

## **CONSULTANT AGREEMENT**

**THIS AGREEMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by the **CITY OF GARDEN GROVE**, a municipal corporation, ("CITY") and Fieldman, Rolapp & Associates, Inc., herein after referred to as "CONSULTANT".

### **RECITALS**

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove COUNCIL AUTHORIZATION, DATED \_\_\_\_\_.
2. CITY desires to utilize the services of CONSULTANT to Provide Financial Advisory Services for the City of Garden Grove per RFP S-1267.
3. CONTRACTOR is qualified by virtue of experience, training, education and expertise to accomplish services.

### **AGREEMENT**

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. Term and Termination. The term of the agreement shall be for period of three (3) years from full execution of the agreement, with an option to extend said agreement two (2) additional years, for a total performance period of five (5) years. Option years shall be exercised one (1) year at a time, at the sole option of the CITY. This agreement may be terminated by the CITY without cause. In such event, the CITY will compensate CONSULTANT for work performed to date in accordance with the Scope of Work which is attached as Attachment A and is hereby incorporated by reference. Consultant is required to present evidence to support performed work.
2. **Services to be Provided.** The services to be performed by CONSULTANT shall consist of tasks as set forth in the Scope of Work. The Scope of Work is attached as Attachment A, and is incorporated herein by reference. The Scope of Work and this Agreement do not guarantee any specific amount of work.
3. **Compensation.** CONSULTANT shall be compensated as follows:
  - 3.1 **Amount.** For Consultant's performance of services as described in the Scope of Services, Attachment "A", Consultant shall be paid in accordance with the fee schedule set forth in Attachment "B", Proposal Pricing/Best and Final Offer, of this agreement.
  - 3.2 **Payment.** For work under this Agreement, payment shall be made per invoice for work completed. Within 45 day of delivery of goods or completion of performance of services, CONTRACTOR must promptly render an invoice to CITY or payment may be significantly delayed. For

extra work not a part of this Agreement, a written authorization by CITY will be required, and payment shall be based on schedule included in Proposal Pricing Attachment "C".

- 3.3 Records of Expenses. CONSULTANT shall keep complete and accurate records of all costs and expenses incidental to services covered by this Agreement. These records will be made available at reasonable times to CITY.
- 3.4 Termination. CITY shall have the right to terminate this agreement, without cause, by giving thirty (30) days written notice of termination. If the Agreement is terminated by CITY, then the provisions of paragraph 3 would apply to that portion of the work completed.

#### 4. Insurance Requirements.

- 4.1 COMMENCEMENT OF WORK. CONSULTANT shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance and provide a Waiver of Subrogation in favor of the City.
- 4.2 WORKERS COMPENSATION INSURANCE. During the duration of this Agreement, CONSULTANT and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
- 4.3 INSURANCE AMOUNTS. CONSULTANT shall maintain the following insurance for the duration of this Agreement:
- (a) Commercial general liability in an amount of \$1,000,000.00 per occurrence (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-Class VII or better, as approved by the CITY.
- (b) Automobile liability in an amount of \$1,000,000.00 combined single limit (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.

- (c) Professional liability in an amount not less than \$1,000,000. Insurance companies must be admitted and licensed in California and have a Best's Guide Rating of A-Class VII or better, as approved by the City. If the policy is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of the agreement, and for a period of three (3) years from the date of the completion of services provided. In the event of termination, cancellation, or material change in the policy, professional/consultant shall obtain continuing insurance coverage for the prior acts or omissions of professional/consultant during the course of performing services under the term of the agreement. The coverage shall be evidenced either by a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier.

An **On-Going and Completed Operations Additional Insured Endorsement** for the policy under section 4.3 (a) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONSULTANT. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for automobiles, owned, leased, hired, or borrowed by the CONSULTANT. CONSULTANT shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

For any claims related to this Agreement, CONSULTANT's insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, and volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it.

*If CONSULTANT maintains higher insurance limits than the minimums shown above, CONSULTANT shall provide coverage for the higher insurance limits otherwise maintained by the CONSULTANT.*

5. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable to CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONSULTANT.

6. **Non-Discrimination.** CONSULTANT covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.
7. **Independent Contractor.** It is agreed to that CONSULTANT shall act and be an independent contractor and not an agent or employee of the CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.
8. **Disclosure of Documents.** All documents or other information developed or received by CONSULTANT are confidential and shall not be disclosed without authorization by the CITY.
9. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT shall be the property of the CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.
10. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
11. **Notices.** All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.
  - a. (CONSULTANT)  
Fieldman, Rolapp & Associates, Inc.  
Attention: Anna Sarabian, Principal  
19900 MacArthur Blvd., #1100  
Irvine, CA 92612
  - b. (Address of CITY) (with a copy to):  
City of Garden Grove Garden Grove City Attorney  
11222 Acacia Parkway 11222 Acacia Parkway  
Garden Grove, CA 92840 Garden Grove, CA 92840
12. **CONTRACTOR'S PROPOSAL.** This Agreement shall include CONTRACTOR'S proposal or bid which shall be incorporated herein by reference. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
13. **Licenses, Permits, and Fees.** At its sole expense, CONSULTANT shall obtain a Garden Grove Business License, all permits, and licenses as may be required by this Agreement.

14. **Familiarity with Work.** By executing this Agreement, CONSULTANT warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the facilities, difficulties, and restrictions of the work under this Agreement. Should Consultant discover any latent or unknown conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY of this and shall not proceed, except at CONSULTANT's risk, until written instructions are received from CITY.
15. **Time of Essence.** Time is of the essence in the performance of this Agreement.
16. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability, and reputation of CONSULTANT, its principals and employees were a substantial inducement for CITY to enter into this Agreement. CONSULTANT shall not contract with any other entity to perform the services required without written approval of the CITY. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of CITY. If CONSULTANT is permitted to subcontract any part of this Agreement, CONSULTANT shall be responsible to CITY for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and CITY. All persons engaged in the work will be considered employees of CONSULTANT. CITY will deal directly with and will make all payments to CONSULTANT.
17. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
18. **Indemnification.** To the fullest extent permitted by law, CONSULTANT shall defend, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damages of any nature, including interference with use of property, arising out of, or in any way connected with the negligence, recklessness and/or intentional wrongful conduct of CONSULTANT, CONSULTANT's agents, officers, employees, subcontractors, or independent contractors hired by CONSULTANT in the performance of the Agreement. The only exception to CONSULTANT's responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence, recklessness and/or wrongful conduct of CITY, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONSULTANT.

19. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified only by subsequent mutual agreements executed by the CITY and CONSULTANT.
20. **Waiver.** All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the CITY and CONSULTANT.
21. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Orange County Superior Court.
22. **Appropriations.** This Agreement is subject to and contingent upon funds being appropriated therefor by the Garden Grove City Council for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the CITY

**IN WITNESS THEREOF**, these parties have executed this Agreement on the day and year shown below.

Date: \_\_\_\_\_

**"CITY"**  
**CITY OF GARDEN GROVE**

By: \_\_\_\_\_  
**City Manager**

**ATTESTED:**

\_\_\_\_\_  
**City Clerk**

Date: \_\_\_\_\_

**"CONSULTANT"**  
**Fieldman, Rolapp & Associates, Inc.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Tax ID No. \_\_\_\_\_

Contractor's License: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

If CONSULTANT is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Garden Grove City Attorney

\_\_\_\_\_  
Date

## **ATTACHMENT "A"**

### **SCOPE OF WORK**

#### THE CITY

The City of Garden Grove is located in central Orange County approximately 25 miles southeast of downtown Los Angeles. With a population of approximately 176,896, it is the fifth largest city in Orange County and the twenty eighth largest in the State of California. The City incorporated on June 18, 1956. Garden Grove is a full service city. The services provided by the City include police, street maintenance, park maintenance, water, sewer, recreation, traffic/transportation, public improvements, planning, zoning, and general administrative services.

As of June 30, 2019, the City has \$73.0 million in outstanding governmental debt, \$31.9 million in enterprise debt, and \$89.7 in the Successor Agency debt. For detailed debt information, please refer to the City's Comprehensive Annual Financial Report, which can be found on the City's website.

#### SCOPE OF WORK

The City is seeking a qualified financial advisory firm knowledgeable of the City's financial operations, demographic and economic factors, and long-term capital program requirements. The firm must have experience with debt issuances for municipalities in the State of California to act as special consultant to the City performing the following consulting services:

##### **A. Debt Issuance Services**

###### **1. Pre-issuance Assistance**

- a. Evaluate possible financing options for the City including analysis of taxing and bonding capacity for new money issuances and continued assessment of outstanding bond issues for refinancing potential.
- b. Prepare financing schedule based on the City's needs, advise the City on reasons for proposed changes to the schedule and the logic behind such alterations and assist all parties in the time management to keep the bond issuance moving forward on the City's timeline.
- c. Advise the City in evaluating all available options for credit enhancement, method of sale, and the type and terms of any bonds to be issued.
- d. Conduct RFP process for bond team, including underwriter, bond counsel and disclosure counsel for the potential new bond issuances and refinancing of existing bonds.
- e. Assist in structuring and marketing bond transactions for competitive sale (if applicable) through consistent communication with underwriters and investors.
- f. Coordinate and minimize debt issuance costs with various professionals.
- g. Create presentations and attend any meetings or conference calls as required or requested by the City related to pre-issuance, including



but not limited to, Resolution of Intent council meetings, financing team interviews and discussions of financing models and needs.

2. Financial Condition Review
  - a. Evaluate possible financing and refinancing options for the City using commonly accepted standards.
  - b. Review, evaluate, and comment on adequacy of prepared financial forecast studies.
  - c. Prepare a written report regarding the feasibility of issuing bonds through analysis of revenues and/or funds pledged to support the bonds. Present such report to the City Council if requested.
3. Financing and Legal Document Preparation and Review
  - a. Coordinate RFP process associated with debt issuance.
  - b. Attend organizational, document review, and special meetings or conference calls related to the bond financing as required or requested by the City.
  - c. Evaluate, advise, and consult with the City and disclosure and/or bond counsel regarding financial and non-financial bond covenants of each bond issue.
  - d. Assist in furnishing material and data to rating agencies, bond insurers, letter of credit providers and other professionals as needed to facilitate the issuance process.
  - e. Advise staff as to relevant criteria applied by major rating agencies, develop written presentations for rating agencies, prepare staff in advance of rating presentations, and participate in the rating presentations by attending rating meetings and conference calls.
4. Official Statement Presentation and Review
  - a. Lead team discussions in conjunction with disclosure and/or bond counsel on form, content and sufficiency of information in the official statements.
  - b. Provide financial data and statistics relating to the City and the specific bond issuance, review the Preliminary and Final Official Statements in conjunction with disclosure and/or bond counsel and ensure that data included in the documents accurately reflects the City's current financial state.
  - c. Coordinate with the City and third parties to achieve an acceptable and timely market reception for the Bonds and the Official Statements, while making appropriate disclosure as approved by the City and make certain that all aspect of the Securities Exchange Commission's (SEC) Rule 15(c) 2-12 are met.
  - d. Provide full annual continuing disclosure reporting for the City's outstanding bond transactions as required by the SEC's Rule 15(c) 2-12 and in accordance with the specific disclosure reporting requirements detailed in each respective bond transcript.

5. Pricing of Bond Issue
  - a. Competitive Sale
    - i. Market the bonds through consistent communication with underwriters, coordinate presale advertisement of bonds in known publications, such as the Bond Buyer and Bloomberg, and advise the City as to appropriate timing of the competitive sale to ensure maximum participation.
    - ii. Advise as to the structure of the bonds, including size, maturity schedules, call provisions, credit enhancement and other matters.
    - iii. Coordinate the call for bids, evaluation of bids, recommendation to the City regarding sufficiency of bids, and awarding of bonds.
    - iv. Assist in resizing and restructuring of bonds based on bidding results, including comparable sales data.
  - b. Negotiated Sale
    - i. Identify and assist in the selection of competent underwriters to sell bonds, distinguishing among investment banking firms in terms of the areas in which they are best able to function, such as but not limited to, institutional vs. retail sales distribution, variable rate or fixed rate structures, short term, intermediate-term, or long term maturities.
    - ii. Recommend structure of underwriting team based on the analysis of past performance (i.e. co-managers, selling group, syndicate, etc.)
    - iii. Coordinate pricing meetings and offerings of negotiated issues with the City and underwriter(s).
    - iv. Review, monitor, and advise the City in negotiating interest rates and spreads based on analysis of current vs. historical market conditions.
6. Bond Closing (in coordination with bond counsel, trustee, paying agent and other professionals where applicable).
  - a. Review closing memorandum with bond counsel to confirm activities at closing and the role of each party.
  - b. Coordinate closing process through consistent communication with all relevant parties to make certain each correctly understands its role in the process.
  - c. Oversee procedures resulting in the pre-closing and closing of the sale of securities and the delivery of funds to the appropriate parties.
  - d. Assist City in evaluating the initial investment of bond proceeds for construction fund, debt service fund, escrow fund, cost of issuance fund, etc.
  - e. Monitor the flow of funds to ensure proper deposit of all monies and treatment of any excess deposit in cost of issuance, escrow funds or construction funds, if necessary.

7. Special Meetings with the City

- a. Attend City Council meetings and any special meetings and/or conference calls with the City, disclosure and/or bond counsel, bond insurers, rating agencies, or any other third parties as the City deems necessary to facilitate the issuance process.

B. Additional General Financial Advisory Services (on an as-needed basis)

1. Financial Planning and Management Services

- a. Periodically monitor outstanding debt issues for refunding opportunities, update the Finance Director on findings and advise when and when not to issue refunding bonds based on savings analysis and market trends.
- b. Investigate, analyze and formulate financing alternatives, programs and strategies considering the City's objectives, existing debt structure, fund balances, and rate structures.
- c. Prepare and present to City officials, staff and Council (if requested), financing plans and other preliminary reports and plans leading to eventual financing activities.
- d. Prepare and present to City officials, staff and Council (if requested), analyses of the City's financing options.
- e. Assist in the development of policy options for the City's application in financial and financing situations.
- f. Evaluate the City's options for project phasing plans, and various financing strategies for specific circumstances, including but not limited to, traditional bond offerings, private placement, limited offerings, local bank and public financing approaches.

2. Capital Financing Services

- a. Periodically assemble, review and analyze information regarding the City's financial status, debt structure, economic base and related matters pertaining to financing and capital requirements.
- b. Advise the City on capital market information and conditions, interest rate trends and financing terms, including maturity and amortization schedules, redemption provisions, additional debt provisions, covenants and credit enhancement, and other issues applicable to the City.
- c. Develop economic modeling, sensitivity analyses and general information relevant to structuring and financing alternatives, discussing positive and negative considerations to enhance the decision making process.
- d. Advise the City as to overall structure of each financing issue, including size and timing, maturity schedules, call provisions and other matters.
- e. Work with the City's disclosure and/or bond counsel in the development of financing documentation.

### 3. Special Project Needs

- a. Prepare financial analysis as requested that may or may not be directly related to a current or proposed financing issue, including but not limited to, financial projections, economic modeling, attending meetings, and offering advice on decisions that may impact the City's finances.
- b. Provide on-call advice as requested by the City in relation to any and all financial matters.
- c. Provide detailed research and updates on financial market conditions that may affect the City through regular reporting.

### C. Other Requirements

Firms interested in serving as the City's financial advisor should make note of the following conditions:

1. Whether competition or negotiated sales, the selected firm will be forbidden from participating, whether alone or in an underwriting syndicate, in the bidding on or negotiation for purchase of the City's bonds. The selected firm will be required to acknowledge its desire to serve as financial advisor only to the City.
2. The City employs the services of its Finance Director to render day-to-day financial advice to the City. The Financial Advisor shall circulate analysis and documents to and coordinate its services with the City's Finance Director to the extent requested by the City. The City reserves the right to consider what weight should be afforded to the advice of the Financial Advisor.
3. The Financial Advisor must agree that throughout the term of the agreement it will continue to deliver services for bond issues that may not close and provide ongoing advice, assistance or analysis on other City related financing issues without additional compensation from the City.
4. As a fiduciary to the City, the selected Financial Advisor shall not benefit from the advice provided to the City independently from the benefit from the benefit conferred through the contractual arrangement with the City. If the selected Financial Advisor receives compensation other than through the contractual arrangement with the City for any advice given to the City, such arrangement shall be terms for immediate termination of the agreement with the City.
5. The purpose of a Financial Advisor constitutes more than managing the process of debt issuance. The Financial Advisor should constantly seek to preserve the best interests, reputation and longevity of the City and all of its financing entities through diligent review and consideration of all bond issues and alternatives in connection with all the past, present and future debt issuances, keeping in mind the City's reputation in the Municipal Bond Market and the longevity of financial health for all City funds.



**REQUEST FOR PROPOSAL**  
**RFP No. S-1267**  
**FINANCIAL ADVISORY SERVICES –**  
**BEST AND FINAL OFFER**

June 5, 2020



**CITY OF GARDEN GROVE**

**SECTION 4. COST SHEET**

*Proposer is expected to quote a firm, fixed fully-loaded hourly rate for the services identified in Attachment "A" – Scope of Work. All costs associated with the services of this contract must be identified on the Cost Sheet. The Financial Advisory Services RFP No. S-1267 28 hourly rate will include travel to and from the off-site workplace to the onsite workplace. Projected hours for completion of the project shall also be included. Additionally, include a fee schedule for possible additional services. The completed Cost Sheet shall be signed and submitted.*

*Fees: 1. Provide your fees for the proposed services. Fee quotes should be detailed by services.; 2. Outline billing and payment expectations, including timing and method of payment. 3. Describe any remaining fees not previously detailed in the above.*

FRA’s cost proposal is summarized below and is signed by an authorized representative. We believe our proposal is very competitive and reflects our strong desire to work with the City and our commitment to provide the City with the quality of service it deserves.

**Fee Structure.**

The FRA fee is premised on the concept that assignments, per the RFP, could involve:

1. As-needed services
2. Additional services
3. Fixed fees for bond issuance

For as-needed and other services, the hourly billing rates found on the Cost Sheet (C) on the following page would apply. For fixed fee bond issuance, fees shown on the Cost Sheet (B) would apply.

**Number of Hours.**

The Request For Proposal requests estimated hours to complete various tasks with the advisor on an “as-needed” basis. Therefore, specific circumstances of certain assignments are not currently known, and as such, our stated estimate of hours may lack precision. However, based on our experience, we can provide a range of hours needed for certain tasks and a percentage (%) allocation of those tasks to FRA team members.

Task	Range of Hours to Complete Task
Any Type of Bond Issuance	125 – 200 hours
As-Needed Projects	50 – 200 hours
CFD Formation/Dissolution (assumes straightforward formation)	70 – 125 hours

Expected % Allocation of Team Hours	
Principal/Engagement and Project Manager	60%
Senior Vice President/Co-Project Manager	40%
Senior Associate/Technical Analyst	25%
Clerical/Administrative	10%

**A. Fee for CFD Formation Services**

Fees for Community Facilities District formation services rendered will be billed at our hourly rates, with invoices submitted monthly, and shall not exceed \$30,000, except if the District formation is not fully complete nine months after the meeting or telephone call that initiates the Project, in which case the fee limitation may be increased by mutual consent of City and Consultant.

**B. Fee for Transaction Services (Any Type of Financing)**

Payment of fees earned by Consultant, including reimbursable expenses, shall be contingent on, and payable solely from the proceeds of the debt issue(s) at the closing of the debt issue(s) undertaken to finance the Project.

<u>Transaction Size</u>			<u>Estimated Hours</u>	<u>Transaction Fees</u>
\$1	to	\$10,000,000	125 – 200 hrs	\$34,000
\$10,000,001	to	\$25,000,000	125 – 200 hrs	\$37,500
\$25,000,001	and higher		125 – 200 hrs	\$42,000

**C. Fee for Other Services**

Unless agreed to otherwise, other financial advisory services performed will be billed at the then current hourly rates. The table below reflects the rates in effect as of the date of this RFP submission.

<b>SCHEDULE OF FEES</b>	
Effective January 1, 2020	
<u>Executive Officer</u>	\$370 Per Hour
<u>Principal</u>	\$340 Per Hour
<u>Executive/Senior Vice President</u>	\$325 Per Hour
<u>Vice President</u>	\$270 Per Hour
<u>Assistant Vice President</u>	\$230 Per Hour
<u>Senior Associate</u>	\$195 Per Hour
<u>Associate</u>	\$175 Per Hour
<u>Analyst</u>	\$110 Per Hour
<u>Administrative Assistant</u>	\$85 Per Hour
<u>Clerical</u>	\$50 Per Hour

**Expenses**

Expenses will be billed for separately and will cover, among other things, travel, lodging, conference calls, internet posting, subsistence, overnight courier, computer, and fax transmission charges. Advances made on behalf of the City for costs of preparing, printing or distributing disclosure materials or related matter whether by postal services or electronic means, may also be billed to the City upon prior authorization. Additionally, a surcharge of 6% of the net fee amount is added to verifiable out-of-pocket costs for recovery of costs such as telephone, postage, document reproduction and the like. Expenses will be capped at \$3,000.

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## Continuing Disclosure Consulting Services

Fieldman, Rolapp & Associates, Inc. dba Applied Best Practices (“ABP”) has assisted public agencies, non-profit entities and law firms with after-market municipal debt issuance processes and evaluations since 2008. ABP’s services are designed to assist in fulfilling and documenting continuing disclosure obligations and to provide the “best practices” in after-market disclosure management. The following is a brief description of continuing disclosure compliances services that ABP can offer to the City and our proposed fees for such services.

ABP shall assume primary responsibility for assisting the City in connection with the preparation and filing of continuing disclosure annual reports, reporting of significant event notices and any other applicable disclosure notices for the City in connection with its current outstanding debt. ABP will assist the City in connection with the preparation and filing of reporting of significant event notices, including any rating change(s) as necessary in connection with the City’s bonds. When requested, ABP will assist the City with reviewing its compliance with such continuing disclosure obligations it has covenanted to with respect to the bonds. ABP will assist the City in connection with the preparation and filing of CDIAC’s Annual Debt Transparency Reports (ADTR) as required by California Senate Bill 1029 and the preparation and filing, if applicable, of CDIAC’s Marks-Roos Yearly Fiscal Status Reports (YFSR) as required by the Marks-Roos Bond Pooling Act of 1985, as amended.

For continuing disclosure consulting services, FRA proposes an aggregate annual fee of \$3,000 for the filing of customary continuing disclosure documents for each year of the term of the bonds. This fee covers all of the City’s MSRB annual report filings and the CDIAC Annual Report Filings for the currently outstanding financings. To the extent a Significant Event Notice is required, such as for a Rating Change, for example, FRA proposes a flat fee of \$300 per Notice which covers the preparation and filing of such Notice to the MSRB.

If requested by the City, FRA can assist the City in preparing a 5-year comprehensive compliance review report typically requested during a financing to review and confirm the City’s compliance with its continuing disclosure obligations during the past five years. For this service, FRA proposes a flat fee of \$2,500 per report which in our experience is typically paid out of the costs of issuance as part of the bond proceeds of the financing.

### Billing and Payment Method

For billing related to as-needed municipal advisory services, we suggest monthly invoices with payment made via a federal funds wire. However, we are open to changing the billing frequency and method of payment to match the City’s preference.

This Cost Sheet is signed by an authorized representative.

**FIELDMAN, ROLAPP & ASSOCIATES, INC.**



Anna V. Sarabian, Ph.D., CIPMA, Principal  
(949) 660-7308 direct, (949) 274-0625 cell  
asarabian@fieldman.com