after giving CITY 30 days' prior written notice (10 days for non-payment of premium) by certified mail, return receipt requested.
- 17.07 Lack of Coverage.** In the event any required policy is canceled prior to the completion of the Project and CONSULTANT does not furnish a new Certificate of Insurance prior to cancellation, CITY may obtain the required insurance and deduct the premium(s) from contract monies due to CONSULTANT.

18.0 WORKERS' COMPENSATION.

- 18.01 Covenant to Provide.** CONSULTANT warrants that it is aware of the provisions of the California Labor Code that requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code. CONSULTANT further agrees that it will comply

with such provisions before commencing the performance of the work under this Agreement.

- 18.02 Waiver of Subrogation.** CONSULTANT agrees to waive all rights of subrogation against CITY, its elected or appointed officials, agents, and employees for losses paid under CONSULTANT'S workers' compensation insurance policy which arise from the work performed by CONSULTANT for CITY.

19.0 GENERAL PROVISIONS

- 19.01 Indemnification.** CONSULTANT agrees to indemnify, defend and save harmless CITY, its elected and appointed officers, agents, employees, and volunteers from any and all claims and losses, whatsoever, accruing or resulting to any person or other legal entity who may be injured or damaged resulting from any wrongful acts, errors and omissions, or negligence of CONSULTANT, its agents and employees, pertaining to the performance of this Agreement. CONSULTANT'S liability arising out of the performance of its obligations hereunder will be limited to the fees paid by CITY to CONSULTANT for services contemplated by this Agreement. This liability limitation does not apply to claims made by any third party, nor does it apply in the event of the willful misconduct or gross negligence of CONSULTANT, its principals, employees or agents.
- 19.02 Conflict of Interest.** CONSULTANT must exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with CITY's interest. CONSULTANT must immediately notify CITY of any and all violations of this Section upon becoming aware of such violation.
- 19.03 Time of the Essence.** CONSULTANT understands and agrees that time is of the essence in the completion of the work and services described herein.
- 19.04 Severability.** If a court of competent jurisdiction or subsequent preemptive legislation holds or renders any of the provisions of this Agreement unenforceable or invalid, the validity and enforceability of the remaining provisions, or portions thereof, will not be affected.
- 19.05 Governing Law and Venue.** This Agreement must be administered and interpreted under California law as written by both parties. Any litigation arising from this Agreement must be brought in the Superior Court of California, in and for Del Norte County.
- 19.06 Attorneys' Fees.** If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action will be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys' fees.
- 19.07 No Assignment.** This Agreement and any amendments hereto are not assignable by CONSULTANT either voluntarily or by operation of law without the prior written consent of CITY. Any attempt to assign this Agreement will be legally void.

19.08 Integration. This Agreement and its incorporated exhibits constitutes the entire agreement of the parties and supersedes and prior negotiations, agreements, understandings, representations or statements.

19.09 Authorization to Execute. The signatories to this Agreement hereby represent and warrant that they have been duly authorized to legally bind and execute this Agreement on behalf of their respective parties.

Executed by CITY and CONSULTANT on this 1st day of February, 2021 at Crescent City, California.

CITY OF CRESCENT CITY:

CONSULTANT:

Eric Wier, City Manager

By: Michael Busch, CEO
Urban Futures, Inc.

APPROVED AS TO FORM:

Martha D. Rice, City Attorney

EXHIBIT A:
SCOPE OF SERVICES

As outlined below, the scope of activities to be performed by UFI on behalf of the City, as needed, will be divided into two phases related to the energy efficiency projects (the “Projects”).

Phase 1 Scope of Activities:

- Schedule meetings/calls with staff and Johnson Controls, Inc. to request all necessary data
- Discuss needs and goals of City
- Validation of savings and assumptions used by Johnson Controls, Inc. in its Feasibility Study;
- Break out estimated savings by project
- Set up conference calls with City and Johnson Controls, Inc. to review information;
- Identify and analyze preliminary financing alternatives for funding the project; and
- Produce validation report/audited cost savings projection

Phase 2 Scope of Activities:

- Review and provide input on Johnson Controls, Inc., Project Development Agreement
- Provide recommendation for financing method
- Credit analysis
- Assist in selection of additional financing team members
- Develop financing timetable
- Assist with identifying leased assets if necessary
- Coordinate activities of the financing team
- Review financing documents
- Prepare staff reports as requested
- Plan and coordinate presentations to rating agencies, bond insurers, and investors as required
- Assist with private placement (as applicable), including working with the placement agent to solicit lenders, evaluating and selecting the lender, negotiating with the lender

EXHIBIT B:
COMPENSATION

Given the nature of the work currently required by the City in Phase 1, UFI will be compensated on an actual time and materials basis at the hourly rates summarized below, and a not-to-exceed cost of \$10,000. Staffing for this engagement will include Michael Busch (Chief Executive Officer), Wing-See Fox (Managing Director), and Branden Kfoury (Senior Associate). The not-to-exceed cost also includes a subcontract with an energy efficiency project advisor. Fees accrued as part of the activities performed in Phase 1 will be credited towards any bond issuance as part of Phase 2 if the bond issuance occurs within the next twelve months from the date of this letter.

Hourly Rates

Chief Executive Officer	\$350/hr
Managing Director	\$325/hr
Senior Associate	\$175/hr

If the City elects to proceed with the projects, which shall include the financing activities detailed above as part of the scope in Phase 2, the fee for municipal advisory services is \$35,000 if a public offering is executed, and \$30,000 if a private placement is executed, contingent upon the successful closing of the financing. Bond issuance fees are exclusive of out-of-pocket expenses such as travel, meals, data recovery, third party data fees, and internal compliance requirements. Out-of-pocket expenses will not exceed \$2,500 on any transaction.

EXHIBIT C:

ENGAGEMENT LETTER

The engagement letter dated January 13, 2021 from Urban Futures, Inc. is attached hereto and incorporated herein by reference. In the event that any terms conflict between the Engagement Letter and the Agreement, the terms of the Engagement Letter will prevail.

January 13, 2021

FROM: Urban Futures, Inc.
Wing-See Fox, Managing Director

TO: Eric M. Wier, PE, City Manager
City of Crescent City
377 J Street
Crescent City, CA 95531

RE: Engagement Letter for Ongoing Municipal Advisory Services related to the City of Crescent City Energy Efficiency Projects

Dear Mr. Wier:

This letter specifies the terms of the engagement between Urban Futures, Inc., located at 17821 E. 17th Street, Suite 245, Tustin, CA 92780 and the City of Crescent City located at 377 J Street Crescent City, CA 95531.

This engagement between the City of Crescent City (the “City”) and Urban Futures, Inc. (“UFI”) shall become effective as of the date of its acceptance as provided below.

Scope of Municipal Advisory Activities to be Performed

As outlined below, the scope of activities to be performed by UFI on behalf of the City, as needed, will be divided into two phases related to the energy efficiency projects (the “Projects”).

Phase 1 Scope of Activities:

- Schedule meetings/calls with staff and Johnson Controls, Inc. to request all necessary data
- Discuss needs and goals of City
- Validation of savings and assumptions used by Johnson Controls, Inc. in its Feasibility Study;
- Break out estimated savings by project
- Set up conference calls with City and Johnson Controls, Inc. to review information;
- Identify and analyze preliminary financing alternatives for funding the project; and
- Produce validation report/audited cost savings projection

Phase 2 Scope of Activities:

- Review and provide input on Johnson Controls, Inc., Project Development Agreement

- Provide recommendation for financing method
- Credit analysis
- Assist in selection of additional financing team members
- Develop financing timetable
- Assist with identifying leased assets if necessary
- Coordinate activities of the financing team
- Review financing documents
- Prepare staff reports as requested
- Plan and coordinate presentations to rating agencies, bond insurers, and investors as required
- Assist with private placement (as applicable), including working with the placement agent to solicit lenders, evaluating and selecting the lender, negotiating with the lender

Independent Registered Municipal Advisor (“IRMA”)

If acting in the capacity of an Independent Registered Municipal Advisor (“IRMA”) with regard to the IRMA exemption of the SEC Rule, Urban Futures, Inc. will review all third-party recommendations submitted to Urban Futures, Inc. in writing by the City.

Term of Engagement Agreement

The commencement date of the agreement is January 13, 2021 and the end date is two years after the effective date, or the bond closing date of the subject transaction, whichever occurs first. Any extensions must be mutually agreed upon by all parties in writing.

Termination of Engagement Agreement

The City may terminate the whole or any part of this Agreement at any time and without cause by giving sixty (60) days written notice to Urban Futures, Inc. of such termination, and specifying the effective date thereof. Urban Futures, Inc. shall discontinue all Services affected by such termination within thirty (30) days of receipt of such notice, unless otherwise instructed by the City in writing. Urban Futures, Inc. may terminate this agreement by giving the City sixty (60) days written notice.

In the event Services are terminated by the City, Urban Futures, Inc. will be compensated for services provided up to the termination date.

Compensation and Out-of-Pocket Expenses

Given the nature of the work currently required by the City in Phase 1, UFI will be compensated on an actual time and materials basis at the hourly rates summarized in the table to the right, and a not-to-exceed cost of \$10,000. Staffing for this engagement

Hourly Rates	
Chief Executive Officer	\$350/hr.
Managing Director	\$325/hr.
Senior Associate	\$175/hr.

will include Michael Busch (Chief Executive Officer), Wing-See Fox (Managing Director), and Branden Kfoury (Senior Associate). The not-to-exceed cost also includes a subcontract with an energy efficiency project advisor. Fees accrued as part of the activities performed in Phase 1 will be credited towards any bond issuance as part of Phase 2 if the bond issuance occurs within the next twelve months from the date of this letter.

If the City elects to proceed with the projects, which shall include the financing activities detailed above as part of the scope in Phase 2, the fee for municipal advisory services is \$35,000 if a public offering is executed, and \$30,000 if a private placement is executed, contingent upon the successful closing of the financing. Bond issuance fees are exclusive of out-of-pocket expenses such as travel, meals, data recovery, third party data fees, and internal compliance requirements. Out-of-pocket expenses will not exceed \$2,500 on any transaction.

Fiduciary Duty

Urban Futures, Inc. is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB"). As such, Urban Futures, Inc. has a Fiduciary Duty to the City and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

Duty of Care:

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide the City with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to the City's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the City; and
- d) undertake a reasonable investigation to determine that Urban Futures, Inc. is not forming any recommendation on materially inaccurate or incomplete information; Urban Futures, Inc. must have a reasonable basis for:
 - i. any advice provided to or on behalf of the City;
 - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the City, any other party involved in the municipal

- securities transaction or municipal financial product, or investors in the City securities; and
- iii. any information provided to the City or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

Duty of Loyalty:

Urban Futures, Inc. must deal honestly and with the utmost good faith with the City and act in the City's best interests without regard to the financial or other interests of Urban Futures, Inc. Urban Futures, Inc. will eliminate or provide full and fair disclosure (included herein) to the City about each material conflict of interest (as applicable). Urban Futures, Inc. will not engage in municipal advisory activities with the City as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the City's best interests.

Conflicts of Interest and Other Matters Requiring Disclosures

As of the date of the Agreement, there are no actual or potential conflicts of interest other than those identified below that Urban Futures, Inc. is aware of that might impair its ability to render unbiased and competent advice or to fulfill its fiduciary duty. If Urban Futures, Inc. becomes aware of any potential conflict of interest that arises after this disclosure, Urban Futures, Inc. will disclose the detailed information in writing to the City in a timely manner.

The following are potential conflicts of interest to be considered:

- Urban Futures, Inc. represents that in connection with the issuance of municipal securities, Urban Futures, Inc. may receive compensation from the City for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Urban Futures, Inc. hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Urban Futures, Inc.'s ability to provide unbiased advice to enter into such transaction. This potential conflict of interest will not impair Urban Futures, Inc.'s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the City.
- It should be noted that other forms of compensation (i.e. hourly or fixed fee based) may also present a potential conflict of interest regarding Urban Futures, Inc.'s ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair Urban Futures, Inc.'s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the City;
- The fee paid to Urban Futures, Inc. increases the cost of financing to the City. The increased cost occurs from compensating Urban Futures, Inc. for municipal advisory services provided;

- Urban Futures, Inc. serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another Urban Futures, Inc. client. For example, Urban Futures, Inc. serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the City. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, Urban Futures, Inc. could potentially face a conflict of interest arising from these competing client interests. Urban Futures, Inc. fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the City;
- Urban Futures, Inc. does not have any affiliate that provides any advice, service, or product to or on behalf of the client that is directly or indirectly related to the municipal advisory activities to be performed by Urban Futures, Inc.;
- Urban Futures, Inc. has not made any payments directly or indirectly to obtain or retain the City's municipal advisory business;
- Urban Futures, Inc. has not received any payments from third parties to enlist Urban Futures, Inc. recommendation to the City of its services, any municipal securities transaction or any municipal finance product;
- Urban Futures, Inc. has not engaged in any fee-splitting arrangements involving Urban Futures, Inc. and any provider of investments or services to the City;
- Urban Futures, Inc. does not have any legal or disciplinary event that is material to the City's evaluation of the municipal advisory or the integrity of its management or advisory personnel;
- Urban Futures, Inc. does not act as principal in any of the transaction(s) related to this Agreement;
- Urban Futures, Inc. does not have any other engagements or relationships that might impair Urban Futures, Inc.'s ability either to render unbiased and competent advice to or on behalf of the City or to fulfill its fiduciary duty to the City; and
- During the term of the municipal advisory relationship, this agreement will be promptly amended or supplemented to reflect any material changes in or additions to the terms or information within this agreement and the revised writing will be promptly delivered to the City.

Legal Events and Disciplinary History

Urban Futures, Inc. does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The City may electronically access Urban Futures, Inc.'s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Urban Futures, Inc., Urban Futures, Inc. will provide complete disclosure to the City in detail allowing the City to evaluate Urban Futures, Inc., its management and personnel.

Recommendations

If Urban Futures, Inc. makes a recommendation of a municipal securities transaction or municipal financial product or if the review of a recommendation of another party is requested in writing by the City and is within the scope of the engagement, Urban Futures, Inc. will determine, based on the information obtained through reasonable diligence of Urban Futures, Inc. whether a municipal securities transaction or municipal financial product is suitable for the City. In addition, Urban Futures, Inc. will inform the City of:

- the evaluation of the material risks, potential benefits, structure, and other characteristics of the recommendation;
- the basis upon which Urban Futures, Inc. reasonably believes that the recommended municipal securities transaction or municipal financial product is, or is not, suitable for the City; and
- whether Urban Futures, Inc. has investigated or considered other reasonably feasible alternatives to the recommendation that might also or alternatively serve the City's objectives.

If the City elects a course of action that is independent of or contrary to the advice provided by Urban Futures, Inc., Urban Futures, Inc. is not required on that basis to disengage from the City.

Municipal Securities Rulemaking Board Rule G-10 Disclosure

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- Urban Futures, Inc. is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB").
- Within the Municipal Securities Rulemaking Board ("MSRB") website at www.msrb.org, the City may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.

Record Retention

Effective July 1, 2014, pursuant to the Securities and Exchange Commission (SEC) record retention regulations, Urban Futures, Inc. is required to maintain in writing, all communication and created documents between Urban Futures, Inc. and the City for 5 years.

If there are any questions regarding the above, please do not hesitate to contact Urban Futures, Inc. If the foregoing terms meet with your approval, please indicate your acceptance by executing both copies of this letter and returning one copy.

Sincerely,

A handwritten signature in blue ink, appearing to read "Wing-See Fox", with a stylized flourish extending to the right.

Wing-See Fox, Managing Director
Urban Futures, Inc.

City of Crescent City

By: _____

URBAN FUTURES, INC.
Public Finance Group
Public Management Group

Northern California Offices

*455 Hickey Blvd, Suite 515
Daly City, CA 94015
Bus: (650) 503-1500*

*1470 Maria Lane, Suite 315
Walnut Creek, CA 94596
Bus: (925) 478-7450
Fax: (925) 478-7697*

Southern California Office

*17821 E. 17th Street, Suite 245
Tustin, CA 92780
Bus: (714) 283-9334
Fax: (714) 283-5465*

City of Crescent City

Proposal to Provide Municipal Financial Advising Services Related to Energy Efficiency Project (RFP: CC MFA 2020)



Primary Contact: Wing-See Fox
Email: wingseef@urbanfuturesinc.com

Alternate Contact: Michael Busch
Email: michaelb@urbanfuturesinc.com

December 8, 2020

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A3. Signed Letter of Transmittal

Briefly state your understanding of the needs of the City and the services to be provided. State why your firm is the best qualified, and state that the proposal is a firm offer for 90 days. The letter must be signed by an official with authority to solicit business and enter into contracts on behalf of the firm.

Linda Leaver, Finance Director
City of Crescent City
377 J Street
Crescent City, CA 95531

Re: Request for Proposals for Municipal Financial Advising Services Related to Energy Efficiency Project

Dear Ms. Leaver:

Urban Futures, Inc. (UFI) is pleased to submit this proposal to provide municipal financial advisory services to the City of Crescent City (the City). We confirm this proposal is a **firm offer for 90 days**.

UFI advises on more bond transactions than any other firm in California, and we have extensive local experience having served **Del Norte Unified School District for over 7 years**. Every financing undertaken by UFI begins with proper planning and financial due diligence and ends with ongoing monitoring and administration. As such, we believe that our normal project planning and implementation process fully incorporates the Scope of Work outlined in the City's Request for Proposals (RFP). Specifically, we have experience with **validating the energy cost savings presented by energy service companies**, evaluating financing options for the project, and executing the selected method of financing from kick-off to closing.

What sets UFI apart when advising our clients on energy efficiency projects is our **assessment of the assumptions used by the energy service companies in calculating cost savings for the City**. Since these companies are motivated to demonstrate savings, the critical assumptions used to drive those cost savings can be overly aggressive. Additionally, it is important to not only look at past usage, but also to anticipate future energy needs in the context of COVID-19. Finally, we carefully review draft contracts with energy efficiency companies to identify risks and highlight ongoing costs, and we **provide cost-benefit analysis for various debt service structures**. Our goal is not to discourage the implementation of these important projects, but to act as the City's fiduciary and ensure that staff and Council are fully aware of all the key aspects of the project financing.

The following is a summary of our distinguishing expertise and services as it relates to municipal advisory services contemplated by the City's RFP:

- ***UFI has ranked as the top financial advisory firm in California for the past three consecutive years as measured by the number of deals completed, and we are on track to achieve the top ranking in 2020 as well. We are also ranked #1 for General Fund and General Obligation Debt.***

Top Municipal Advisors for California Municipal Bonds 2018 Financial Advisor Rankings (California)				Top Municipal Advisors for California Municipal Bonds 2019 Financial Advisor Rankings (California)			
Rank	Firm	No. of Issues	Par (\$MM)	Rank	Firm	No. of Issues	Par (\$MM)
1	Urban Futures Inc	145	\$ 2,899.6	1	Urban Futures Inc	170	\$ 3,415.8
2	PFM Financial Advisors LLC	81	5,990.6	2	PFM Financial Advisors LLC	90	8,835.8
3	Fieldman Rolapp & Associates	73	2,468.0	3	Fieldman Rolapp & Associates	89	3,339.3
4	KNN Public Finance	69	4,794.3	4	KNN Public Finance	72	6,416.7
5	Public Resources Advisory Group	44	12,536.4	5	Public Resources Advisory Group	42	13,967.4

- As the leading financial advisor in the State, UFI is in the market virtually every week, **advising on more bond sales than any other firm**. We have a proven track record of advocating on behalf of our clients (through strong relationships with underwriters, bond counsels, rating agencies, and bond insurers) to extract every basis point of savings. Our unmatched experience in California is especially critical to the success of municipal transactions in today's volatile market.
- The coverage level we provide is second to none. UFI maintains more licensed municipal advisors than any firm in California which speaks to the breadth and depth of our experience. We are assigning two senior-level staff in addition to support staff to the City, creating a **comprehensive and experienced team with strong analytical and modeling skills** to provide financial advisory services.
- If the City chooses to issue bonds in the public market, the rating process will be critical, especially during these unprecedented times. UFI has **extensive experience in presenting inaugural credits to rating agencies and achieving upgrades through best-in-class rating presentations that demonstrate thorough understanding of credit nuances**.
- UFI has a depth of experience presenting to City Councils and participating in community engagement**. We are committed to making ourselves available to meet with the City and its constituents as often as needed.
- UFI seeks to **develop comprehensive long-term solutions**. UFI is structured to seek out the most economical public finance solution, regardless of whether that solution involves municipal bonds. We help to develop a **decision framework and models** that incorporate key variables, cost/benefits, and policy considerations to evaluate all viable financing alternatives. Once a financing alternative has been selected, we assist our clients with implementation.

Working with the City is of highest priority to the firm, and we are committed to dedicating as much of the firm's resources to the City's assignments as necessary. We hope that you, your family and friends, and the City are staying safe and healthy.

Sincerely,



Wing-See Fox, Managing Director

Urban Futures, Inc.

455 Hickey Blvd, Suite 515 | Daly City, CA 94015

Office: (650) 503-1500 | Cell: (650) 906-8959

Email: wingseef@urbanfuturesinc.com

A4. Background - Firm Profile

a. Brief history of the firm, including size, location, geographic focus, structure of ownership, and number of years in business.

Since 1972, Urban Futures, Inc. (UFI), has provided municipal advisory services to hundreds of California cities, counties, special districts, schools, community colleges, and non-profits. UFI is one of the most active municipal advisory firms in the State, having led more transactions than any other firm over the past three years.

We are registered as an Independent Registered Municipal Advisor (IRMA) with the Municipal Securities Rulemaking Board (MSRB) and the Securities and Exchange Commission (SEC). We are staffed with 18 professionals in three California office locations: Tustin (9), Daly City (2), and Walnut Creek (7) with exclusive focus on providing municipal advisory and consulting services to Californian municipalities. UFI has been wholly owned by Michael Busch, CEO and President, for the last 6 years and is structured as a C-Corporation. All our financial advisory professionals have passed the MSRB Series 50 Municipal Advisor Representative examination.

UFI provides services through its two main divisions:

- **Public Finance Division** supports the issuance of debt including lease revenue bonds/certificates of participation, utility revenue bonds, general obligation bonds, pension obligation bonds, special tax and benefit assessment bonds, tax allocation bonds, and privately placed loans. We help staff evaluate and implement various financing options for priority projects (including bonds, revolving lines of credit, and State and Federal loan programs) and refinancing opportunities.
- **Public Management Division¹** offers financial health evaluation, financial forecasting, fiscal sustainability planning, special studies, and performance improvement services, including pension & OPEB modeling.
 - **Analytics and Compliance Group** provides services related to post-issuance compliance, including continuing disclosure, arbitrage rebate, and CDIAC reporting compliance.

b. Affirm that your firm meets the five (5) requirements listed in Section VI.

We affirm that UFI meets the five requirements listed in Section VI.

c. Affirm that your firm has no real or apparent conflicts of interest with the City of Crescent City, including any finder's fee, splitting, payments to consultants, or other contractual arrangements

We affirm that UFI has no real or apparent conflicts of interest with the City of Crescent City, including any finder's fee, splitting, payments to consultants, or other contractual arrangements. UFI does not employ sub-contractors and does not intend to use any unless explicitly requested by the City.

d. Identify the specific staff (name and position) that will be assigned to this engagement; any future changes to the primary person must be approved by the City.

For this engagement we have assigned three municipal advisory professionals from our Public Finance Division. We believe that the core professionals that UFI has assembled possess the proven capabilities necessary to provide the City with comprehensive financial advisory services for any contemplated

¹ Non-municipal advisory services

financing. Two senior-level staff members and one junior advisor will be assigned to the City to fulfill the Scope of Services in the City's RFP. Provided below is a summary of the team members' experience and role with the City. All UFI municipal advisors, including support staff, hold a Series 50 municipal advisor registration. Team resumes follow in Section B1.

- **Wing-See Fox, Managing Director** will serve as the Primary Contact, provide municipal advisory services including validation of the assumptions used by Johnson Controls in its energy cost savings calculations, offer her expertise with credit analysis, and lead the bond financing process, as necessary. She has 10 years of experience as a public finance professional and has worked for UFI for almost 4 years.
- **Michael Busch, Chief Executive Officer** will serve as the alternate contact, provide project oversight, and ensure the City has access to all the firm's resources. He has been a municipal advisor for 13 years and has served as the firm's CEO for 6 years.
- **Branden Kfoury, Senior Associate** will provide research and analytical support and assist with the execution of financings. He has 5 years of public finance industry experience and has been with UFI since 2019.

e. References: Provide contact information (name, email address, and phone number) for three (3) to five (5) California cities your firm – and specifically the primary advisor proposed for this engagement – has worked with as Financial Advisor over the past four (4) years. Summarize the services provided. References should reflect the capabilities of the firm and the primary for this engagement. At least one reference should include project finance in some form, such as tax-exempt lease, power purchase agreement, energy performance contract, or similar mechanism.

We encourage you to contact any of our recent clients listed below to discuss their experience and satisfaction with UFI. We believe these persons can attest to the quality and effectiveness of our work for the types of services, analysis, and work product identified in the City's RFP.

City of Pismo Beach, California
Nadia Feeser, Administrative Services Director
Phone: (805) 773-7010 Email: nfeeser@PismoBeach.org
760 Mattie Road, Pismo Beach, CA 93449
Past Projects include: Clean Renewable Energy Bonds, Lease Revenue Bonds

City of Hercules, California
Edwin Gato, Finance Director
Phone: (510) 799-8222 Email: egato@ci.hercules.ca.us
111 Civic Drive, Hercules, CA 94547
Past Projects include: Lease Revenue Bonds (Private Placement), Assessment District Bonds

City of Victorville, California
Branda Hampton, Director of Electric Utility Services
Phone: (760) 243-6341 Email: bhampton@victorvilleca.gov
14343 Civic Drive, Victorville, CA 92393
Past Projects include: Electric System Revenue Bonds

City of Fountain Valley, California
David Cain, Retired Director of Finance
Phone: (714) 270-6840 Email: davidcain.govfinance@gmail.com
10200 Slater Avenue, Fountain Valley, CA 92708
Past Projects: Clean Renewable Energy Bonds, Certificates of Participation, Pension Obligation Bonds

Del Norte County Unified School District, California
Jeff Harris, Superintendent
Phone: (707) 464-0200 Email: jharris@delnorte.k12.ca.us
Jeff Napier, Assistant Superintendent of Business
Phone: (707) 464-0202 Email: jnapier@delnorte.k12.ca.us
301 W. Washington Blvd., Crescent City, CA 95531
Past Projects include: General Obligation Bonds issued in 2013, 2014, 2016, and 2019

f. Identify any pending investigations of the firm and any enforcements, settlements, or disciplinary actions taken within the past five (5) years by the SEC, FINRA, MSRB, or any other regulatory body.

UFI has neither any pending investigations nor any enforcements, settlements, or disciplinary actions taken within the past five (5) years by the SEC, FINRA, MSRB, or any other regulatory body.

g. Identify any relationship or affiliation with any broker-dealer, currently or within the past two years.

UFI is not affiliated with any broker-dealer, nor has been within the past two years.

B1. Experience of Firm and Individuals

Describe the firm's experience in providing the services required by the City. Describe the experience and qualifications of the specific individuals who will be assigned to this engagement. Attach bios or resumes as appropriate.

UFI's Public Finance Division has the experience, technical competence, and qualifications to provide the Scope of Services described in the City's RFP. Since January 1, 2018, UFI has assisted California municipal clients in the completion of over 300 bond transactions. Our experience has ranged from helping our well-established clients achieve rating upgrades or de-risk their debt portfolio to working with new credits to build financing structures from the ground up and gain market access for the first time.

The frequency with which our firm is in the market provides our advisors with unparalleled experience in assessing financing structures and determining the lowest cost of borrowing. Should our collaboration with the City determine that a bond financing prove to be the best financing option, we are prepared to leverage our experience to deliver best-in-class services to the City. We push bond insurers and underwriters to sharpen their pencils and offer their best pricing for insurance premiums and interest rates on transactions where we are the municipal advisor. Our experience also translates into strong relationships with rating agencies and understanding the nuances they look for to obtain the strongest credit ratings. Finally, our unmatched experience means that we have encountered and helped provide solutions for a wide variety of legal, financial, and political challenges.

Extensive Local and Relevant Experience

UFI has intimate knowledge of the City and economic base having served as municipal advisor to the Del Norte County Unified School District on its past seven bond transactions occurring in 2013, 2014, 2016, and 2019. In addition, UFI has assisted the City of Pismo Beach, City of Fountain Valley, and Cosumnes Community Services District with Clean Renewable Energy Bonds (CREB's) that were structured with leases for energy cost savings and share many similarities with the City's proposed financing. We also served as municipal advisor for the City of Monterey Park on a Lease Purchase Agreement to finance efficient electric meters and assisted the City of Hercules in evaluating an energy efficiency project to be financed by a lease-leaseback private placement. Additionally, we recently worked with City of Victorville in obtaining a confidential Issuer Credit Rating for purposes of securing a Power Purchase Agreement. We also have advised 11 school districts on financings of various energy efficiency projects via capital leases, general obligation bonds, and certificates of participation.

Provided below are case studies that illustrate UFI's experience with transactions similar to the City's Energy Efficient Project and highlights the value-added skillsets we bring to the City and financing team.



Pismo Beach Public Financing Agency, 2017B Federally Taxable New Clean Renewable Energy Bonds (CREBs)

Relevance: Energy Savings Project with Lease Payment as Security; Liaison to Private Placement Banks; Due Diligence, Structuring, and Credit Analysis in the City's Best Interest

Wing-See Fox and the UFI team was engaged in 2017 to assist the City with applying for and issuing CREBs to fund solar projects and improve energy efficiency at its wastewater treatment plant and police station (with a portion to be repaid by the Wastewater Fund and a portion to be repaid by the General Fund). We assisted the City with submitting the CREB application to the IRS, put the financing team together, and successfully placed the loan with a bank just before CREBs were eliminated at the end of that calendar year. We were also able to negotiate a unique call provision in which the City is able to call the bonds should there be any significant change in the subsidy provided by the IRS.

As part of the transaction, we brought in a consultant that was able to evaluate the savings analysis given by the solar company. Often, these companies inflate their savings analysis by using a very aggressive inflator for electricity prices. They also charge high fees for maintenance of solar panels. The consultant provided a more conservative energy savings analysis that educated the Council and staff on the fact that the energy efficiency projects were, in effect, subsidizing the solar project.



Pismo Beach Public Financing Agency, Series 2017 Lease Revenue Bonds

Relevance: Tax-Exempt Lease Transaction; Introduction and Creation of a New Credit; Effective Pricing Advocate Negotiating Interest Rate Spreads

Urban Futures worked closely with the underwriter to deliver the best possible pricing for the City of Pismo Beach on its \$7,685,000 Pismo Beach Public Financing Agency, Series 2017 Lease Revenue Bonds (Pismo Beach Municipal Pier Project). The City issued bonds to fund the refurbishment of its Municipal Pier which is one of the main tourist attractions of a City that benefits greatly from its TOT revenues.

Prior to issuing the new money bonds, the City cash defeased its outstanding Series 2007A Lease Revenue Refunding Bonds (City Hall Refunding Project) with an 8-month escrow to free up City Hall for the 2017 Lease Revenue Bonds. Although challenges occurred with the leased asset having private tenants, Urban Futures was able to navigate the team through the issues, and the City ultimately added their Police Station to the list of leased assets for the transaction.

Pismo Beach had never formally given a rating presentation before since the 2007A Bonds were insured without an underlying rating. Understanding the importance of going to S&P for the first time, Urban Futures drove the content of the presentation that ultimately earned the City a top-notch rating for lease revenue bonds of “AA+”.

At the time of pricing, we played a significant role in validating and adding comparables. We suggested that the underwriter serialize the 2037 term bond to improve debt service for the City—to which the underwriter ultimately agreed. The bonds sold well but were not fully subscribed; and we were able to convince the underwriter to take down the remaining bonds while holding the proposed final pricing scale. Ultimately, the City achieved a very low all-in, 30-year fixed borrowing rate of 3.536%, with annual debt service of approximately \$405,000.



City of Hercules 2020 Lease Revenue Refunding Bonds and Evaluation of Energy Efficiency Financing

Relevance: Private Placement of Lease Revenue Financing; Evaluation of Energy Efficiency Financing

In 2018, UFI was hired through a competitive process to serve as the general municipal advisor to the City of Hercules. Since then, we advised the City on a refunding of Assessment District Limited Obligation Improvement Bonds in 2019 and a refunding of Lease Revenue Bonds in 2020. In both cases, UFI worked with the underwriter/placement agent to evaluate a public offering versus a private placement. Ultimately, the City elected to issue bonds through a private placement since the City does not have current ratings and had not been in the market for a number of years. Additionally, the 2020 Lease Revenue Refunding Bonds were issued July 2020 in the midst of the COVID-19 pandemic. Despite the challenging market, both refundings generated significant savings for the City and its residents.

While we were working on the lease revenue bond refinancing, the City Council voted to move forward with an energy efficiency project with ENGIE Services U.S that would be financed through a privately placed lease transaction. We assisted the City with reviewing the Energy Services Contract, particularly the Guaranteed Savings Provision, reviewed the Term Sheet with the private placement bank, and evaluated multiple structuring scenarios.



City of Victorville ICR/2021 Electric System Revenue Bonds

Relevance: ICR for Power Purchase Agreement, Electric System Revenue Bonds

In 2020, Wing-See Fox and Branden Kfoury were engaged as municipal advisor by the City of Victorville via a competitive bid process. For our first assignment, we led the process of obtaining the City's first Issuer Credit Rating (ICR) to facilitate negotiations for a Power Purchase Agreement (PPA). UFI took the lead on developing the rating presentation and highlighted the City's financial strengths, strong industrial sector economy, and proactive response to COVID-19. Ultimately, the City was able to obtain a confidential rating that exceeded the threshold required by the power supplier to participate in the PPA.

The UFI team is also currently engaged as municipal advisor on the City's planned issuance of 2021 Electric Revenue Bonds (2021 Bonds). The City plans to issue the 2021 Bonds to fund construction of phase 1 of a capacity addition project estimated to cost \$3 million. In addition, the City is interested in refunding its outstanding Variable Rate Lease Revenue Bonds, 2007 Series A (2007A Bonds) with fixed rate bonds. The 2007A Bonds are secured by revenues of the City's general fund, are in a variable rate mode, and have

\$48.1 million outstanding. It is the City's intention to establish a new credit secured by electric revenues of its Victorville Municipal Utility Services (VMUS) enterprise fund for the purposes of financing the Project and refunding the 2007A Bonds. Once selected as municipal advisor, we assisted the City in issuing RFPs for underwriter, bond counsel, and disclosure counsel and making selections of those firms.

Given that the 2021 Bonds would be the inaugural issuance for the VMUS electric utility, UFI has been working diligently with the underwriter on a pro forma coverage analysis to determine there are adequate net revenues to support the bonds as a standalone credit. Our current schedule contemplates closing the 2021 Bonds in the Spring of 2021.



City of Fountain Valley 2016 Certificates of Participation and 2016 CREBs

Relevance: Utility and Energy Efficiency Project; Lease Transactions; Private Placement

Wing-See Fox and Branden Kfoury served as municipal advisor on the City of Fountain Valley's Certificates of Participation in 2016 that were issued to refund the City's 2003 COPS and finance repairs, replacements, and upgrades to various components of two pump stations for the City's storm water pollution prevention and collection system. The structuring of this transaction was unique in that the City decided to keep debt service the same as if the 2003 COPS were still outstanding and extend a few more years, thereby significantly offsetting the cost of the projects with savings from the refunding. By keeping debt service the same and only extending a few years, the City was able to garner support for the new money projects while maintaining their top-notch AA+ lease rating from S&P.

Additionally, we advised the City on the issuance of Clean Renewable Energy Bonds (CREB's) in 2016 to fund solar projects to produce energy savings. As part of our engagement, we managed the RFP and selection process of financing team members, including garnering interest from banks for a private placement, ultimately achieving a net effective interest rate on the bonds of 1.524% over 20 years.



Cosumnes Community Services District Certificates of Participation and 2016 CREBs

Relevance: Energy Efficiency Project; Lease Transactions; Private Placement

In 2020, UFI was engaged as municipal advisor through a competitive RFP process on Cosumnes CSD's proposed issuance of Certificates of Participation to finance construction of a new recreation center. The upcoming transaction is currently pending as the District reevaluates its financial plan in response to COVID-19. The proposed issuance of COPs represents the third transaction for which UFI has served as municipal advisor. Previously, we advised on the District's 2016 COPs issuance, which included Series A CREBs, Series B Taxable COPs, and Series C Tax-Exempt COPs. In 2015 we assisted on the COP issuance to refinance a portion of the District's unfunded pension liability. Additionally, UFI has served as dissemination agent for the District and handled all continuing disclosure for the COPs for the last few years.

Team Resumes

UFI is prepared to deliver the full resources of our firm. The advisory team assigned to the City's financing assignments has over 30 years of combined experience. Wing-See Fox, Managing Director and Primary Contact has over 10 years of public finance experience working with California public agencies. Michael Busch, the firm's CEO, will provide project oversight on City engagements; his prior experience as a finance director and assistant city manager gives him unique insight into the needs of our clients. Branden Kfoury draws on five years of public finance experience and will provide value-added quantitative and analytical support. We have additional support staff and professionals with areas of expertise in continuing disclosure, pension and financial forecasting, who can serve as valuable resources as necessary.

Below are resumes which describe the team's qualifications. We believe our deep experience across all three sides of the public finance industry – as government staff, banker, and municipal advisor - makes us uniquely qualified to achieve the optimal financing for the City.

Wing-See Fox, Managing Director (Primary Contact)

Wing-See Fox is a Managing Director of the Public Finance Division at Urban Futures, Inc. (UFI). Ms. Fox has been with UFI for three years and has almost a decade of experience in the fields of municipal advising, public finance and municipal securities. She has worked on over \$2 billion in municipal debt offerings for cities and special districts in California including water/wastewater bonds, general obligation bonds, lease revenue bonds, certificates of participation, tax allocation bonds, CFD and assessment district bonds, and enterprise bonds. Her current and recent clients include Hercules, Victorville, Pismo Beach, Cosumnes Community Services District, San Francisco, Oakland, Los Angeles, and Fountain Valley.



As a municipal advisor, Ms. Fox excels in gaining a thorough understanding of credits, validating assumptions in financial projections, and structuring bond transactions to meet the needs of the issuer while maximizing credit strength and marketability to investors. She has extensive experience putting together credit presentations geared towards the criteria of rating agencies in order to achieve the highest possible ratings.

Prior to joining UFI, Wing-See was a Vice President at Raymond James Public Finance where she worked on a broad range of tax-exempt and taxable bond issuances for cities and special districts. Her investment banking experience also includes work in the Municipal Securities Group at UBS Investment Bank in New York. Outside of public finance, Wing-See has served as the CEO of Prevent Blindness Northern California (PBNC), a nonprofit organization providing free vision health services for Head Start and unified school district preschoolers in Oakland and San Francisco, and a business development consultant in West Africa for small and medium-sized locally-owned enterprises.

Wing-See received a Master of Business Administration degree from Columbia Business School, a Master of Social Work degree from Columbia University School of Social Work, and a Bachelor of Arts degree in Psychology from Stanford University. An active member of the Northern California Chapters of Women in Public Finance (WIP) and Asian Americans in Public Finance (AAPF), she is also a Class of 2015 Leader Spring Fellow. Additionally, Wing-See serves as a member of the CSMFO Communications Committee and Host Committee.

Michael Busch, Chief Executive Officer (Alternate Contact)

Michael Busch is the firm's Chief Executive Officer and President. Mr. Busch is an accomplished municipal executive and public finance professional who has helped manage several public agencies as an assistant city manager and finance director. Michael has also applied his diverse leadership experiences with a number of professional organizations, as former President of the Municipal Management Association of Southern California (MMASC), former Chair of Cal-International City/County Management Association (Cal-ICMA), and Founding Member of the California Utility Executive Management Association (CUEMA). Through his leadership of UFI and engagement with professional organizations, Michael helps cities, counties, special districts and nonprofits across the State of California identify emerging trends, engage in critical policy issues, exchange proven practices, and advance their missions through sound fiscal and operational policy.



During his 13-year tenure with UFI, numerous public agencies have engaged Michael as both a strategic consultant and municipal advisor based on his public finance expertise and broad understanding of fiscal issues affecting the public sector. Mr. Busch's engagements include over 60 public agencies throughout California and recently include the cities of Victorville, Fountain Valley, Culver City, Santa Ana, Orange, Newport Beach, Glendora, Arcadia, Pomona, Coachella, Desert Hot Springs, Monrovia, Artesia, Cudahy, Menifee, Salinas, Santa Fe Springs, Beaumont, Lake Elsinore, Covina, and Azusa as well as several special districts including Camrosa Water District and Rowland Water District. Additionally, Mr. Busch was the lead municipal advisor and public finance expert for the City of San Bernardino, helping to guide the city through its Chapter 9 bankruptcy restructuring, including providing written and oral testimony in the federal mediation and bankruptcy proceedings.

Mr. Busch holds a Bachelor of Arts degree in Urban and Regional Planning from California State Polytechnic University, Pomona, and a Master of Public Administration degree (Finance and Public Works emphasis) from California State University, Long Beach.

Branden Kfoury, Senior Associate

Branden Kfoury joined Urban Futures in June 2019. Previously, Mr. Kfoury was a Senior Associate at Fieldman, Rolapp & Associates where he worked from 2017 to 2019 supporting the firm's City clients. He has provided financing and execution support for general fund, enterprise revenue, general obligation, special tax and tax allocation bond issuances. Prior to Fieldman, he managed revenue reporting and analysis for the brand advertising group at the website Houzz. From 2010 to 2013, Mr. Kfoury was an associate in the public finance group at BMO Capital Markets in New York. He began his career in the municipal securities industry as a credit analyst at National Public Finance Guarantee Corporation.



Mr. Kfoury received his Bachelor of Science degree in Finance with a minor in Politics from the New York University Stern School of Business.

B2. Other Agencies under Contract

Provide a list of other governmental agencies in California for which the firm is presently under contract. The City reserves the right to contact any or all of the listed agencies regarding the financial advisory services performed by the proposer.

Listed below are California cities and special districts (excluding our school district clients and our consulting clients) for which UFI is presently or was recently under a municipal advisory contract, and the services provided for each. **UFI maintains more licensed municipal advisors in California than any other firm (Source: MSRB) which allows us to provide the attention each of our clients deserve.** We can say with confidence that we are successfully meeting or have successfully met our clients' needs in terms of client relationship and delivering services on scope, quality, schedule, and budget. Should you want to confirm this with any of the clients below, we would be happy to provide their contact information.

Client	Types of Service
City of Alameda	Assessment District Formation, Financial Forecasting
Town of Apple Valley	Revolving Line of Credit and Bear Valley Bridge Project

Client	Types of Service
City of Azusa	CFD, Continuing Disclosure
City of Calimesa	CFD
City of Calipatria	Tax Allocation Bonds
Camrosa Water District	Water Revenue Bonds
City of Ceres	Interim Water Financing
City of Coachella	Pension Obligation Bonds
City of Commerce	Pension Obligation Bonds
City of Covina	Water Revenue, Pension Obligation Bonds
Cosumnes CSD	Certificates of Participation
City of Culver City	Pension Obligation Bonds, Financial Forecasting
City of El Cajon	Pension Obligation Bonds
City of Fullerton	Judgment Obligation Bonds
City of Desert Hot Springs	CFD, New Market Tax Credit, Continuing Disclosure
City of Hercules	Wastewater Revenue Bonds, Continuing Disclosure
City of Inglewood	Grant Anticipation Note
City of Jurupa Valley	Sales Tax Bonds
City of King City	Certificates of Participation
City of Lake Elsinore	CFD, TABs, EIFD Analysis, Financial Forecasting
Los Angeles County Sanitation District	Pension Analysis
City of Millbrae	Pension Analysis
City of Menifee	CFD
City of Moorpark (ICFA)	Revenue Bonds
City of Monterey Park	Pension Obligation Bonds
City of Montebello	Lease Revenue Bonds
City of Needles	Water Revenue Bonds
City of Newport Beach	Assessment District Bonds
City of Orange	Pension Obligation Bonds
City of Pico Rivera	Tax Allocation and Water Revenue Bonds
City of Pismo Beach	Parking Revenue Bonds, Recycled Water Project, Continuing Disclosure
Placer County Water Agency	Pension Analysis
City of Rosemead	Municipal Advisory Services
City of Rolling Hills	Assessment District Formation
City of San Fernando	Pension Obligation Bonds

Client	Types of Service
City and County of San Francisco	General Obligation Bonds
City of San Gabriel	Pension Obligation Bonds
City of Santa Ana	Pension Analysis, Parking Revenue Bonds, Continuing Disclosure
City of Santa Fe Springs	Pension Obligation Bonds
South Orange County Wastewater Authority	Pension Analysis
City of Upland	Pension Obligation Bonds, CFD
City of Victorville	Electric Revenue Bonds
City of Whittier	Pension Obligation Bonds

B3. Market Information

[Describe the firm's access to sources of current market information.](#)

Our firm maintains an in-house Bloomberg terminal which offers real-time market information, interest rate yield curves, new deal pricings, historical security analysis, and complex pricing functions. UFI also subscribes to Refinitiv's – The Municipal Market Monitor (TM3) which provides daily commentary on the municipal bond market, worksheets to analyze competitive and negotiated bond sales, tools to assess credit spreads, and the industry standard interest rate scale, the Municipal Market Data yield curve (MMD), on which all tax-exempt issues price off.

Notwithstanding our subscription services, UFI has direct access to underwriting desks and institutional public finance departments as a result of our frequency working with public agencies and navigating the public capital markets. This allows us to gain a more complete picture of market sentiment and California-specific nuances not readily apparent in standardized subscription services.

B4. GFOA Best Practices

[Demonstrate the firm's familiarity with GFOA Best Practices.](#)

UFI and the staff assigned to the City are intimately familiar with GFOA's Best Practices for advising municipalities and selling bonds. **We have a Duty of Care in the advice that we provide to all our clients and a Duty of Loyalty to provide advice that is in the best interests of our clients.** Our Work Plan described in the following section embodies GFOA Best Practices which demonstrates our commitment to employing the highest standards when advising the City.

Additionally, Michael Busch, the firm's CEO and alternate contact for this engagement, has successfully implemented numerous innovations in municipal finance and operations drawing upon his experience as a finance director and assistant city manager. He has authored GFOA Best Practices regarding 5-Year Capital Improvement Plans and Guiding Principles for Creating Budget Sustainability and remains intimately involved with developing sound financial management strategies for local governments.

C. Work Plan

[Describe your firm's approach to providing the services requested. List general objectives and specific tasks and explain the methods to be used to complete each task. Provide an estimate of the number and types of meetings to be held and with whom. Provide a list of information to be provided by the City.](#)

If the Scope of Work in Section III(A) includes items that, in the opinion of the Advisor, are unnecessary, please identify and explain. If the Scope of Work omits tasks which, in the opinion of the Advisor, are necessary, please identify and explain.

Approach to Performing the Municipal Advisory Scope of Services

While we respect legacy practices, we never take a “that’s how it’s always been done” approach since we view every transaction as an opportunity to improve on legal and financing structures and terms. Every financing undertaken by UFI begins with proper planning and financial due diligence and ends with ongoing monitoring and administration. As such, we believe that our normal project planning and implementation process incorporates the Scope of Work outlined in the City’s RFP. Most of the tasks can be handled via conference calls, but we are happy to hold in-person meetings as requested by the City should work-from-home orders be lifted in 2021. Additionally, we attend all required City Council and Committee meetings and are available to give presentations and answer questions.

We have outlined below our approach to executing a bond transaction in line with the Scope of Work, which we believe accurately encapsulates the duties and responsibilities expected of a municipal advisor:

Activity 1: Preliminary Analysis/Recommendation

No financing is ever recommended without first conducting a complete assessment of the client’s needs and financial constraints. During this period, UFI staff performs the following tasks:

1. Schedule meetings or calls with staff to request all necessary data and discuss the needs and goals of the City.

The City is pursuing an energy efficiency project with Johnson Controls, Inc., that has the potential to generate \$7.1 million of cash flow savings over the life of the project. The City and Johnson Controls, Inc., seek to identify energy efficient improvements from facilities across its General Fund, Water Fund, and Sewer Fund such that energy savings offset project costs. We also understand the City’s desire to affect City Hall improvements which have been delayed due to COVID-19’s impact on the City’s near-term fiscal health. Although Measure S successfully passed this past November, we would want to understand more deeply the Energy Efficiency Project and the City’s evolving financial position bearing in mind other funding priorities, including emergency response, street repair, and other community facility improvements. **Appendix A** lists our preliminary questions for the City.

2. Analyze existing outstanding debt to determine parity test requirements, feasibility of refunding certain outstanding series of Bonds, and debt affordability.

We have already examined the City’s outstanding debt, which consists of two State Revolving Fund Loans that have a zero- interest rate:

Series	Dated Date	Outstanding Par	Interest Rate	Tax Status	Final Maturity	Call Date
Loans Payable						
Safe Water Revolving Loan (Water System)	6/28/2004	\$1,225,000	0.00%	Tax-Exempt	2041	N/A
State Water Resources Loan (Wastewater)	6/10/2011	\$35,553,253	0.00%	Tax-Exempt	2024	N/A
Total		\$36,778,253				

The 2004 Loan, which was used to finance water system improvements, matures in 2024. The 2011 Loan, which financed wastewater system improvements, matures in 2041. Neither loan would represent a

refunding opportunity given there is no interest cost associated with the obligations. If engaged as municipal advisor, UFI would monitor the City's debt profile going forward for any restructuring and refunding opportunities with any future debt obligations.

3. Evaluate alternative financing options and present results to the City.

When calculating savings generated by energy efficiency projects, we take the projected energy savings generated by the projects (including incentives) and subtract debt service (lease payments) and any costs associated with measurement and verification of savings, maintenance, and replacement of equipment. The key driver of this calculation is the projected energy savings provided by the energy service company. As one may suspect, these companies motivated to make aggressive assumptions to present the highest reasonable savings. For example, Johnson Controls may be assuming a very high inflation for energy costs purchased off the grid, which consequently inflates the energy savings. We recommend allowing us to first validate the assumptions used by Johnson Controls and present an audited cost savings projection. This analysis should be performed for each of the projects and impacted government funds.

As far as debt issuance, we would perform a thorough evaluation of both a public offering and private placement with City staff and Council to ensure the City is making an informed decision on this important financing. Generally, we have found that a private placement with banks that specialize in energy efficiency financings achieves the lowest rate. A significant advantage of a private placement is the ability to lock in a rate through closing rather than taking on interest rate risk in a volatile market. Also, drafting a preliminary official statement ("POS") has become increasingly difficult due to COVID as cities make their best efforts to estimate the impact to their revenues and expenses. A private placement does not require a POS, thereby saving staff time. Furthermore, a private placement results in lower costs of issuance than a public offering due to the reduced documentation and no credit rating required. We can assist the City in contacting the list of banks that we keep specifically for energy-related financings.

4. Perform a comprehensive credit analysis to determine the anticipated rating, preferred structure, and interest rate scale for the Bonds.
5. Prepare a summary of cost of issuance.
6. Independently structure the financing and present results to the City.

Activity 2: Assemble the Finance Team and Manage the Financing Process

After an evaluation of financing options/alternatives, should it be determined that financing targets will be met through a bond issuance, UFI will begin work on the financing schedule and the implementation of the agreed upon financing strategy. The scope of work includes, but is not limited to, the following:

- 1) *Assist in the selection of additional service providers:* UFI is knowledgeable of, and has worked with, most major firms which operate in the public finance realm in California. Should the City wish to bid out services such as underwriter, bond counsel, disclosure counsel, or trustee, we are experienced with managing and assisting staff with the selection process for these services.
- 2) *Develop the financing timetable:* UFI will coordinate with staff to develop a schedule that is consistent with the City's goals, staff availability, financing timing, and existing City Council meeting schedules.
- 3) *Assist the City in identifying leased assets for a lease transaction:* UFI can review the City's schedule of insured assets and assist the City in identifying the appropriate assets to encumber

for a lease transaction. If solar is part of the energy efficiency project, we can also evaluate using the solar panels as one of the leased assets.

- 4) *Monitor the transaction process:* Our role as municipal advisor has always included the close monitoring of the financing to ensure successful completion. As such, UFI will coordinate all activities of the financing team and will assist in the preparation and review of Official Statements, Trust Indentures, Installment Purchase Agreements, Escrow Agreements, Loan Term Sheets, staff reports, and all other applicable documents or presentations to the Council or rating agency.
- 5) *Provide support to the City relating to financing documents:* We are experienced in the delivery of presentations to City Councils and drafting of applicable staff reports regarding adoption of the financing documents.
- 6) *Compute Sizing and Design Structure of Debt Issue:* Utilizing municipal market data and bond sizing applications, UFI has the ability to prepare an independent financing structure.
- 7) *Plan and Coordinate Presentations to Ratings Agencies, Bond Insurers, and Investors:* UFI is well prepared to assist in the drafting and delivery of credit presentations to rating agencies which are then easily adapted for discussions with bond insurers and investors. Wing-See Fox will focus on credit analysis for the City's financings and offer her expertise in this area. As a function of being in the market frequently, Ms. Fox and the team have a thorough understanding of rating agency criteria, and we are up to date on the changing landscape and current trends in the market, as well as how the rating agencies are viewing the impact of COVID-19. Specifically, we have extensive experience structuring and analyzing complex credits and vast experience in lease-leaseback, utility, and other revenue bonds. We always advocate for the highest rating when introducing a new credit, and we believe our team has the resources, depth, and knowledge to effectively manage the credit rating process on your behalf. Even if the selected method of financing does not require a rating, our ability to effectively identify and communicate the strengths of each credit helps broaden investor interest.
- 8) *Interest Rates and Timing:* As a result of the ever-changing municipal market environment, UFI will constantly monitor market rates to ensure that financial alternatives as well as refinancing assumptions and recommendations are maximized through proper timing.

Activity 3: Pricing Execution

UFI offers extensive expertise when it comes to the pricing of municipal securities as our staff includes former public finance investment bankers who are intimately familiar with the underwriting and pricing of municipal securities. Branden Kfoury will lead the pricing validation process through an analytical review of similar credits and secondary market activity to ensure the City achieves the lowest borrowing cost. In the weeks leading up to a pricing, we will monitor and track comparable transactions. Generally, our approach is to recommend that the underwriter employ an aggressive pricing strategy (aiming for approximately 2 times oversubscription) to achieve the best possible pricing for our clients. **We will work to ensure the best possible result for the City (even in the event of a tough market) by pushing the underwriter to price at the tightest spreads without diminishing investor participation,** and provide post issuance analysis.

In addition to ensuring fair market spreads, UFI will work with the underwriter to analyze alternative couponing strategies that result in the lowest possible TIC and/or NPV savings for refundings. We will also push for the most flexible call feature. We can help the City analyze the cost of shorter calls and any additional premiums. Additionally, we focus on investor participation, banks' willingness to underwrite, and syndicate policies – all factors that contribute to the pricing of the City's future bond transactions. We have the in-house resources of investment banking firms; debt analyses received from underwriters are verified in-house, which allows us to offer timely input and advice on bond pricings for the City.

Activity 4: Post-Issuance Compliance

UFI has two staff members 100% dedicated to managing the continuing disclosure and dissemination agent needs of our clients. We have over 20 years of experience providing continuing disclosure and dissemination agent services, and we currently serve over 200 public agency clients with the preparation of over 400 reports annually. We have extensive experience covering every type of credit, including lease revenue bonds, certificates of participation, and revenue bonds.

As a function of providing municipal advisory services, UFI reviews the Continuing Disclosure Agreements and Bond Indentures for every bond issuance at the very beginning of the financing process. This ability to work with the financing team to draft the Continuing Disclosure Agreement is key, as we ensure it is formed in a manner that strikes the balance between providing pertinent information to investors versus minimizing the administrative burden on City staff. It is also another way that we can provide a nimble and cost-effective service to the City. In addition to our experience in drafting such documents, the firm has adopted a practice of reviewing each and every Continuing Disclosure Agreement on an annual basis. This practice ensures that each report is being prepared in accordance with the bond's disclosure obligations.

We are well poised to assist the City with implementing the provisions of SB 1029 and CDIAC's related transparency regulations. We have developed a checklist of required reports and their due dates. For example, Annual Debt Transparency Reports are due by January 31 of each year, and CDIAC has developed an online form for issuers to submit the required data (i.e., debt authorized during the reporting period, debt outstanding during the reporting period, list of purposes for which debt has been issued, and amounts expended for each purpose in the prior fiscal year). We can assist the City in the preparation and submission of required reports. Finally, we can assist the City with arbitrage rebate reporting required by the IRS.

Meetings Expectations and Staff Involvement

We have attached sample financing schedules assuming either a public sale or private placement in **Appendix B** which estimates up to nine meetings over the course of the financing process. Most of these meetings will include the City and the municipal advisor with other financing team members and representatives from Johnson Controls, Inc., joining as needed. Our expectation is for the City and all required personnel to be available for conference calls and to provide input on the financing schedule to ensure we are meeting the City's goals. In addition, we believe it is critical for the City to review and provide input on financing and legal documents, especially the official statement, to ensure it aligns with the City's disclosure practices and properly discloses all risks to investors.

UFI has experience working on behalf of municipalities like the City, and we believe we can tailor our approach to fit the City's needs. As described in our work plan above, UFI can prepare conference call agendas and coordinate conference calls, prepare the distribution list and agendas, review bond documents, and produce and manage the financing schedule, ensuring members of the financing team stay on track. Additionally, UFI will take the lead on drafting staff reports (if desired) and the rating agency presentation, as well as any other tasks assigned by the City. We view our role as an extension of staff, and we can be available to the City as much as is required to complete a financing. It is our goal to limit the City's involvement to only those critical areas described above and to complete each financing in a manner that achieves the City's goals, results in the lowest cost of funds, and maximizes efficiency without putting any unnecessary burden on City staff time.

D. Other Relevant Information

Provide other information you feel is relevant to the City's consideration of your firm.

UFI will Advocate for the City on Each and Every Financing

One of the key benefits that Ms. Fox brings to her clients, and a tenet shared by all members of our firm, is her steadfast commitment to putting the client first. We take our fiduciary duty very seriously and always strive to do the right thing. We will unwaveringly advocate for the City. As an example, unless there is an extenuating circumstance, we recommend a competitive bidding process for each member of the financing team, including underwriters, bond and disclosure counsel firms, bond insurers, verification agents, trustees and escrow agents, and printers.

We pay close attention to the costs of issuance incurred on municipal bond transactions where we serve as the municipal advisor. We negotiate the professional fees on behalf of our clients to ensure that they are receiving the best possible service at the best possible price. We always advocate for our clients with the goal of getting financing team members to bid as aggressively as possible. Furthermore, we independently research underwriting and bond counsel fees through various resources, including the CDIAAC database. This enables us to prepare a pricing comparables analysis which we review with our clients.

Our firm also does our part to control costs of issuance. We are not in the practice of winning an RFP based on a low bid and then asking our client for a higher fee at the end of the transaction because of a heavier workload than expected. We are committed to offering our services at a reasonable cost, and our integrity is, above all else, most important when serving on transactions. We hold the other members of the financing team to the same standard.

Navigating Industry Changes and Developments

Throughout the history of our public finance practice, our firm has seen many significant changes and developments in our industry, and we have stepped up to assist our clients in navigating uncharted territory. Below are a few examples of how UFI has helped our clients effectively access the market despite dramatic shifts in our sector.

a) *Dodd-Frank Act*: Effective on October 1, 2010, the Dodd-Frank Act created a new class of regulated persons, "municipal advisors," requiring municipal advisors to register with the SEC and comply with regulations issued by the MSRB and establishing the statutory fiduciary duty we have to our municipal clients. The Dodd-Frank Act also limited the ability of underwriters to deliver tailored ideas and information on municipal financial products and issuance of municipal securities to issuers; and the Independent Registered Municipal Advisor (IRMA) exemption was established, whereby underwriters could deliver these tailored ideas and information as long as the issuer relies on an IRMA that, at least within the last two years, was not associated with the underwriter seeking an IRMA exemption. Since 2010, UFI has served as the IRMA for many of our municipal clients, thereby allowing our clients to continue receiving innovative ideas—with the added benefit of an IRMA evaluating the appropriateness of the recommended financial products.

b) *Municipalities Continuing Disclosure Cooperation Initiative (MCDC Initiative)*: In 2014, the SEC launched the MCDC Initiative to address potentially widespread violations of the federal securities laws by municipal issuers and underwriters of municipal securities in connection with certain representations about continuing disclosures in bond offering documents. UFI has provided continuing disclosure and dissemination agent services since 1994. Even before the MCDC Initiative, we have been assisting our

clients in remaining compliant with reporting requirements. Making sure that our clients are current with their continuing disclosure obligations allows for better access to the primary market and better liquidity of their bonds in the secondary market.

c) *Amendments to Rule 15c2-12:* On February 27, 2019, the SEC made amendments to Rule 15c2-12 which expanded the list of reportable events from 14 to 16 for any continuing disclosure agreement entered from that point forward. These reportable events are ambiguous and created a lot of confusion around what obligations need to be reported, what information needs to be included, and what constitutes “material.” UFI has provided guidance to our clients on reportable events and filed notices on behalf of our clients.

d) *Elimination of Tax-Exempt Advance Refundings:* Changes to federal tax law in late 2017 eliminated the ability of governments to issue tax-exempt advance refunding bonds. Since then, we have evaluated the use of taxable bonds, a forward structure, and a Cinderella structure (whereby taxable refunding bonds are issued to advance refund tax-exempt bonds, which then convert to tax-exempt at the call date) to refund tax-exempt bonds with call dates beyond 90 days. We have advised on successful executions of all of these methods, thereby achieving significant debt service savings for our clients.

e) *Rating Criteria Changes:* One of the greatest values we offer to our clients is our lead role in credit rating presentations. We stay current with criteria utilized by rating agencies to evaluate different credit sectors. For example, since S&P updated its rating methodology in January 2016 for the Water/Wastewater sector, UFI has developed a template to score our clients’ water or wastewater credit based on the updated methodology. This has been particularly helpful to clients that have not recently (or ever) issued water or wastewater bonds in estimating where we think the rating will fall and planning the financing accordingly. Additionally, we utilize this template for the rating agency presentation to focus on the credit strengths, identify how our client is addressing any weaknesses, and to allow the rating agency to expeditiously assign a rating to the anticipated bonds because we have thoroughly addressed all of their rating criteria.

f) *Green Bonds:* Green Bonds are a growing category of fixed-income securities that raise capital for projects with environmental benefits, such as renewable energy, low-carbon buildings, low-carbon transport, water/wastewater, and solid waste. Green Bonds make up a small fraction of the overall bond market, but they have been attracting attention, particularly in the United States and China. To date, there has been no evidence of the Green Bond label having a direct impact on pricing, and there are additional reporting requirements for the issuance of Green Bonds. However, they can offer good public relations opportunities for issuers and can help broaden the investor base. We work with our clients who desire to issue Green Bonds with evaluating the cost/benefit of acquiring a Build America Mutual (BAM) GreenStar bond designation and developing marketing strategies for maximizing the Green Bond label to investors.

g) *COVID-19 Pandemic:* The current COVID-19 pandemic has starkly impacted healthcare systems, global and local economies, financial markets, businesses and non-profits, local governments, and our lives. We understand that staff has immediate priorities that require your attention, and our approach as your municipal advisor and fiduciary is to act as an extension of staff allowing you to focus on your priorities while relying on us to help achieve the City’s financing goals. **We were one of the few firms that advised on the successful execution of bond transactions in the public market in the months immediately following widespread shelter-in-place mandates.**

E. Fee Proposal

The fee proposal should contain all pricing information relative to performing the services as described. Provide your proposed fee structure(s) as described below.

1. Hourly Rate

- a. Include hourly rates for all employees who would be providing services under this contract.
- b. List not-to-exceed amounts for particular types of tasks (for example, revenue bond issuance, project-specific financing, advisory services not related to an issuance, etc.)
- c. List separately any additional costs or reimbursable charges.
- d. Terms: invoiced monthly

Provided below is a firm, fixed hourly rate schedule for the key staff members who are available to consult and advise on the Energy Efficiency Project. Most of the work would be completed by Ms. Fox, Managing Director, and Mr. Kfoury, Senior Associate, and invoiced monthly. This fee structure would only be used if a bond issuance is uncertain, and the City requires our consulting services. If the work performed is related to a bond issuance within the same fiscal year, then invoiced amounts will be credited towards the fixed bond issuance fee. We can provide not-to-exceed amounts for specifically defined projects if required by the City.

Personnel	Title of Person Performing Service	Hourly Rate
Michael Busch	Chief Executive Officer	\$350
Wing-See Fox	Managing Director	\$325
Branden Kfoury	Senior Associate	\$175

2. Fixed Fee

- a. Include fixed fee rates for each type of task (for example, revenue bond issuance, project-specific financing, etc.)
- b. List separately any additional costs or reimbursable charges
- c. Terms: paid from bond proceeds as cost of issuance

UFI proposes a fixed fee of **\$35,000** should the City pursue a public bond sale and **\$30,000** should the City pursue a private placement. Our fees for financial advisory services on bond issuances are contingent on the success of the financing and are paid out of costs of issuance after closing. Our fee for municipal advisory services is exclusive of out-of-pocket expenses such as travel, data recovery, third party data fees, and internal compliance requirements. Out-of-pocket expenses will not exceed \$2,500 on any transaction.

Working with the City is a high priority for UFI and as such we are willing to negotiate our proposed fees, should the City find it necessary.

3. Alternative

- a. Provide any other fee proposal your firm considers appropriate, with descriptions and terms

UFI does not propose any other fees based on our understanding of the Energy Efficiency Project and RFP's Scope of Work. We will provide separate fee schedules should the City seek other financial advisory services beyond the Scope of Work.

Appendix A – Preliminary Questions

Energy Efficiency Project

- Describe the project (what, when and how much) and useful life
- Describe any CEQA requirements, if any
- Provide a list of unencumbered assets and their insured values
- To confirm energy savings that Johnson Controls, Inc. presented, please provide all data and information given and assumptions used to ascertain savings
- Does the City anticipate future energy use changes given the impact of COVID-19 on current and future City operations?
- What type of savings structure (level, upfront, other) does the City want?
- Please also provide the following information:
 - City RFP Requirements should UFI help assemble the financing team
 - Provide agenda deadlines for Council Meetings
 - City's current banking relationship
 - Information on the local economy (major employers, building permits, taxable transactions, etc.)
 - Descriptions of recent development in the City or other economic highlights
 - City financial forecast
 - Updated Capital Improvement Plan
 - Copies of financial policies, including debt policy, investment policy, and reserve policy
 - Details on budgeting process and any budget/forecast updates provided to Council
 - Breakout of General Fund, Water Fund, and Sewer Fund revenues by source
 - Confirmation of whether the City participates in Teeter
 - City's Response to COVID (Small Business Assistance, etc.)
 - Descriptions of any budgeting balancing measures in response to COVID
 - Amount of CARES Act Funding or other state or federal aid received
 - Pension/OPEB Plan Information; Pension/OPEB Management Strategies

Economy

- Please update us on any major economic changes within the last three years, including any changes in or significant news from the major employers and taxpayers, and any development that may have occurred (for example, major employer lay-offs, commercial/retail coming or going, etc.)
- Discussion of property valuation and trends
 - a. What are your expectations for the next several years?

Finances

- COVID-19 Update:
 - a. How have your operating revenues across all funds been impacted so far?
 - b. What extraordinary costs have been incurred to date?
- Discussion of historical general fund performance and reserve levels
 - a. Please identify any large one-time revenues, expenditures, or transfers in the last three fiscal years, if applicable.
- Budgets and multi-year projections
 - a. Please discuss major budget adjustments implemented in response to declining revenues.
 - b. Please discuss major budgetary considerations incorporated in the fiscal 2021 budget, including any cost containment/reduction measures identified to date.

Debt

- Does the city have any plans to issue debt beyond what's contemplated by the RFP? If so, please share the approximate timing and sizing?
- Does the city have any privately placed debt, direct purchase debt, or bank loans outstanding beyond its SRF loans?

Financial Management Assessment

1. Revenue/Expenditure Assumptions for Annual Budgeting
 - a. How many years of history do you use when forecasting trends?
 - b. What outside sources of information do you use or consult?
 - c. What methodology do you use for budgeting (line item, zero base, etc)?
2. Budget Amendments & Updates
 - a. As the fiscal year progresses, how often do you review your main revenues and expenditures?
 - b. How many times per year do you provide the board or council with budget-to-actual reports?
 - c. In case of an emergency, how quickly could an amendment to the budget be made?
3. Long-Term Financial Planning
 - a. Is any type of multiple-year financial forecasting utilized?
 - b. If so, how many years into the future are considered?
 - c. How frequently are these projections updated?
 - d. If projections are done, are the results shared with the board or council and used for decision-making?
4. Long-Term Capital Planning
 - a. Is a written, multiple-year capital improvement plan maintained?
 - b. If so, how frequently is the plan updated?
5. Investment Management Policies
 - a. Is there a formally approved investment management policy, or are the state guidelines simply followed when making investments?
 - b. How frequently is the board or council provided with information on the investment portfolio? (Specifically investment earnings and portfolio holdings)
6. Debt Management Policies
 - a. Is there an approved debt management policy that goes beyond statutory limitations to restrict the structure or amount of debt issued?
 - b. If so, please provide a copy of the policy by email or fax
7. Reserve and Liquidity Policies
 - a. Has the board or council approved a formal fund balance or reserve policy?
 - b. If so, what is the minimum level of mandated reserves and why was that particular level chosen?
 - c. If no formal policy exists, is there a particular goal or target reserve level which the board keeps in mind?
 - d. If so, what is the target and why was it chosen?

Appendix B – Sample Financing Schedules



CRESCENT CITY PUBLIC FINANCING AGENCY
Lease Revenue Bonds, Series 2021
(Energy Efficiency Project)

Sample Financing Schedule – Private Placement
 (as of December 8, 2020)

January 2021						
S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
February 21						
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28						
March 2021						
S	M	T	W	Th	F	Sa
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28	29	30	31			
April 2021						
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Holidays highlighted in blue

Date	Action	Responsible Party
Mon, Jan 4	Kick-off conference call to discuss financing	ALL
Wed, Jan 13	Finalize proposed energy efficiency projects and savings estimates	I/MA/JC
Wed, Jan 13	1 st Draft of Resolutions for Bond Issuance (appointment of financing team, reimbursement) and Debt Policy	BC
Thurs, Jan 14	Conference call Resolutions for Bond Issuance and Debt Policy	ALL
Wed, Jan 20	2 nd Draft of Resolutions for Bond Issuance and Debt Policy Draft Staff Reports for Feb 1 City Council Meeting	BC BC/MA/I
Mon, Jan 25	Submit Staff Reports, Resolutions for Bond Issuance, and Debt Policy for Feb 1 st City Council Meeting	BC/I
Tues, Jan 26	1 st draft of legal documents for bond issuance distributed	BC
Thurs, Jan 28	Conference call to discuss 1 st draft of legal documents	ALL
Mon, Feb 1	City Council Meeting to approve Resolutions for Bond Issuance, and Debt Policy	I
Wed, Feb 3	2 nd draft of legal documents distributed	BC
Fri, Feb 5	Conference call to discuss legal documents	ALL
Wed, Feb 10	[1 st draft of credit presentation distributed] Revised drafts of legal documents distributed	MA BC
Fri, Feb 12	[Conference call to discuss credit presentation]	ALL
Tues, Feb 16	[2 nd draft of credit presentation distributed] Distribute documents to [rating agency, insurers,] and private placement banks Submit CDIAC report about upcoming placement Submit documents for March 1 st City Council Meeting	MA MA I/BC I/BC

**This schedule assumes obtaining a credit rating for illustrative purposes only. The schedule may accelerate should the financing team determine does not need a rating when approaching private placement banks.*

January 2021						
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10	11	12	13	14	15	16
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24	25	26	27	28	29	30
31						
February 2021						
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28						
March 2021						
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April 2021						
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18	19	20	21	22	23	24
25	26	27	28	29	30	

Holidays highlighted in blue

Date	Action	Responsible Party
Fri, Feb 19	[Finalize credit presentation]	MA
Tues, Feb 23	["Dry run" of credit presentation Meeting with rating agency]	I/MA/BC
Week of Mar 1	Draft Staff Reports for March 15 th Meeting	BC/MA/I
Mon, Mar 8	Submit Staff Reports and legal documents for March 15 th City Council Meeting	BC/I
Week of Mar 8	Receive [credit rating, insurance bids,] and private placement bids	All
Mon, Mar 15	City Council to approve financing documents	I
Week of Mar 15	Rate Lock Pre-Closing Closing	All

Financing Team

I - Issuer (City of Crescent City)

MA - Municipal Advisor

BC - Bond Counsel

T—Trustee

JC — Johnson Controls, Inc.

City Council meets every 1st and 3rd Monday of the month at 6:00 p.m.



CRESCENT CITY PUBLIC FINANCING AGENCY
Lease Revenue Bonds, Series 2021
(Energy Efficiency Project)

Sample Financing Schedule – Public Sale
 (as of December 8, 2020)

January 2021						
S	M	T	W	Th	F	Sa
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February 21						
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March 2021						
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28	29	30	31			
April 2021						
S	M	T	W	Th	F	Sa
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Holidays highlighted in blue

<u>Date</u>	<u>Action</u>	<u>Responsible Party</u>
Mon, Jan 4	Kick-off conference call to discuss financing	ALL
Mon, Jan 11	Finalize proposed energy efficiency projects and savings estimates	I/MA/JC
Wed, Jan 13	1 st Draft of Resolutions for Bond Issuance (appointment of financing team, reimbursement) and Debt Policy	BC
Thurs, Jan 14	Conference call Resolutions for Bond Issuance and Debt Policy	ALL
Wed, Jan 20	2 nd Draft of Resolutions for Bond Issuance and Debt Policy Draft Staff Reports for Feb 1 City Council Meeting	BC BC/MA/I
Mon, Jan 25	Submit Staff Reports, Resolutions for Bond Issuance, and Debt Policy for Feb 1 st City Council Meeting	BC/I
Tues, Jan 26	1 st draft of legal documents for bond issuance distributed	BC
Thurs, Jan 28	Conference call to discuss 1 st draft of legal documents	ALL
Mon, Feb 1	City Council Meeting to approve Resolutions for Bond Issuance, and Debt Policy	I
Wed, Feb 3	1 st draft of POS and BPA distributed 2 nd draft of legal documents distributed	DC/UWC BC
Fri, Feb 5	Conference call to discuss POS, BPA and legal documents	ALL
Mon, Feb 8	2 nd draft of POS distributed	DC
Wed, Feb 10	1 st draft of credit presentation distributed Revised drafts of legal documents distributed	MA/UW BC
Thurs, Feb 11	3 rd draft of POS and revised draft of BPA distributed	DC/UWC
Fri, Feb 12	Conference call to discuss POS and credit presentation	ALL
Tues, Feb 16	2 nd draft of credit presentation distributed Revised draft of POS distributed Distribute documents to rating agency and insurers Submit CDIAC report about upcoming issuance Submit documents for March 1 st City Council Meeting	MA/UW DC MA/UW I/BC I/BC

January 2021						
S	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
February 2021						
S	M	T	W	Th	F	Sa
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						
March 2021						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
April 2021						
S	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Holidays highlighted in yellow

Date	Action	Responsible Party
Fri, Feb 19	Finalize credit presentation	MA/UW
Tues, Feb 23	“Dry run” of credit presentation Meeting with rating agency	I/MA/UW/BC
Week of Mar 1	Circulate revised draft of POS Draft Staff Reports for March 15 th Meeting	DC BC/MA/I
Mon, Mar 8	Submit Staff Reports, POS, and legal documents for March 15 th City Council Meeting	BC/I
Week of Mar 8	Due diligence call and call to finalize POS Receive credit rating and insurance bids	All
Mon, Mar 15	City Council to approve financing documents	I
Tues, Mar 16	Post POS	DC
Tues, Mar 16 – Fri, Mar 26	Marketing Period	UW/MA/I
Week of Mar 29	Pre-pricing Pricing	UW/MA/I
Week of Apr 12	Pre-Closing Closing	All

Financing Team

I - Issuer (City of Crescent City)
MA - Municipal Advisor
BC/DC - Bond Counsel/Disclosure Counsel
UW – Underwriter
UWC – Underwriter’s Counsel
T—Trustee
JC — Johnson Controls, Inc.

City Council meets every 1st and 3rd Monday of the month at 6:00 p.m.

Regulatory Disclosure

Disclosure of Conflicts of Interest and Legal or Disciplinary Events. Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Urban Futures, Inc. (“UFI”) and its associated persons.

Conflicts of Interest. Compensation. UFI represents that in connection with the issuance of municipal securities, UFI may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, UFI hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding UFI’s ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair UFI’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

It should be noted that other forms of compensation (i.e. hourly or fixed fee based) may also present a potential conflict of interest regarding UFI’s ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair UFI’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

Other Municipal Advisor Relationships. UFI serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another UFI client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, UFI could potentially face a conflict of interest arising from these competing client interests. UFI fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

If UFI becomes aware of any additional potential or actual conflict of interest after this disclosure, UFI will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

Legal or Disciplinary Events. UFI does not have any legal events or disciplinary history on UFI’s Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access UFI’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html. There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against UFI, UFI will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate UFI, its management and personnel

CITY COUNCIL AGENDA REPORT



TO: MAYOR GREENOUGH AND MEMBERS OF THE CITY COUNCIL

FROM: ERIC WIER, CITY MANAGER

BY: RICHARD GRIFFIN, CHIEF OF POLICE

DATE: FEBRUARY 22, 2021

SUBJECT: LIGHTHOUSE WAY PARKING COMPLAINT

RECOMMENDATION

- Hear staff report
- Technical questions from the Council
- Receive public comment
- Further Council discussion
- Direct staff as necessary and appropriate

BACKGROUND

Staff received notice of a possible parking issue on Lighthouse Way at the January 19th City Council meeting. The City Council subsequently directed staff to investigate the issue. The City received a letter from a city resident regarding people parking on Lighthouse Way and causing issues due to trash and other items deposited on the street, including a build up of oil from a specific vehicle. The letter was signed by most city residents who live on the street.

ANALYSIS

Lighthouse Way is a two-lane road with parking allowed on both sides of the street during the day and nighttime hours. Lighthouse Way connects Front Street to the Battery Point Vista area and parking lot, which is closed at nighttime from 2300 hours to 0500 hours. Beachfront Park is also closed to foot traffic and parking during those same hours.

Upon investigation staff was unable to find any actual parking issues during the last ten years, other than the current civil issue between a Lighthouse Way resident and one subject who parks on the street nightly on the opposite side of said resident's home. The Police Department, including Chief Griffin, have been called out to investigate several reports of potential crimes being committed by the subject parking on the street, but no actual crimes have been observed or directly attributed to this subject.

City Council Agenda Report
LIGHTHOUSE WAY PARKING
February 22, 2021

Currently, people can legally park their vehicles on public streets, and sleep overnight in them, so long as they move their vehicles at least every 72 hours. (CCMC 10.24.050). Lighthouse Way is a public street dedicated to the use of the public for driving and parking.

Another potential concern that was raised was that the road is too narrow to have parking on both sides, or at all. Staff was unable to locate any major traffic accidents caused by parking issues on Lighthouse Way over the past ten years.

In researching the width of the street, CCPD measured Lighthouse Way to be 39' 7" wide in the 200 block, and 39' 9" wide in the 100 block. While measuring the roadway in the 100 block of Lighthouse Way CCPD staff was contacted by a resident and spoke about the possible parking issues in the 200 block of Lighthouse Way. The resident stated that they had not observed any issues with the reported subject parking their vehicle there, and that they also had not observed any trash or other items being thrown on the ground.

Throughout the City CCPD staff took road width measurements at the following locations:

- 832 A Street – 39' 3"
- 1235 A Street- 38' 8"
- 190 Condor – 39' 5"
- Gary St at Condor – 39' 5"
- 1372 Anzio – 36' 2"
- 1244 Gainard- 39' 2"
- 1250 Pebble Beach 39' 1"
- Rumiano Cheese Factory 39' 5"
- Flynn Center – 40' 1"
- 571 H Street – 39' 11"
- 983 3rd Street 39' 9"

These measurements show that the street located in the 200 block of Lighthouse Way is above the average for lane width from the other sites measured. While taking measurements on Lighthouse Way staff was able to locate two work vehicles that were parked on opposite sides of the street from each other and then took pictures of a CCPD patrol vehicle driving on the road between them. The vehicle was able to safely travel the roadway without crossing over into the other lane of traffic. Photos are attached to this report.

One proposal to solve this issue was to restrict parking along Lighthouse Way to residents and require the display of a permit as is done in some other communities. This particular approach is taken in communities where there is so much parking traffic that residents are unable to reliably find parking within a reasonable distance of their residence. This is not the case along Lighthouse Way. There appears to be plenty of parking for residents and their guests. Therefore, staff does not see this as a viable option as there is not a parking issue sufficient to demand this action be taken. This is important because,

according to the City Attorney, legislative actions such as passing ordinances, are subject to the “arbitrary and capricious” standard. While this is a very deferential standard of review, if a legislative act is not supported by the record of facts, then it could very well be deemed arbitrary and capricious (unreasonable action without consideration or in disregard of facts or law).

FINANCIAL IMPACT

At this time staff recommends no action to be taken, this results in no financial impact.

STRATEGIC PLAN ANALYSIS

This report meets the goals and objectives of Strategic Plan Goal 1 “Support quality services and community safety to enhance the lives of our citizens and visitors”, Subsection C. “Empower and utilize Police, Fire, and Public Works departments to make Crescent City one of the safest cities in the United States”.

Attachments

- Photos







