



## AGENDA – SPECIAL MEETING

Board of Library Trustees

Community Facilities District (CFD) Committee | Altadena Library District

Virtual – Zoom – June 15, 2021 – 4:00 p.m.

### IMPORTANT NOTICE REGARDING JUNE 15, 2021 CFD COMMITTEE SPECIAL MEETING

This meeting will be conducted utilizing teleconference and electronic means consistent with the **State of California Executive Order N-29-20** dated March 17, 2020, regarding the COVID-19 pandemic. The live stream of the meeting may be viewed by visiting the Altadena Library District's YouTube channel at the following URL <https://www.youtube.com/c/AltadenaLibrary>

**SUBMISSION OF PUBLIC COMMENT:** For those wishing to make Public Comments at the June 15, 2021 Community Facilities District (CFD) Committee Special Meeting, please submit your comments by email or electronically to be read aloud at the meeting. If multiple comments are submitted, only the first comment will be read aloud during the meeting. Email and Electronic Comments submitted online will be accepted up to two (2) hours prior to the start of the meeting. Email comments can be submitted to [hello@altadenalibrary.org](mailto:hello@altadenalibrary.org). Electronic Comments may also be submitted online at [www.altadenalibrary.org/publiccomment](http://www.altadenalibrary.org/publiccomment).

Email and Electronic Comments will be submitted to the standing committee and shall become part of the record of the meeting.

If you wish to make public comment during the live meeting, you can call in to (626) 798-0833 ext. 103, during the corresponding item of the agenda. For public comment on any non-agenda item, please plan to call at 4:00 p.m.

**PUBLIC REQUESTS FOR DOCUMENTS:** The District provides a public inspection copy of all materials included in the agenda packet distributed to the Board members. Members of the public who wish to obtain a copy of any document may do so by completing a Request for Public Document form and submitting it to Administration who will arrange for the documents to be copied at a charge of 15¢ per page. Request forms are available at the District Administration offices.

In compliance with the Americans with Disability Act, if you need special assistance to participate in the meeting, please contact Library Administration at (626) 798-0833 x 103 at least 48 hours prior to the meeting so the Altadena Library District may make reasonable arrangements to ensure accessibility to the meeting.

#### I. Call to Order

#### II. Open Session

- a. Roll Call
- b. Approval/Reordering of Agenda Items
- c. Adoption of Agenda
- d. Public Comment on Non-Agenda Items

#### III. Consent Calendar

The Community Facilities District (CFD) Committee hereby approves the items and

recommended actions in the Consent Calendar listed below:

- a. Approval of Minutes – Regular Meeting held May 12, 2021 [Pages 3-5](#)

**IV. Unfinished Business**

- a. None

**V. New Business**

- a. Review and Approval of Work Group’s Bond Underwriting Services RFP Findings and Recommendation to be presented to the Board of Trustees for final approval **(Action)** [Pages 6-124](#)
- b. Review and Approval of Work Group’s CFD Administration Services RFP Findings and Recommendation to be presented to the Board of Trustees for final approval **(Action)** [Pages 125-269](#)

**VI. Announcements & Planning**

- a. Proposed Future Agenda Items

**VII. Adjournment**

- a. Adjourn



## MINUTES

Board of Library Trustees  
Community Facilities District (CFD) Committee | Altadena Library District  
Virtual – Zoom – May 12, 2021 – 3:00 p.m.

### IMPORTANT NOTICE REGARDING MAY 12, 2021 CFD COMMITTEE MEETING

This meeting was conducted utilizing teleconference and electronic means consistent with the **State of California Executive Order N-29-20** dated March 17, 2020, regarding the COVID-19 pandemic. The live stream of the meeting may be viewed by visiting the Altadena Library District's YouTube channel at the following URL <https://www.youtube.com/c/AltadenaLibrary>

**SUBMISSION OF PUBLIC COMMENT:** For those wishing to make Public Comments at the May 12, 2021 Community Facilities District (CFD) Committee Regular Meeting, please submit your comments by email or electronically to be read aloud at the meeting. If multiple comments are submitted, only the first comment will be read aloud during the meeting. Email and Electronic Comments submitted online will be accepted up to two (2) hours prior to the start of the meeting. Email comments can be submitted to [hello@altadenalibrary.org](mailto:hello@altadenalibrary.org). Electronic Comments may also be submitted online at [www.altadenalibrary.org/publiccomment](http://www.altadenalibrary.org/publiccomment).

Email and Electronic Comments will be submitted to the standing committee and shall become part of the record of the meeting.

If you wish to make public comment during the live meeting, you can call in to (626) 798-0833 ext. 103, during the corresponding item of the agenda. For public comment on any non-agenda item, please plan to call at 3:00 p.m.

**PUBLIC REQUESTS FOR DOCUMENTS:** The District provides a public inspection copy of all materials included in the agenda packet distributed to the Board members. Members of the public who wish to obtain a copy of any document may do so by completing a Request for Public Document form and submitting it to Administration who will arrange for the documents to be copied at a charge of 15¢ per page. Request forms are available at the District Administration offices.

In compliance with the Americans with Disability Act, if you need special assistance to participate in the meeting, please contact Library Administration at (626) 798-0833 x 103 at least 48 hours prior to the meeting so the Altadena Library District may make reasonable arrangements to ensure accessibility to the meeting.

#### I. Call to Order

Trustee Terry Andruess called the meeting to order at 3:05pm.

#### II. Open Session

##### a. Roll Call

Trustee Andruess called roll call. Trustee Cervantes and Member Kenne, responded as present. Quorum was confirmed. Member Lyford joined at 3:15pm.

##### b. Approval/Reordering of Agenda Items

No adjustments were made.

- c. Adoption of Agenda  
**Moved by Trustee Cervantes to adopt the Agenda.**  
**Seconded by Member Kenne.**  
**Roll Call Vote:**
  - Trustee Cervantes: Aye**
  - Member Kenne: Aye**
  - Member Lyford: Not Present**
  - Member Vitale: Not Present**
  - Trustee Andruess: Aye****Motion passed.**

- d. Public Comment on Non-Agenda Items  
No public comment was made.

### III. **Consent Calendar**

The Community Facilities District (CFD) Committee hereby approves the items and recommended actions in the Consent Calendar listed below:

- Moved by Member Cervantes to approve the Consent Calendar.**  
**Seconded by Trustee Kenne.**  
**Roll Call Vote:**
  - Trustee Cervantes: Aye**
  - Member Kenne: Aye**
  - Member Lyford: Not Present**
  - Member Vitale: Not Present**
  - Trustee Andruess: Aye****Motion passed.**

- a. Approval of Minutes – Regular Meeting held April 14, 2021

### IV. **Unfinished Business**

- a. None

### V. **New Business**

- a. Introduction and Discussion of Community Facilities District next steps with Municipal Advisors – Urban Futures, Inc., and Bond & Disclosure Counsel – Best, Best, and Krieger **(Informational)**

District Director Nikki Winslow introduced the District’s recently hired Municipal Advisor, Doug Anderson from Urban Futures, Inc. and Bond & Disclosure Counsel, Nora O’Brien from Best, Best, and Krieger. Mr. Anderson provided an overview of the bond process. Doug Anderson provided an overview of the Bond Issuance Process. He mentioned that we will pick a Bond Underwriter that will support the process and they will be responsible for selling the bonds. He estimated having the bonds available for sale to the community sometime in September or October. Lastly, he mentioned that he and the Bond Underwriter will be checking the rates to make sure we speed up the process if there are significant increases.

Ms. O’Brien provided a legal overview of the bond issuance process, specifically on updates on government codes governing the CFD formation and process. She mentioned that as the bonds are administered the Board will need to approve resolutions that will be drafted by the Bond & Disclosure Counsel.



Mr. Anderson and Nikki worked on a Tax Consultant RFP to prepare some of the reports required by the District and are working on procuring a bank for the CFD. The District has a comfortable schedule but can speed up the process if necessary. The only current deadline for the District is to make sure it has a Debt Policy before the bond issuance. This can be done a couple of weeks before the bond issuance and will be taken care of by BB&K, our Bond & Disclosure Counsel.

- b. Review and Recommendation of Bond Underwriting Services RFP for Board of Trustees final approval **(Action)**  
District Director Winslow provided an overview and opened discussion for the item. The committee discussed the details of the Bond Underwriting Services RFP and ask Doug Anderson some clarifying questions on the scope of work, logistics and timeline.

**Moved by Trustee Cervantes to recommend to the Board of Trustees to allow for the posting of the Bond Underwriting Services RFP.**

**Seconded by Member Kenne.**

**Roll Call Vote:**

**Trustee Cervantes: Aye**

**Member Kenne: Aye**

**Member Lyford: Aye**

**Member Vitale: Not Present**

**Trustee Andruess: Aye**

**Motion passed.**

- c. Review and Recommendation of Community Facilities District Administrative Services RFP for Board of Trustees final approval **(Action)**  
District Director Winslow provided an overview and opened discussion for the item. The committee discussed the details of the Community Facilities District Administration Services RFP. The Committee discussed and requested a special meeting to review and approve RFP scoring criteria for both RFPs.

**Moved by Trustee Cervantes to recommend to the Board of Trustees to allow for the posting of the Bond Underwriting Services RFP.**

**Seconded by Member Kenne.**

**Roll Call Vote:**

**Trustee Cervantes: Aye**

**Member Kenne: Aye**

**Member Lyford: Aye**

**Member Vitale: Not Present**

**Trustee Andruess: Aye**

**Motion passed.**

## **VI. Announcements & Planning**

- a. Proposed Future Agenda Items

## **VII. Adjournment**

- a. Adjourn  
Meeting adjourned at 3:58 pm.



**BOARD OF LIBRARY TRUSTEES – CFD COMMITTEE  
AGENDA ITEM V.A. REPORT FOR JUNE 2021**

**REPORT:** Agenda Item V.a.

**MEETING DATE:** June 15, 2021

**PREPARED BY:** Nikki Winslow

**LOCATION:** Virtual Zoom Meeting

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**TITLE:** Bond Underwriting Services Recommendation

**BACKGROUND:**

The Altadena Library District is assembling a team of experts to drive the bond issuance process. This includes a firm to perform Bond Underwriting Services. The Board of Trustees approved a Request for Proposals (RFPs) to hire Bond Underwriting Services at their meeting on May 24, 2021. The RFP was posted on May 25, 2021 and closed on June 8, 2021.

ALD staff organized a working group to review the proposals received for this RFP. The working group included District Director Nikki Winslow, Trustee Terry Andrues, Municipal Advisor Doug Anderson and Bond Counsel Nora O'Brien. Director Winslow worked with Doug Anderson to develop the scoring criteria that was approved by the CFD Committee at their May 25 Special Meeting and came to consensus on what considerations would be applied for each of the criteria.

Director Winslow emailed the five proposals that were received after the June 8 deadline for review and scoring. The five firms that submitted proposals were:

- D. A. Davidson
- Hilltop Securities
- Stifel Public Finance
- Wells Fargo Securities
- Ziegler Public Finance

The working group met on June 10 to share their scoring of the proposals and discuss which firm they felt was most qualified to perform this work for ALD. Based on the scoring of the proposals, Hilltop Securities received the overall highest score (see scoring table following this report). The most weighted part of the scoring was the pricing and Hilltop came in significantly lower than the other firms at \$4.08 per bond issuance. The next highest score went to D.A. Davidson who offered a \$5.00 rate per bond issuance, with the difference in these two prices saving the District over \$22,000. Hilltop also emphasized their strategy to market the bonds to local residents throughout their proposal, which was identified as a priority by the CFD Committee. Hilltop also introduced the concept of pursuing "Green Bonds", which was another strength in their proposal.

**FISCAL IMPACT:**

**Hilltop Securities** provided a Cost Sheet on page 16 of their proposal for review. At an overall rate of \$4.08 total gross spread per bond (“bond” = \$1,000), their fee would be \$97,920, based on an assumed bond issuance size of \$24 million.

**RECOMMENDATION:**

Staff recommends that CFD Committee vote to recommend to the Board that they approve and allow the District Director to hire **Hilltop Securities** to provide Bond Underwriting Services for the District.

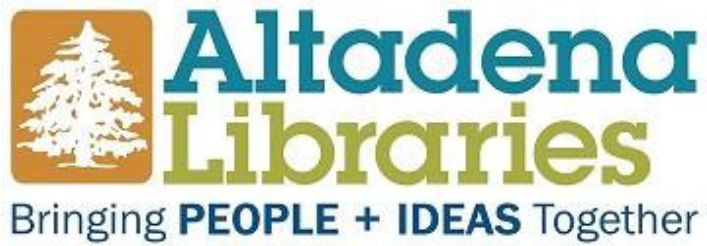
**BOND UNDERWRITING SERVICES RFP PROPOSAL SCORING**

For this round, please score each proposal out of the total possible points.			Firm: D.A. Davidson	Firm: Hilltop Securities	Firm: Stifel	Firm: Wells Fargo	Firm: Ziegler
CRITERIA	TOTAL POINTS POSSIBLE	SCORING CONSIDERATIONS	TOTAL POINTS AWARDED	TOTAL POINTS AWARDED	TOTAL POINTS AWARDED	TOTAL POINTS AWARDED	TOTAL POINTS AWARDED
Complete proposal package	Yes No	A no disqualifies	Yes	Yes	Yes	Yes	Yes
Registered with Securities & Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB) and the Financial Industry Regulatory Authority (FINRA).	Yes No	A no disqualifies	Yes	Yes	Yes	Yes	Yes
Provided firm's relevant filings, licenses or certifications.	Yes No	A no disqualifies	Yes	Yes	Yes	Yes	Yes
Provided list of at least 5 client references that the firm has provided similar services for.	40	Experience with local agencies; also with mid-to-large agencies (should	32	33	39	27	22
Described the firm's marketing and distribution capabilities specific to the Altadena CFD.	40	What resources and strategies they would approach the bond issuance process and market to local and regional buyers	36	38	34	31	29
Pricing schedule is transparent, responsive, and reasonable, including the thorough breakdown of costs	180	Lowest cost = 45, second lowest = 44, third lowest = 43, etc.	172	180	164	176	168
Does the proposal present a grasp of District priorities, project scope, intent, and timeline?	40	Mention of ALD Strategic Plan, ARG reports w/cost estimating, understands our needs and will be able to represent the District in a knowledgeable and professional manner. Emphasis on fiscal responsibility to the	34	36	33	30	26
Ability and capacity to perform the work (including key personnel committed to project and local presence)	40	Who will be the point person that we will work directly to lead the process as the expert. Sufficient experience to provide necessary guidance and leadership; availability to staff	37	38	37	38	37
Proposal has demonstrated a likelihood of success as District's Bond Underwriting Firm	60	Attention to detail throughout the proposal	56	56	50	47	41
<b>TOTAL POINTS</b>	<b>400</b>		<b>299</b>	<b>310</b>	<b>284</b>	<b>291</b>	<b>272</b>
	<b>FINAL RANKINGS</b>		<b>2</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>5</b>

Qualifications to Provide Bond Underwriting Services

# Altadena Library District

June 8, 2021, 5:00 p.m. PT



Altadena Library District

**CONTACT:**

**Mike Cavanaugh, Managing Director**  
**mike.cavanaugh@hilltopsecurities.com**

2533 South Coast Highway 101, Suite 250, Cardiff, CA 92007

Phone: 760.632.6824

June 8, 2021, 5:00 pm PT  
Qualifications to Provide  
Bond Underwriting Services



June 8, 2021

**Electronic Portal Submission via BidNet Direct:**

Attn: Nikki Winslow, District Director  
Email: [nwinslow@altadenalibrary.org](mailto:nwinslow@altadenalibrary.org)  
Phone Number: 626-798-0833 x 103

Dear Selection Committee:

Hilltop Securities Inc. ("HilltopSecurities") is pleased to have this opportunity to submit its proposal to serve as underwriter for the Altadena Library District (the "District") in connection with the potential issuance of approximately \$24 million in Community Facilities District No. 2020-1 Bonds (the "Bonds").

**Distribution.** One of the keys to the successful completion of a Bond financing is the underwriter's marketing and distribution strategies. HilltopSecurities' distribution capabilities include Tier I, Tier II and Tier III institutional coverage and retail, with special emphasis on California retail investors. As outlined in this proposal, HilltopSecurities is very effective at marketing and selling to all levels of institutional accounts and traditional retail investors. As an underwriter, HilltopSecurities will provide the District with the strongest marketing outlet for its Bonds. We will also work with the District to facilitate purchase of Bonds by District residents including information on the sale of the Bonds, including posting of the Preliminary Official Statement and contacts for additional information on the District's website at least one week in advance of the Bond sale in accordance with our regulatory agency guidelines.

**Strong In-House California Retail Capability.** Our firm can add value through our strong in-house California retail sales capability. Our California retail sales team is made up of 70 brokers serving nearly 11,700 retail accounts with almost \$4.3 billion in California municipal assets under custody. HilltopSecurities maintains California municipal retail sales offices in Encino, Cardiff by the Sea, Monterey, Roseville, San Diego, San Francisco and Sherman Oaks, and arguably offers the strongest California as well as national retail distribution capability of any regional firm. We would suggest providing District residents with priority to buy the proposed Bonds during the order period.

**Unparalleled CFD Experience.** HilltopSecurities is not the largest underwriter in California in either volume or financings sold but we do believe that on a per-banker basis we compare favorably to any firm. Our Public Finance banking experience with land-based financing in California is diverse and deep, especially when you consider that all the transactions were completed by our four-person Cardiff by the Sea banking team. As discussed herein, our bankers are some of the most experienced in this sector.

We will be involved with the transaction from start to finish and responsible for all work generated by HilltopSecurities. We pledge our availability as well as accessibility and will work in tandem with the District, Municipal Advisor and other members of the financing team to ensure the District's financing goals are reached. Our team is well-qualified to provide the District with the highest level of underwriting services.

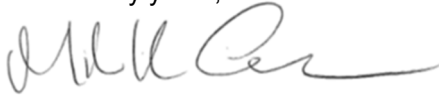
HilltopSecurities will perform the services described herein and all elements within this proposal have been reviewed and understood. HilltopSecurities is willing to enter a contract under the terms and conditions prescribed by the Altadena Library District Professional Services Agreement, including the certificate of insurance described in Section 1.12 of the request for proposal, without exception.

Please note that HilltopSecurities meets the minimum qualifications presented in Section 3.0.a of the District's RFP. HilltopSecurities is registered with the MSRB, SEC and FINRA and is in full compliance with the requirements associated with such registration (MSRB ID: A1290; Dealer SEC ID: 8-45123; Municipal Advisor SEC ID: 867-00632, FINRA CRD Number: 6220). Please refer to a copy of the firm's MSRB Form A12 attached immediately after this cover letter.

HilltopSecurities acknowledges receipt of the Questions and Answers posted on June 4 and June 7, 2021.

Please contact us directly with any questions, comments or concerns.

Sincerely yours,



Mike Cavanaugh  
Managing Director



Robin Thomas  
Managing Director

## MSRB Registration - Form A-12: Preview

## FIRM/SOLE PROPRIETORSHIP IDENTIFIERS

MSRB ID: A1290

Firm Name: Hilltop Securities Inc.

Dealer SEC ID: 8-45123

Municipal Advisor SEC ID: 867-00632

CRD Number: 6220

Legal Entity Identifier: 5493001XU82PMU6XZT45

Written notice to FINRA or Bank Regulator (Fed, OCC or FDIC) as applicable

Document: HTS DE Certified Amended and Restated COI 10.5.2015.pdf

## BUSINESS INFORMATION

Firm Address: 1201 Elm Street, Suite #3500

City: Dallas State: TX Zip: 75270

Firm Website: hilltopsecurities.com

## TYPE OF ORGANIZATION

Organization Type: Corporation City: Dallas State: TX

## BUSINESS ACTIVITIES

## Municipal Advisor

- Issuance Advice
- Guaranteed Investment Contracts Advice
- Investment Advice - Proceeds of Municipal Securities
- Investment Advice - Funds of Municipal Entity
- Municipal Derivatives Advice
- Solicitation of Business - Investment Advisory
- Municipal Escrow Investment Advice
- Municipal Escrow Investment Brokerage
- Solicitation of Business - Other than Investment Advisory
- Municipal Advisor/Underwriter Selection Advice
- Other (specify):  
- GENERAL CONSULT NOT RELATED TO SECURITIES OFFERING

## Broker/Dealer - MFS

- 529 Plan Sales
- Local Government Investment Pool Distributor/Sales

## Broker/Dealer - Sales/Trading

- Retail Sales
- Institutional Sales
- Trading " Proprietary
- Trading " Inter-Dealer
- Online Brokerage

## Broker/Dealer - Other

- Underwriting
- Clear and settle transactions as an NSCC participant
- Remarket VRDOs

## DESIGNATED CONTACTS



**Master Account Administrator**

Name	Phone	Email
RENEE CHAVERA	(214) 859-9324	renee.chavera@hilltopsecurities.com

**Primary Regulatory Contact**

Name	Phone	Email
Mike Hilltop Securities Inc. Cogliano	(214) 859-6687	mike.cogliano@hilltopsecurities.com

**Billing Contact**

Name	Phone	Email
Serana Robertson	(214) 859-9311	AccountsPayable@hilltopsecurities.com

**Compliance Contact**

Name	Phone	Email
RAY HUIE	(214) 859-1721	ray.huie@hilltopsecurities.com

**Primary Data Quality Contact**

Name	Phone	Email
ROSEANNA M JIMENEZ	(214) 859-9370	rose.jimenez@hilltopsecurities.com

**Optional Regulatory Contact**

Name	Phone	Email
Brett Weaver	(214) 953-8883	brett.weaver@hilltopsecurities.com

**Optional Data Quality Contact**

Name	Phone	Email
Michael D McAllister	(214) 859-6713	Michael.Mcallister@hilltopsecurities.com

**Optional Technical Contact**

Name	Phone	Email
Michael D McAllister	(214) 859-6713	Michael.Mcallister@hilltopsecurities.com

**TRADE REPORTING IDENTIFIERS****Executing Broker Symbol (EBS) assigned by NASDAQ**

EBS	Broker's Broker	Error Feedback Email
FSWC	No	tradereporting@hilltopsecurities.com
SWST	No	MSRBReportingAlerts@swst.com

**Participant ID assigned by NSCC**

Participant	Error Feedback Email
0279	Tradereporting@hilltopsecurities.com

**SUBMISSION AND FEEDBACK****Identify the manner in which transactions will be reported**

- Report own trades using message-based trade portal operated by National Securities Clearing Corporation (NSCC) and RTTM Web
- Trades will be reported by another dealer acting as agent
- RTRS Web only

**Method of receiving error feedback**

- Email - Review trade status emails sent to the email address(es) identified in the Trade Reporting Identifiers section
- Messaging - Process MT509 messages containing trade status information (Note: DTCC participants only)
- RTRS Web - Review trade status information using RTRS Web

**Table of Contents**

**Section I – Experience ..... 1**

**Section II – Personnel ..... 10**

**Section III – Qualifications ..... 12**

**APPENDIX A Spreads to MMD on recent transactions**

**Section VII Cost Sheet is uploaded separately into BidNet Direct, pursuant to RFP instructions.**

DISCLOSURE: HilltopSecurities Inc. (“HilltopSecurities”) is providing the information contained in this document for discussion purposes only in anticipation of serving as underwriter to the Altadena Library District (the “District”). As an underwriter, HilltopSecurities’ primary role is to purchase securities for resale to investors in an arm’s length transaction between the District and HilltopSecurities. HilltopSecurities’ financial and other interests will differ from those of the District, and therefore, HilltopSecurities will not serve as a municipal advisor, financial advisor, or fiduciary to the District or any other person or entity on such transaction, regardless of whether HilltopSecurities or its representatives or affiliates have advised or are advising any such parties on other matters. The information provided herein is not intended to be and should not be construed as “advice” within the meaning of Section 15B of the Securities and Exchange Act of 1934. The District should consult with its financial, municipal, legal accounting, tax and/or other advisors, as applicable, to the extent it deems appropriate. HilltopSecurities will not have any duties or liability to any person or entity in connection with the information being provided herein. The information provided in this document is indicative only and constitutes our judgment as of this date based on current market conditions and other information available to us.

## Section I – Experience

**This section shall contain a general overview of the proposer’s qualifications and shall include, but not be limited to, the following information:**

**1) Company name, address, telephone number, and authorized representative(s). Please include a list of any potential conflicts of interest your firm may have in acting as an underwriter for the District.**

HilltopSecurities maintains a leading position in underwriting and pioneering of innovative land-based financing structures. HilltopSecurities personnel serve on or have participated in the Committee on Assessments, Special Taxes and Other Financing Facilities (CASTOFF) and California Debt and Investment Advisory Commission assisting in the development of appraisal guidelines for land-secured bonds. Furthermore, California bankers from HilltopSecurities have worked collaboratively with the State of New Mexico in developing the land secured financing market in that State, where the passage of new legislation created the Public Improvement District (PID) concept – a hybrid of the assessment district and Mello-Roos district. In 2005, HilltopSecurities was the first to complete a PID in New Mexico. In addition, because of our land-based experience in California and New Mexico, HilltopSecurities (with Mr. Cavanaugh and Todd Smith) co-managed the first land secured financing in the State of Massachusetts. The \$12,550,000 financing for South Shore Tri-Town Development Corporation, Infrastructure Development Revenue Bonds closed on August 12, 2010. This district was non-rated and had a single owner, LNR, who made headlines earlier in the year for possible bankruptcy. This unusual and unique financing is an example of our national and respected experience. The following are California issues that demonstrate our abilities.



We have successfully underwritten community facility district (CFD) bonds for issuers across the credit spectrum, from non-rated raw land CFDs for River Island Public Financing Authority to built-out undergrounding utility assessment districts for the Cities of Solana Beach, Laguna Beach and Newport Beach and everything in between. In addition, HilltopSecurities assisted the City of Monrovia in the financing and refinancing of their library through the use of a City-wide parcel tax. Our California retail is a well primed investor in land secured bonds and these issuances comprise a significant portion our \$4.6 billion municipal assets under management. Our distribution network has relationships with the Tier I, II and III (including SMAs) investors along with our strong retail support can jointly and efficiently sell any type of municipal security. HilltopSecurities has a strong focus on land secured issuances, specifically where other firms shy away. The following is a summary of 80 land secured transactions totaling over \$1.1 billion in par amount issued since 2015. In an effort to find the lowest cost of borrowing, we have been using Private Placement loans as an alternative to a Public Offering and in many cases were hired on a Public Offering but demonstrated to the Issuer and Municipal Advisor a private placement worked more cost effectively and closed the financing as such. Thus, we include our Private Placement loan experience as senior managed transactions when we provide our qualifications. There are a few firms in California that have more volume and a larger number of financings, but on a per-banker basis we compare favorably to any. The following transactions was completed by four team members in our Cardiff by the Sea office, all assigned to your financing team.

HilltopSecurities Land Secured Experience in California								
	Senior Manager		Co-Manager		Placement Agent		Total	
	Transactions	Par Value	Transactions	Par Value	Transactions	Par Value	Transactions	Par Value
2015	6	341,825,000	1	27,090,000	5	59,858,425	12	428,773,425
2016	8	191,945,000			3	19,219,455	11	211,164,455
2017	2	24,155,000			8	100,196,664	10	124,351,664
2018	6	49,350,000	1	9,615,000	3	13,744,143	10	72,709,143
2019	8	95,935,000			3	14,014,563	11	109,949,563
2020	9	184,128,493		-	4	20,158,435	13	204,286,928
2021	2	8,495,000		-		-	13	8,495,000
<b>Total</b>	<b>41</b>	<b>895,833,493</b>	<b>2</b>	<b>36,705,000</b>	<b>26</b>	<b>\$ 227,191,685</b>	<b>80</b>	<b>\$ 1,159,730,178</b>

The following are the authorized representatives of HilltopSecurities. The firm and the individuals do not have any conflicts of interest in acting as underwriter for the District.



**Mike Cavanaugh**  
Managing Director  
Public Finance Banking

2533 S. Coast Hwy 101, Suite 250  
Cardiff by the Sea, California 92007

☎ 760.632.6824 Office 619.200.4747 Mobile  
Fax 760.632.8621  
Mike.Cavanaugh@hilltopsecurities.com



**Robin Thomas**  
Managing Director  
Public Finance Banking

2533 S. Coast Hwy 101, Suite 250  
Cardiff by the Sea, California 92007

☎ 760.632.1152 Office 760.443.5168 Mobile  
Fax 760.632.8621  
Robin.Thomas@hilltopsecurities.com

**2) Identify the number of years of experience in providing bond underwriting, similar in size and scope to that requested in the RFP. Provide a listing of CFD Special Tax bonds issued over the past 24 months for which your firm was the underwriter and include the spread to MMD for each transaction.**

Ms. Thomas and Mr. Cavanaugh have been providing California issuers with bond underwriting services on similar structures and transactions for over seventy- years of combined experience. The following is a list of all sole managed (public and private) California CFD issued by HilltopSecurities in the past 24 months. This list contains 22 separate transactions totaling over \$284,000,000.

HilltopSecurities California Sole Managed Land Secured Transactions within 24 months					
7/10/2019	5,315,000	Upland, City of	5/20/2020	3,038,475	Calimesa, City of
7/10/2019	3,845,000	Upland, City of	6/16/2020	66,503,493	River Islands Public Financing Authority
7/11/2019	9,855,000	Stockton, City of	6/16/2020	34,980,000	Western Placer USD
8/1/2019	4,007,977	Cotati, City of	6/16/2020	18,545,000	Western Placer USD
8/21/2019	38,430,000	River Islands Public Financing Authority	7/6/2020	2,000,000	River Islands Public Financing Authority
11/25/2019	7,000,000	River Islands Public Financing Authority	7/8/2020	7,080,000	Tejon Ranch PFFA
12/4/2019	3,006,586	Hercules, City of	9/2/2020	14,325,000	Calimesa, City of
1/8/2020	8,335,000	County of Yuba	12/10/2020	5,780,000	Capistrano Unified School District
1/23/2020	9,435,000	Hawthorne, City of	12/10/2020	2,790,000	Capistrano Unified School District
2/19/2020	8,000,000	River Islands Public Financing Authority	2/25/2021	3,490,000	Upland, City of
5/20/2020	23,435,000	San Joaquin Area Flood Control Agency	2/25/2021	5,005,000	Upland, City of
<b>22 transactions totaling \$284,204,531 in par amount</b>					

Per your request see **Appendix A** for a table with spreads to MMD.

**3) Provide a description of your firm’s marketing and distribution capabilities.**

The marketing and subsequent distribution process starts with an initial financing team meeting amongst the District and its financing team to establish financing goals and objectives. In addition, the meeting should cover basic financing information which will guide the process of developing legal documents, the preliminary official statement and to determine the credit qualities of the financing. The marketing and distribution will be guided in some part by the credit of the financing, whereas the process would be different depending on where the financing stands in the credit spectrum. Our primary goals in working with the District will be to make sure you receive the highest credit rating possible, which will lead to the lowest borrowing costs. HilltopSecurities is one of the few underwriting firms active in the State of California that has a full-time credit analyst on staff to assist our clients with credit-related issues. Our analyst has over 30 years’ worth of experience in public finance, including working at Standard and Poor’s Rating Group (S&P). S&P would be our recommendation to provide a bond rating

on the District's financing. We believe your bond rating will be in the "AA" rating category based on our experience, a comparative analysis and other assumptions. The following table has seven other similar land secured districts that all have ratings in the AA- or better category. The rating is subject to several items, but mainly local economies and social factors, development status, property tax delinquency, debt service coverage, taxpayer concentration and value to lien analysis. HilltopSecurities believes the proposed Bond financing will receive high grades in all these sectors of the rating process and even though the District has never been rated, the District should expect a very high credit rating in the AA category by S&P.

	<i>Mountains Rec, CA Special Assessments AD1</i>	<i>Los Angeles Cnty Comnty Facs Dist #3, CA</i>	<i>Poway Unif Sch Dist Comnty Fac Dist #6,</i>	<i>South Orange Cnty Pub Fin Auth, CA CFD 02- 1 and 03-1</i>	<i>Lancaster Fincg Auth, CA Special Assessments</i>	<i>Roseville Fin Auth, CA CFD 1</i>	<i>Capistrano Unif Sch Dist Comnty Facs Dist No. 90-2 (Talega)</i>
Fiscal Year End Dat 6/30/2018		6/30/2020	6/30/2018	6/30/2020	6/30/2019	6/30/2020	6/30/2020
<b>RATINGS</b>							
<b>Security Rating</b>	AAA	AA+	AA+	AA	AA	AA-	AA-
Rating Date	4/13/2018	7/31/2018	1/17/2019	5/16/2018	10/11/2016	6/12/2018	5/31/2018
Last Review Date	3/29/2021	3/29/2021	3/29/2021	3/25/2021	3/29/2021	3/29/2021	3/31/2021
CreditWatch/ Outloc	Stable	Stable	Stable	Stable	Stable	Stable	Stable
CreditWatch/ Outloc 4/13/2018		7/31/2018	1/17/2019	5/16/2018	10/11/2016	6/12/2018	5/31/2018
<b>ECONOMIC &amp; REAL ESTATE FUNDAMENTALS</b>							
Median Household E	43,949	77,800	86,604	84,471	44,692	70,438	86,761
Median EBI/ U.S. I	94	153	180	167	88	139	171
Unemployment Rate	4.7	4.4	3.4	2.8	4.6	3.2	2.8
Median Home Price/	12.3	6.5	8.0	8.0	4.4	5.9	9.6
Population (actual)	3,969,959	187,818	208,300	97,193	172,237	134,257	372,382
<b>FINANCIAL DATA: ADJUSTED</b>							
<b>District Characteristics</b>							
Top 10 Tax/ All Tax	1.1	1.0	0.7	12.1	3.6	5.0	1.7
Top 5 Tax/ All Tax (%	0.8	0.7	0.4	10.9	2.3	4.6	1.0
Top 2 Tax/ All Tax (%	0.6	0.3	0.2	6.5	1.3	4.2	0.7
Top 1 Tax/ All Tax (%	0.4	0.1	0.1	4.1	0.8	2.8	0.4
Parcels Developed/	33,527	1,627	3,751	2,560	37,946	3,179	1,838
Parcels Developed (i	33,527	1,627	3,871	2,560	37,946	3,131	1,838
Projected Parcels at	33,527	1,627	3,871	2,560	37,946	3,179	1,838
Parcels Developed/	100.0	100.0	100.0	100.0	100.0	98.5	100.0
Total Assessed Valt	43,527,905	1,052,289	2,757,106	2,029,818	9,799,005	1,821,850	1,855,120
Total Direct Debt (\$	9,640	10,305	99,265	89,580	12,640	27,830	36,660
Overlapping Debt (\$)	NA	NA	83,352	NA	402,571	8,661	NA
Direct and Overlappi	9,640	10,305	182,617	89,580	415,211	36,491	36,660
Overall Value-to-Lier	47.00	37.15	15.10	14.44	23.60	40.18	19.47
Levy Parcels Overall	0.0	0.0	0.3	0.4	0.0	1.0	0.5
<b>Revenue &amp; Debt Service</b>							
Annual Revenue (\$)	1,061,616	2,452,665	4,079,700	7,672,416	4,633,249	3,932,162	3,321,249
Annual Debt Service	846,289	2,396,000	4,079,400	4,852,000	980,656	2,978,756	3,297,141
Annual Rev/ Annual	1.25	1.02	1.00	1.58	4.72	1.32	1.01
Maximum Revenue (1,	061,616	4,510,363	7,760,800	10,913,876	NA	3,942,108	5,712,023
Maximum Annual D	850,000	2,396,000	7,760,000	6,277,000	NA	2,988,000	4,131,000
Maximum Revenue/	1.25	1.88	1.00	1.74	NA	1.32	1.38
Maximum Annual D	2027	2024	2035	2033	2036	2030	2032
Maturity Year	2033	2026	2036	2034	2036	2033	2032
Maximum Loss to I	25.1	64.6	29.6	46.5	79.9	31.2	15.6
Maximum Loss to R	46.8	64.6	65.5	67.7	85.8	50.8	46.7

## Credit.

- **Location.** As with anything having to do with real estate, location is always key. S&P stated on a recent Pasadena rating report, “We consider Pasadena’s economy to be very strong. The city, with an estimated population of 146,312, is in Los Angeles County in the Los Angeles-Long Beach-Anaheim, Calif., MSA, which we consider broad and diverse. The city has a projected per capita effective buying income of 149% of the national level and per capita market value of \$223,541. The city’s market value grew by 5.8% over the past year, to \$32.7 billion in 2020. The county unemployment rate was 4.7% in 2018.” HilltopSecurities will demonstrate to S&P and to bond investors that Altadena and the District should be included in these social and economic categories which aid in a higher bond rating and increased marketability.
- **Development Status.** The CFD is town-wide which means essentially all parcels are developed, which is another key credit point with S&P and investors. This will also lead to higher metrics in value to lien and positives in concentration and delinquency.
- **Delinquency.** Special Taxes will be levied town-wide and therefore have limited delinquency rate potential expected and at a decreased delinquent amount
- **Concentration.** The taxpayer concentration is an issue if you have a single or multiple taxpayers’ ownership of over 5%, we expect the top 10 taxpayer ownership to be under 5%, so there should be no concentration issues.
- **Required Coverage.** The Bonds will need to have at least 1.10x debt service coverage on the Maximum Special Tax revenues to be received.
- **Value to Lien.** The RFP does not provide an estimated value to lien (VTL) of properties in the District, but HilltopSecurities has assumed it is in excess of 40 to 1, which will garner a higher credit rating and strong interest from buyers as a fully developed and mature district. Having VTL at or over 7 to 1 is acceptable to most all investors and anything over 10 to 1 VTL is considered “strong”. We have completed financings as low as 2 to 1 VTL but the market is most accepting of 6 to 1 or higher. 40 to 1 VTL is just one of the reasons to expect an AA rating.



The District will most likely qualify for debt to be declared an **Environmental, Social and Governance (“ESG”) and/or Green Bonds**. The concept of accounting for green bonds originated in the corporate sector dating back to 2004 with an impetus from the UN. The idea is to align corporate behavior with investor expectations in areas such as climate change, clean water, protecting workers against economic exploitation, and promoting diversity in the workforce to name a few. Green bonds have now been adapted to the Municipal Bond Sector. This is evidenced by the increasing number of mutual funds and investment advisors using green bonds as a description of their investment focus in municipal bonds. ESG factors are also now incorporated into ratings along with more traditional credit factors such as economic base, finances, debt and management.



We are increasingly seeing evidence that designated Green Bonds are drawing more investor interest in the market, and we believe it will be a good opportunity for the District to attract investors and lower borrowing costs.

- In December 2020, the City of Boston sold a green bond series alongside an identical non-green series, and reported three basis point pricing advantage for the green bonds.
- Also last fall, Seattle offered a green bond designation as a “bidder’s option” in a competitive sale of municipal light system bonds, and the winning bidder, Wells Fargo, opted to pay a fee for the independent green bond status and include that cost in their TIC bid. Seattle Green Bonds OS: <https://emma.msrb.org/IssueView/Details/RE401796>



We would recommend evaluating the potential for green bond self-designation and/or marketing the District’s bonds with the BAM Green Bonds designation. To self-designate the District must agree to project eligibility, reporting, project tracking, and a separate investment of proceeds until they are used, based on International Capital Market Association Green Bonds Principles. We do believe expanding the potential investor base lays the foundation for a potential pricing benefit. Another benefit some issuers have noted is the goodwill and public relations benefit of a designation that furthers or confirms their own mission or policy objectives. While maybe not a cost saving measure, such benefits have been viewed positively by those issuers and their clients.

Finally, it should be noted that over the past few years several major institutional investor clients of HilltopSecurities, based on investor demand, have expressed an interest in green bonds/ESG. These include BlackRock, Credit Suisse Asset Management, Goldman Asset Management, Northern Trust, Nuveen, PIMCO, State Street and Vanguard. Some have gone step further and have set up Green Bond Funds.

Targeted Buyers of District Green or ESG Bonds			
Blackrock	Credit Suisse	Goldman Asset	Northern Trust
Nuveen	PIMCO	State Street	Vanguard

HilltopSecurities goes through an extensive and tailored marketing process for all its underwriting clients based on each credit and rating. Our underwriting desk is in constant contact and discussion with the investor community so that we know what the market is asking for and what the market is pushing back against. This will be instrumental in structuring a financing that is well received by market.

The marketing process begins when a rating is received and the Preliminary Official Statement (“POS”) is complete. We would recommend that the POS be posted two weeks prior to pricing to allow ample time for investors to conduct their credit analyses and receive approval to participate in the transaction, **especially since the District is a new issuer**. From the moment the POS is released, HilltopSecurities will be dedicated to marketing the transaction. We will begin with holding a salesforce teach-in to educate our entire salesforce on the structure of the transaction, the Town of Altadena and the credit. The next step will be to hold investor calls to provide an overview of the transaction and allow investors to ask questions directly to Town principals, the underwriter and municipal advisor. One-on-one calls will be scheduled as requested with investors over the ensuing days. Information and support will also be made available to residents of the District interested in purchasing Bonds.

Additionally, HilltopSecurities instituted Peer Group Marketing, which has proven to be a powerful tool in managing and expanding the institutional investor base for issuers that we serve as underwriter. As we near pricing, we will identify the top holders of a peer group of issuers with similar characteristics to the credit. By comparing the holders of the peer group’s bonds, HilltopSecurities is better able to identify and target investors that are likely candidates for purchasing the Bonds and can, therefore, market directly to those investors that would be most receptive.

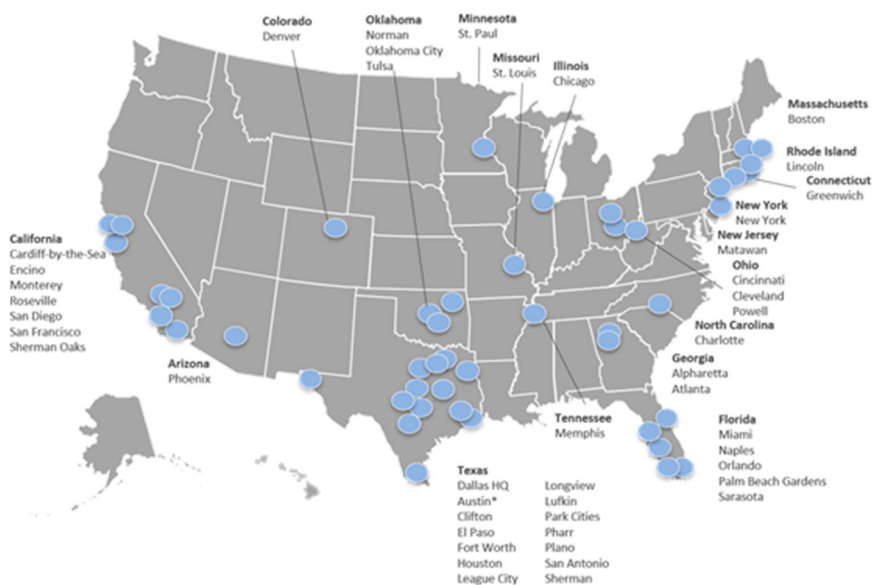
### Overview of Marketing Plan

Post POS	Sales Force Teach-In	Peer Group Analysis	Investor Call/ Presentation	One-on-One Investor Calls
Recommend posting for non-rated transaction 2 weeks prior to pricing to allow investors time for review and credit approvals	Educates our sales professionals on the project, the structure and the credit so they can more effectively communicate with their investor clients	Identifies investors who are underweight in the bonds or those who would be likely purchasers based upon their holdings of bonds with similar characteristics	Conduct open investor call with interested investors, principals and advisor to provide an overview of the transaction and allow investors to ask questions	Follow up with one-on-one investor calls as needed or requested to answer any final questions they may have prior to the sale

We do not foresee any marketing challenges or issues for this transaction and are confident we can fully educate our salesforce and potential investors on the structure, the project and the credit to successfully distribute the transaction across the investor community. **We can structure the syndicate policy to give priority to District residents during the order period.** Retail buyers are important to provide the lowest cost of capital. HilltopSecurities will target retail buyers and individuals who have a history of buying comparable bonds.

**Interest Rate (Coupon) Structure.** One of our goals is to avoid 5% coupons as much as possible. The use of 5% coupons costs as much as 30 basis points (bps) higher vs 4% coupons. A recent land secured interest rate scale in 2043 using 5% coupons is pricing at +130 spread to MMD which costs the issuer a 4.53% yield, whereas the 4% coupon in the same year yields only a 4.29%. An additional value to discount coupons, such as those recommended by HilltopSecurities, is more flexible call provisions. Our pricing models assume a 7-year 103 call optional call provision, but this could be changed to be more aggressive and not affect pricing on lower coupon or discount bonds. The use of discount bonds will allow for more flexible optional call provisions without any cost increase. HilltopSecurities is proposing to only use 5% coupons with bonds that are not callable avoiding the yield penalty to the issuer. Under such a scale, none of our maturities would price to the call, thus creating the most efficient borrowing in today's market. HilltopSecurities has a great understanding of the market and buyers who will desire the discount bonds. Our proposed couponing structure will save the District money versus any structure that uses 5% coupon bonds and HilltopSecurities has in house retail and going away buyers for these bonds.

**Secondary Market Makers.** Selecting firms that are active secondary market participants (like HilltopSecurities) may help the District improve its pricing in both the primary and secondary markets. As a market maker in the secondary market, HilltopSecurities' municipal traders have \$207.5 million of dedicated capital. This capital is used to ensure we can provide liquidity for our investor clients. Giving our investor and issuer clients confidence that an issuer's bonds will remain marketable can translate into lower interest costs for issuers in the primary market and provide liquidity for investors that may want the option of selling bonds prior to maturity. As a market maker, HilltopSecurities provides extensive secondary market support for new issues over an extended period. Investors know and trust that HilltopSecurities will make an active secondary market which helps optimize our primary market distribution and pricing efforts when we serve as underwriter.



**HilltopSecurities' bond sales and trading capabilities.**

HilltopSecurities has a strong California direct retail presence, with more than 60 retail sales personnel up and down the state, representing more than 13,000 accounts and assets of \$4.7 billion under management in California accounts. Additionally, we have a very strong focus within the professional retail business with SMAs, trust accounts, and prime brokerage accounts. For years, we have been underwriting CFD bonds and trading them extensively in the secondary market. We have a complete understanding of buyers of the bonds. Our underwriting contribution to the District would be a combination of the two, as retail will provide strong support in the current market, which is very favorable to the overall cost



of borrowing. Institutional business with our Tier I, and to a higher degree our II and III accounts will provide the depth of distribution required for your underwriting. The strengths of our distribution platforms are described in detail below.

**Fixed Income Sales, Trading & Underwriting Personnel  
As of June 1, 2021**

Location	Underwriters	Traders	Institutional Sales	Bank Sales	Total
Atlanta			1		1
Austin			1		1
Boston	1	1	1		3
Charlotte		2	5		7
Chicago		3	17		20
Cincinnati			1		1
Cleveland			1		1
Dallas	3	4	3		10
Denver	1		1		2
Encino		4	2		6
Houston	1		2	7	10
Memphis			2		2
New York		7	8		15
Palm Beach Gardens		3	4		7
Phoenix		1			1
San Francisco			1		1
St. Paul		1	3		4
<b>Total</b>	<b>6</b>	<b>26</b>	<b>53</b>	<b>7</b>	<b>92</b>

*Plus 141 Retail Sales Professionals =  
233 Total Municipal Institutional Sales, Trading,  
Underwriting and Retail Sales Personnel*

**Institutional Distribution Capabilities.** HilltopSecurities has developed one the largest and most effective regionally based institutional sales efforts in the industry. The firm has 60 regional institutional salespeople assigned to cover the United States and California providing our clients access to the largest and most active regional and California institutional investors, including trading accounts.

**Retail Distribution Capabilities.** Our distribution network includes approximately 62 California based municipal retail brokers serving high-net-worth clients with over \$4 billion in tax free assets under custody in nearly 12,000 accounts. The firm has retail sales offices in Encino, Sherman Oaks, Sacramento, Beverly Hills, Monterey, Cardiff by the Sea, San Diego and San Francisco (the combined firm has 47 offices). HilltopSecurities can structure the syndicate policy to give priority to residents during the order period. Retail buyers are important in this sector because they provide the lowest cost of capital.

Additionally, HilltopSecurities provides securities clearing services to over 170 securities brokerage firms (“Correspondent Firms”) located in 32 states employing 2,500 brokers with over 200,000 brokerage accounts. Clearing services include maintaining accounts, processing securities and transactions, extending margin loans, and performing a variety of administrative services as agent for our Correspondent Firms and their clients. At present, the firm averages some 70,000 trades daily.

**4) Proposer References: Provide five (5) client references for which the proposer has provided similar services. References shall include date and description of service, project location, completion dates, organization’s name, contact person, title, address, and telephone number.**

HilltopSecurities believes that strong recommendations from our clients are the most accurate indications of our firm’s level of service and expertise. Following are our references:

City of Monrovia	City of Upland	City of Calimesa
<b>Buffy J Bullis, Admin Services</b>	<b>Londa Bock-Helms, Finance</b>	<b>Bonnie Johnson, City Manager</b>
Library Parcel Tax      S Ivy Ave, Lease/Pension      Monrovia, CA 91016 RD/SA      (626) 932-5513 Bbullis@ci.monrovia.ca.us Client since 1984	CFDs      460 N Euclid Housing      Upland, CA 91785 (909) 931-4172 lhelms@ci.upland.ca.us Client since 1997	908 Park Ave 6 CFDs      Calimesa, CA 92320 (909) 795-9801 bjohnson@cityofcalimesa.net Client since 2014

**River Islands Public Financing Authority**

**Herb Moniz, Director**

\$600,000,000+      2222 Camino Ramon  
 CFDs Bonds      San Ramon, CA 94583  
 (925) 973-2531  
 herbmoniz@sbcglobal.net  
 Client since 2011

**City of Rio Vista, CA**

**Rob Hickey, City Manager**

2 CFDs      One Main Street  
 2 Leases      Rio Vista, CA 94571  
 (707) 374-6451  
 rhipkey@ci.rio-vista.ca.us  
 Client since 2017

**5) Proposer shall describe the role of the bond underwriting department in the firm and attach a copy of the firm's relevant filings, licenses or certifications as needed.**

The underwriting department role is to price the Bonds to the widest range of investors, which leads to the lowest cost of borrowing of an issuer. The underwriting and public finance banking department works in sync to find the highest investor demand while keeping interest rates and yields as low as possible.

**Investor Diversification.** The most diverse purchasers of the District's Bonds will ensure more interest in not only the primary market, but the secondary market as well. Additionally, the inclusion of Tier II and Tier III investors will keep larger Tier I investors from dictating pricing should they decide to do the credit work. The adjacent list is those who HilltopSecurities knows or believes are prospective buyers of the District's CFD Bonds. This list includes buyers for 3%, 4% and 5% coupons. Including all these coupons in the pricing will keep all buyers engaged, producing a higher demand for your Bonds.

Targeted Buyers of Altadena Library CFD			
Allince Bernstein	AMI Asset	AR Asset	American Century
Baum	Bellehaven	Bellvale	Boston Company
Bridge Harbor	Blackrock	Bluefin Trading	CFG Cap
Charles Fish	Churchill	City National	Columbia
Capital Group	Eagle Asset	Eaton Vance	Envision
Franklin	Goldman Sachs	Guggenheim	Gurtin
Highmark	Hopwood	Investco	JP Morgan
Lancer Global	Loews	Lord Abbot	Macay Shields
MFS Invst	Midland	Northern Trust	Nueveen
Old Orchard	Orix	Oppenheimer	Payden Rygel
Pimco	Principal	RBC Arb	Susquehana
Templeton	Thornberg	UMB Bank	Union Bank
USAA	Van Eck	Vanguard	Waddell
Wall Street	WAMCO	Watermill	Wells Capital
William Jones	HilltopSecurities Retail		

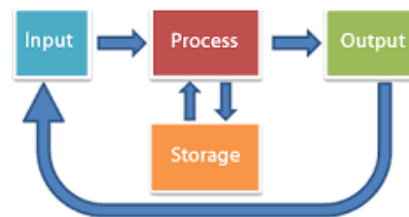
The marketing strategy will focus on original issue discount bonds which are lower coupon bonds, but the inclusion of all coupons will ensure the ability to access the 5% coupon buyers, if needed.

HilltopSecurities would structure the Bonds to sell to the widest investor base possible that allows for the lowest cost of borrowing. Currently, selling Bonds through a retail structure (or with original issue discount) on Bonds after the call date provides the most cost benefit to the District. Most institutional investors want pricing with 5% coupons, which increases your debt service costs. HilltopSecurities believes we can structure this financing at levels that are attractive to both institutions and professional retail investors and at the lowest borrowing cost to the District. Structuring the financing to attract both professional retail and institutional investor interest will provide the lowest cost of borrowing.

HilltopSecurities would propose to work closely with the District, Municipal Advisor and other members of the District's financing team to determine the best course of action, such as structure, takedowns, couponing and call provisions. The current market at the time of pricing will guide some details, but HilltopSecurities will work to achieve your goals. We will help devise a suggested priority (such as below) and to achieve the lowest cost of borrowing with a mix of couponing to reach institutional investors and retail clients. As follows:

**Marketing / Order Period:**

- Mail POS Day 1
- Pre-pricing call Day 10-14
- Order period - Day 15 (Retail and Institutional orders)
- Sale date and execution of Purchase Agreement -Day 15



**Priority of Orders:**

- First priority **Retail going away (Local residents)**
- Second priority Retail going away (all others)
- Third priority Member

HilltopSecurities, if selected, will be as accommodating as possible to residents to assist in their efforts to buy the District’s Bonds. The objective will be to market and sell your Bonds as aggressively as possible into local area markets. To the extent that orders are not filled due to an oversubscription in any maturity, we will attempt to reallocate unfilled orders to maturities that are undersubscribed and fill those orders.

**6) List all disciplinary actions, administrative proceedings, malpractice claims or other like proceedings against your firm or any of its personnel relating to your firm’s services as bond underwriter, whether current, pending, or occurring in the last five (5) years, relating to the municipal industry by the SEC, NASD, MSRB or any other State or Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal industry. Please indicate disposition of each claim.**

From time to time in the ordinary course of its business, HilltopSecurities is called upon to respond to inquiries or is subject to investigations or proceedings by federal, state or industry self-regulatory organizations. The firm is also involved, from time to time, in civil legal proceedings and arbitration proceedings concerning matters arising in connection with the conduct of its business. To the best of our knowledge, information and belief based upon the facts available at this time, there is no threatened or pending inquiry, investigation, litigation, arbitration or regulatory proceeding that we believe would have a material adverse impact on the ability of HilltopSecurities to perform public finance investment banking services. The Financial Industry Regulatory Authority (FINRA) maintains a public database known as BrokerCheck© that discloses reportable regulatory matters for HilltopSecurities. BrokerCheck© may be found at [www.FINRA.org](http://www.FINRA.org).

## Section II – Personnel

**Proposer shall provide the names, proposed roles, background and experience, office location and availability of personnel that would work on the District’s account, and specifically identify the primary person(s) who will be responsible for managing the relationship with the District. Identify who will provide any computer financial analysis services.**



HilltopSecurities ensures accessibility of key personnel to the District during the engagement through the utilization of a team approach, which provides a higher level of experience, proficiency, and client service by matching our individual talents to the tasks. As Day-to-Day Project Managers, Mr. Mike Cavanaugh and Ms. Robin Thomas will provide redundant coverage to the District that allows us to provide in-person coverage on relatively short notice and ensures work is completed in a timely and efficient manner. Todd Smith and Ryan Cunningham will work with Mike and Robin to provide banking support. Ryan will have primary responsibility for analytics and financial analysis. They have extensive experience in California with similar projects and will provide added benefit. Bill Evans serves as lead underwriter on all California investment grade transactions; he will work in tandem with Kelly Jocoy, who has over 40 years of California municipal bond experience. Both Kelly and Bill will work closely with the banking team to ensure maximum market acceptance for the District. Brief resumes can be found below.

**Mike Cavanaugh, Managing Director**, Lead Banker, started his career in Public Finance in 1991 as a financial analyst and has over twenty years of senior management banking experience. Mike will serve as the day-to-day contact for this engagement and will attend meetings, as necessary. **Since 2018, Mike has completed 13 CFD transactions totaling over \$100,000,000.** Mr. Cavanaugh holds a Bachelor of Science Degree in Business Administration from the University of Southern California. He is a Registered Representative with the Financial Industry Regulatory Authority (FINRA) (Series 7). Mr. Cavanaugh is an active member of the Committee on Assessments, Special Taxes and Other Financing Facilities (CASTOFF) and California Society of Municipal Finance Officers (Statewide and the San Diego Chapter).



**Mike Cavanaugh**  
Managing Director  
Public Finance Banking

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Cardiff by the Sea, California 92007

☎ 760.632.6824 Office 619.200.4747 Mobile  
Fax 760.632.8621  
Mike.Cavanaugh@hilltopsecurities.com



**Robin Thomas**  
Managing Director  
Public Finance Banking

2533 S. Coast Hwy 101, Suite 250  
Cardiff by the Sea, California 92007

☎ 760.632.1152 Office  
Fax 760.632.8621  
Robin.Thomas@hilltopsecurities.com

**Robin Thomas, Managing Director**, is a Managing Director at HilltopSecurities, having joined the firm in 2012. Robin is in the firm’s Cardiff, California office and will work closely with Mike on this transaction. Ms. Thomas has been active in the California public finance community for 40 years, starting her career in Public Finance in 1981. As such, she has underwritten in excess of \$6 billion in debt over her career, working with pension, revenue bonds, redevelopment agencies, cities, special districts, non-profit organizations, community facilities districts and various financing authorities. **Since 2018, Robin has completed 6 CFD transactions totaling over \$26,000,000.** Ms. Thomas’ professional registrations include General Securities Representative (Series 7), Municipal Securities Principal (Series 53) and Uniform Securities Agent State Law (Series 63) licenses.

**Todd Smith, Managing Director**, has been involved in the underwriting of over \$3.5 billion in public finance transactions since 1996, including revenue bonds, COPs, lease revenue bonds, land secured transactions, tax allocation bonds, affordable housing projects, enterprise revenue bonds, and general obligation bonds. **Since 2018, Todd has completed 15 CFD financings totaling over \$250,000,000.** In 2008 and 2009, Mr. Smith was the lead banker on the Far West Region Bond Buyer Deal of the Year for the Yuba County Levee Improvement Authority and Chawanakee Unified School District, respectively, each a lease transaction. Mr. Smith holds a Bachelor of Arts Degree from California State University Fullerton in Economics. Mr. Smith has the Series 7 and Series 63 licenses.



**Todd Smith**  
Managing Director  
Public Finance Banking

2533 S. Coast Hwy 101, Suite 250  
Cardiff by the Sea, California 92007

☎ 760.632.1347  
Fax 760.632.8621  
Todd.Smith@hilltopsecurities.com



**Ryan Cunningham**  
Director  
Public Finance Banking

2533 S. Coast Hwy 101, Suite 250  
Cardiff by the Sea, California 92007

☎ 760.632.8614  
Fax 760.632.8621  
Ryan.Cunningham@hilltopsecurities.com

**Ryan Cunningham, Director**, served as a public finance banker for Southwest Securities from 2006-2012. His experience includes cities, counties, school districts, water districts, utility districts, economic development corporations, and tax increment financing. He has also been a consultant for the United Nations in the areas of sustainable/environmental finance and worked as a Fitch credit analyst for infrastructure project finance transactions. Mr. Cunningham holds a BS from Saint Vincent College in Political Science, an MPA with a concentration in public finance and MA in Latin American Studies from

Indiana University, and a certificate in Climate and Renewable Energy Finance from the Frankfurt (Germany) School of Banking & Management. Mr. Cunningham joined HilltopSecurities in 2018. Mr. Cunningham holds SIE, Series 52, and Series 63 licenses.

**William Evans, Managing Director**, will serve as lead underwriter for the team. Mr. Evans has worked in the public finance industry since 2002 and joined HilltopSecurities in 2020. Bill earned an Executive MBA from Fordham University and is a graduate of Northeastern University with a BS/BA in Finance and Accounting. He is a Registered Representative of FINRA with the Series 3, 7, and 63 licenses. Bill has been lead underwriter on all California water and sewer deals since arriving at HilltopSecurities.

**Kelly Jocoy, Managing Director**, will serve as lead trader for the District and work closely with Bill Evans on pricing and structuring of your Bonds. He works out of our Encino, CA office. Mr. Jocoy has over 34 years of experience in the municipal bond markets. Mr. Jocoy joined HilltopSecurities in October 2015 coming from Citibank, where he was director of municipal trading and oversaw all the firm's competitive and negotiated underwriting for California and the Northwest. In addition, he was responsible for all secondary block trading for revenue bonds in California including those of the District. Mr. Jocoy focuses on expanding the underwriting business for the firm's Western Region, while overseeing the firm's immense retail trading demands. He works closely with our banking team and Bill Evans on municipal financing structures. He holds the professional registrations of General Securities Representative (Series 7), Uniform Securities Agent State Law (Series 63) and Municipal Securities Principal (Series 53) licenses.





## Section III – Qualifications

**Proposer shall provide a clear understanding of the services required by the District in response to Section IV - Scope of Work. Does the Proposer have the character, integrity, reputation, judgment, experience, and efficiency required by the contract? Has the Proposer performed satisfactorily in previous contracts of similar size and scope, or otherwise demonstrated its capability to perform the contract the District seeks to establish through this RFP?**



HilltopSecurities traces its roots in municipal finance to two firms: FirstSouthwest and Southwest Securities. Southwest Securities, Inc., was founded in 1972 (48 years ago) and was a pioneer in the securities clearing business, becoming the “back office” for several other brokerage houses. In addition to developing clearing as a core business, the firm made strategic acquisitions and added complementary lines of business, entering the public finance and municipal underwriting business in 1987. M.L. Stern & Co. became part of Southwest Securities in 2008. It had California municipal finance offices since 1980.

First Southwest Company, LLC (“FirstSouthwest”), founded in 1946 (74 years ago), was dedicated to serving the financing needs of local municipalities and, over the years, grew into a national firm with expertise in every sector of public finance. In 2015, HilltopSecurities and FirstSouthwest became common control affiliates under Hilltop Holdings Inc., a financial holding company with operations in underwriting, financial advisory, commercial banking, and mortgage origination through its wholly owned subsidiaries.

HilltopSecurities is headquartered in Dallas, Texas; the firm has approximately 770 employees in 47 offices in 18 states. HilltopSecurities currently has eight offices in California, employing a total of 88:

- Cardiff - 7 employees
- Encino - 13 employees
- Monterey - 14 employees
- Roseville - 13 employees
- San Diego - 9 employees
- San Francisco - 9 employees
- Sherman Oaks - 23 employees



PrimeLending, a mortgage subsidiary of Hilltop Holdings, has 34 additional branches in the state.

**HilltopSecurities is known for its integrity, a reputation molded by strict adherence to regulations.** As one of only a few financial advisory firms that is also a registered broker/dealer, HilltopSecurities is subject to the rules and regulations of various governmental bodies such as the U.S. Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”), among others, and we adhere to the rules of the Municipal Securities Rule Making Board (“MSRB”). Our stringent compliance to regulation reinforces the high standards to which we adhere in all our roles and relationships, creating an atmosphere of trust for our clients. If privileged to serve the District, HilltopSecurities would have a responsibility, as an underwriter to deal always with both the District and investors, a responsibility we take extremely seriously and are dedicated to upholding.



As a course of our everyday business, we have provided a summary version of our scope of services, which will hold true for all deals or any size for any issuer. Our services to the District will include, but not be limited to, the following:

### PRELIMINARY

- Meet with Town Staff, Municipal Advisor and others to ascertain the Town's financing goals and objectives
- Assess feasibility of possible financing
- Help the Town and Municipal Advisor oversee assembly of financing team
- Regularly interface with financing team members
- Attend Council or staff meetings as deemed necessary or appropriate
- Attend financing team meetings as deemed necessary or appropriate
- Analyze numerous financing structures through computer modeling
- Provide illustrative financial models to assess all possible financing alternatives
- Advise on implications of various structuring provisions such as:
  - Call features (length, price)
  - Additional Bonds tests
  - Subordinate debt
  - Debt service reserve funds, surety bonds, capitalized interest
  - First coupon and principal payment
  - Cash flow/ special tax analysis
  - Serial bonds, term bonds and sinking funds redemption
- Advise on the attainability and/or desirability of credit enhancements, such as bond insurance, letters of credit, etc.
- Advise on the desirability of obtaining a municipal bond rating

### PRE-PRICING

- Assist in legal document (official statements, indenture, etc.) preparation/revision
  - Assure structuring features are accurately expressed
  - Assure compliance with continuing disclosure rules
  - Assure compliance with industry standards
  - Solicit bond insurance bids (if bond insurance is deemed advisable)
  - Prepare supporting documentation and credit analyses
  - Develop and deliver presentations as necessary
- Provide point of contact for agencies
- Solicit a municipal bond rating on the issue (if a rating is deemed advisable)
  - Prepare supporting documentation and credit analyses
  - Develop and deliver presentations as necessary
  - Provide point of contact for agencies
- Assist in printing and distribution of preliminary official statement
- Assess current market conditions and advise the agency accordingly
- Develop comprehensive marketing plan to ensure the most efficient sale
- Alert various institutions to the upcoming sale
- Advise regularly the Town and team members as to market timing issues
- Hold a pre-pricing conference call with potential bidders the day before pricing
  - Discuss current market, advise accordingly
  - Illustrate the pricing levels recommended
  - Explain implications and illustrate the effects

- Obtain clearance from agency before we go into the market
- Pre-apply for CUSIP numbers
- Pre-apply for DTC eligibility
- Conduct a pre pricing phone call complete with comparable issues to assure correct bond pricing

### **PRICING DAY**

- Monitor the progress of the pricing
- Determine if lower interest rates are obtainable
- Advise Town and Municipal Advisor as to the success of the pricing
- Obtain verbal confirmation from Town or FA of the acceptance of the pricing
- Help distribute bond purchase contract to be signed by the Town and the Underwriter
- Update preliminary official statement to final status based on the pricing
- Prepare comprehensive reports detailing the new bond issue and the entire transaction, such as:
  - Comprehensive debt service schedules
  - Sources and uses of funds
- Alert Bond Counsel that the issue has priced and provide the necessary information
- Alert CDIAC of the bond issue

### **PRE-DELIVERY**

- Obtain wiring instructions from the trustee and prepare for funds transfer
- Finalize arrangements with credit enhancer (if any)
- Arrange for the printing and distribution of the final official statement
- Participate in the final revisions of all legal documents
- Prepare and distribute instructions for events to occur on closing day
- Attend pre-closing session to ensure all documents are in order
- Assure delivery of the bond certificates to DTC

### **DELIVERY**

- Check wire transfer of proceeds to the trustee
- Verify the receipt of the wire by trustee
- Release bonds through DTC

### **POST DELIVERY**

- Monitor market conditions and developments relating to the Town and its bonds
- Assist if necessary, in the provision of continuing disclosure
- Provide ongoing advice and market insight for the Town@@
- Avail ourselves to questions or concerns regarding any financial matter with which the Town may need assistance
- Prepare post closing pricing summary

The real value HilltopSecurities will bring to your financing is the ability to find the lowest cost of capital. This could come in many forms, high rating, low coupons, tight spreads to MMD or a combination. We look forward to working with the District in any way you determine beneficial to your financing needs. HilltopSecurities is ready to accept the challenge and demands of being your Underwriter.



**SECTION VII  
COST SHEET**

**7.0 INTRODUCTION**

Proposer shall complete cost sheet to include all costs, in accordance with the Scope of Work defined in Section IV.

**7.1 COST FOR SCOPE OF WORK, SECTION IV**

**a. Fee Schedule For Bond Underwriting Services For Term Of Contract**

Takedown (\$/bond)	Expenses (\$/bond)	Mgmt. Fee (\$/bond)	Total Gross Spread (\$/bond)
\$3.25	\$0.83	\$0.0	\$4.08

This proposal submitted by: Hilltop Securities, Inc.  
Company Name

Address: 2533 South Coast Highway 101, Suite 500 Cardiff, CA

Telephone Number: 760-632-6824

Fax Number: \_\_\_\_\_

Contact Name: Mike Cavanaugh

Authorized Signature: 

Altadena Library District

# Appendix A

Spreads to MMD on recent transactions

Appendix A



## HilltopSecurities

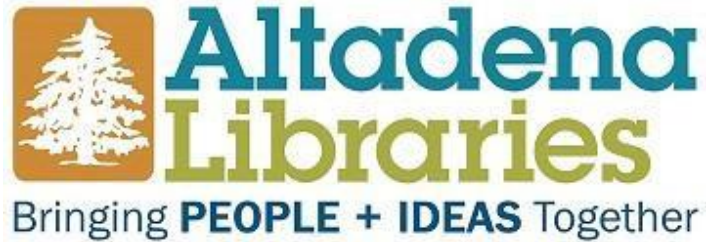
### Comparable Transactions

Sale Date	7/10/19 PRICING						7/10/19 PRICING						6/19/2019										
Issuer	City of Upland						City of Upland						City of Stockton										
Issue Type	CFD No. 2015-1 - Sycamore Hills						CFD No. 2015-1 - Sycamore Hills						CFD No. 2005-1										
Par	\$5,315,000						\$3,845,000						\$9,855,000										
U/L Ratings (M/SP/F)	NR						NR						NR										
Maturity	September 1 09/01/26 @ 103 09/01/27 @ 102						September 1 09/01/26 @ 103 09/01/27 @ 102						September 1 09/01/26 @ 103 09/01/27 @ 102										
Call Feature	09/01/28 @ 101 09/01/29 @ 100						09/01/28 @ 101 09/01/29 @ 100						09/01/28 @ 101 09/01/29 @ 100										
	MMD					YTM	Tsy					MMD					YTM						
Maturity	7/9	Coupon	Yield	YTM	Spread	Spread	7/10	Coupo	n	Yield	Spread	Tsy	7/9	MMD	Spread	MMD	6/18	Coupon	Yield	YTM	Spread	Spread	
2020	1.190												1.190				1.310	3.000	1.410			0.100	
Interpolated 2021	1.220												1.220				1.330	3.000	1.630			0.300	
Interpolated 2022	1.230												1.230				1.340	5.000	1.740			0.400	
Interpolated 2023	1.240												1.240				1.350	5.000	1.850			0.500	
Interpolated 2024	1.290												1.290				1.370	2.000	2.120			0.750	
Interpolated 2025	1.350						1.938	4.000	4.120	2.182	1.350	2.770					1.410	2.000	2.210			0.800	
Interpolated 2026	1.410												1.410				1.470	2.250	2.370			0.900	
Interpolated 2027	1.480												1.480				1.540	2.250	2.540			1.000	
Interpolated 2028	1.550												1.550				1.610	2.375	2.660			1.050	
Interpolated 2029	1.620	2.500	2.620		1.000								1.620				1.680	2.500	2.780			1.100	
Interpolated 2030	1.690						2.065	4.500	4.540	2.475	1.690	2.850					1.750	5.000	2.500	3.000		0.750	1.250
Interpolated 2031	1.730												1.730				1.810	2.750	3.000			1.190	
Interpolated 2032	1.790												1.790				1.860	3.000	3.060			1.200	
Interpolated 2033	1.840												1.840				1.900	3.000	3.100			1.200	
2034	1.890												1.890				1.950	3.000	3.150			1.200	
2035	1.930						2.574	5.000	5.120	2.546	1.930	3.190					1.990	3.000	3.190			1.200	
2036	1.970												1.970				2.030						
2037	2.010	3.125	3.200		1.190								2.010				2.070	3.125	3.270			1.200	
2038	2.050												2.050				2.110						
2039	2.090						2.574	5.000	5.170	2.596	2.090	3.080					2.150	3.125	3.350			1.200	
2040	2.130												2.130				2.190						
2041	2.170	3.250	3.360		1.190								2.170				2.230	3.250	3.430			1.200	
2042	2.200												2.200				2.260						
2043	2.220												2.220				2.280						
2044	2.230												2.230				2.290						
2045	2.240												2.240				2.300						
2046	2.250												2.250				2.310						
2047	2.260												2.260				2.320						
2048	2.270												2.270				2.330						
2049	2.280	4.000	3.410	3.722	1.150	1.442							2.280				2.340						
2050		3.500	3.580		1.300																		
2051																							

Sale Date	2/27/2019						PRICING 1/23/2020						Pricing 5/6/20					
Issuer	River Islands PFA						City of Hawthorne						San Joaquin Area Flood Control Agency					
Issue Type	CFD 2003-1						Special Tax Bonds						Assessment Revenue Bonds					
Par	\$38,490,000						\$9,435,000						\$22,000,000					
U/L Ratings (M/SP/F)	NR						- / A / -						- / A / -					
Maturity	September 1						September 1						October 1					
Call Feature	09/01/26 @ 103 09/01/27 @ 102 09/01/28 @ 101 09/01/29 @ 100						9/1/2027 103 Call DTP in 2030						10/1/30 at par					
Maturity	MMD	YTM					MMD	YTM					MMD	YTM				
	2/26	Coupon	Yield	YTM	Spread	Spread	1/22	Coupon	Yield	YTM	Spread	Spread	5/4	Coupon	Yield	YTM	Spread	Spread
2020	1.580						3.000	0.900					0.770	4.000	1.520			0.750
Interpolated 2021	1.590						0.860	3.000	0.950	0.090			0.770	4.000	1.570			0.800
Interpolated 2022	1.610						0.870	3.000	1.050	0.180			0.850	4.000	1.750			0.900
Interpolated 2023	1.640						0.870	3.000	1.080	0.210			0.890	4.000	1.890			1.000
Interpolated 2024	1.700						0.890	3.000	1.180	0.290			0.950	5.000	2.050			1.100
Interpolated 2025	1.770	4.000	2.750		0.980		0.910	3.000	1.270	0.360			1.010	5.000	2.160			1.150
Interpolated 2026	1.840	4.000	2.820		0.980		0.980	4.000	1.370	0.390			1.070	5.000	2.320			1.250
Interpolated 2027	1.930	4.000	2.930		1.000		1.060	4.000	1.510	0.450			1.120	5.000	2.370			1.250
Interpolated 2028	2.020	4.000	3.070		1.050		1.160	4.000	1.630	0.470			1.180	5.000	2.480			1.300
Interpolated 2029	2.120	4.000	3.220		1.100		1.230	4.000	1.720	1.853	0.490	0.623	1.240	5.000	2.540			1.300
Interpolated 2030	2.230	3.125	3.430		1.200		1.320	4.000	1.800	2.082	0.480	0.762	1.310	5.000	2.610			1.300
Interpolated 2031	2.320	3.250	3.520		1.200		1.380	4.000	1.900	2.286	0.520	0.906	1.410	4.000	2.810	2.895		1.400
Interpolated 2032	2.390	3.375	3.640		1.250		1.420	2.125	2.270		0.850		1.510	3.000	2.910			1.400
Interpolated 2033	2.440	3.500	3.690		1.250		1.460	2.250	2.340		0.880		1.610	3.000	3.010			1.400
2034	2.480						1.500	2.250	2.380		0.880		1.640	3.000	3.040			1.400
2035	2.540						1.550	2.375	2.450		0.900		1.690	3.000	3.090			1.400
2036	2.600						1.590	2.375	2.490		0.900		1.730					
2037	2.660						1.630						1.780					
2038	2.720	5.000/ 4.000	4.020/ 4.120	4.363/ -	1.300/ 1.400	1.643/ -	1.670						1.820					
2039	2.780						1.710						1.860					
2040	2.820						1.740						1.900	3.250	3.350			1.450
2041	2.850						1.770						1.940					
2042	2.870						1.800						1.980					
2043	2.890	5.000/ 4.125	4.190/ 4.290	4.537/ -	1.300/ 1.400	1.647/ -	1.830						2.010					
2044	2.900						1.860						2.040					
2045	2.910						1.880						2.060	3.375	3.510			1.450
2046	2.920						1.890						2.070					
2047	2.930						1.900						2.080					
2048	2.940	5.000	4.240	4.603	1.300	1.663	1.910						2.090					
2049	2.950	4.125	4.350		1.400		1.920						2.100	3.375	3.550			1.450
2050							1.930						2.110					

Sale Date	Pricing 6/16/20						Pricing 6/16/20						8/19/2020						Pricing 12/9/2020					
Issuer	WPUSD						WPUSD						Calimesa CFD No. 2018-1 (Summerwind Trails)						Capistrano USD					
Issue Type	CFD 1 BAN						CFD 2 BAN						Special Tax Bonds						CFD 98-1A					
Par	\$18,545,000						\$34,980,000						\$14,895,000						\$2,790,000					
U/L Ratings (M/SP/F)	MIG 1						MIG 2						- / - / -						- / A- / -					
Maturity	June 1						June 1						September 1						September 1					
Call Feature	6/1/2023 Par Call						6/1/2023 Par Call						9/1/2027 103 Call DTP in 2030						9/1/27 @ 103 DTP 9/1/30					
	MMD			YTM			MMD			YTM			MMD			YTM			MMD			YTM		
Maturity	6/15	Coupon	Yield	YTM	Spread	Spread	6/15	Coupon	Yield	YTM	Spread	Spread	8/13	Coupon	Yield	YTM	Spread	Spread	12/8	Coupon	Yield	YTM	Spread	Spread
2020	0.220						0.220																	
Interpolated 2021	0.240						0.240						0.100	4.000	1.400	1.300			0.130	4.000	0.280	0.150		
Interpolated 2022	0.250						0.250						0.110	4.000	1.450	1.340			0.140					
Interpolated 2023	0.300						0.300						0.120	4.000	1.550	1.430			0.160	4.000	0.610	0.450		
Interpolated 2024	0.380	2.000	1.350	1.606	0.970	1.226	0.380	2.000	1.600	1.758	1.220	1.378	0.150	4.000	1.600	1.450			0.180	4.000	0.680	0.500		
Interpolated 2025	0.520						0.520						0.210	4.000	1.700	1.490			0.220	4.000	0.820	0.600		
Interpolated 2026	0.630						0.630						0.300	4.000	1.800	1.500			0.310	4.000	0.960	0.650		
Interpolated 2027	0.700						0.700						0.400	4.000	1.950	1.550			0.400	4.000	1.070	0.670		
Interpolated 2028	0.770						0.770						0.490	4.000	2.100	1.610			0.510	4.000	1.210	0.700		
Interpolated 2029	0.850						0.850						0.570	4.000	2.250	2.290	1.680	1.720	0.620	4.000	1.320	1.550	0.700	0.930
Interpolated 2030	0.940						0.940						0.640	4.000	2.400	2.543	1.760	1.903	0.700	4.000	1.380	1.807	0.680	1.107
Interpolated 2031	1.030						1.030						0.690	4.000	2.450	2.686	1.760	1.996	0.790	4.000	1.470	2.037	0.680	1.247
Interpolated 2032	1.120						1.120						0.760	4.000	2.550	2.837	1.790	2.077	0.850	4.000	1.530	2.211	0.680	1.361
Interpolated 2033													0.840	4.000	2.700	2.998	1.860	2.158	0.900					
2034													0.890	4.000	2.750	3.081	1.860	2.191	0.940					
2035													0.940	4.000	2.800	3.154	1.860	2.214	0.980	2.000	2.050	1.070		
2036													0.980	4.000	2.850	3.219	1.870	2.239	1.020					
2037													1.020	4.000	2.900	3.276	1.880	2.256	1.060					
2038													1.060						1.100					
2039													1.100						1.140					
2040													1.140						1.180	2.125	2.220	1.040		
2041													1.170						1.220					
2042													1.200						1.260					
2043													1.230						1.290					
2044													1.260						1.320	2.250	2.330	1.010		
2045													1.280	4.000	3.100	3.534	1.820	2.254	1.350					
2046													1.290						1.360					
2047													1.300						1.370					
2048													1.310						1.380					
2049													1.320						1.390					
2050													1.330	4.000	3.150	3.603	1.820	2.273	1.400					

Sale Date		Pricing 12/9/2020						Pricing 2/17/2021						Pricing 2/17/2021					
Issuer		Capistrano USD						City of Upland						City of Upland/Taxable					
Issue Type		CFD 98-1B						CFD 2016-1 Harvest at Upland IA#2						CFD 2016-1 Harvest at Upland IA#2					
Par		\$5,480,000						\$3,490,000						\$5,005,000					
U/L Ratings (M/SP/F)		- / BBB / -						NR						NR					
Maturity		September 1						September 1						September 1					
Call Feature		9/1/27 @ 103 DTP 9/1/30						9/1/2030 Par Call						9/1/2030 Par Call					
		MMD		YTM				MMD		YTM				UST Spot		Yield		Spread	
		Maturity	12/8	Coupon	Yield	YTM	Spread	Spread	2/16	Coupon	Yield	YTM	Spread	Spread					
2020																			
Interpolated 2021		0.130	4.000	0.280		0.150													
Interpolated 2022		0.140						0.070	2.000	0.950		0.880							
Interpolated 2023		0.160	4.000	0.660		0.500		0.090	3.000	1.070		0.980							
Interpolated 2024		0.180	4.000	0.730		0.550		0.130	3.000	1.250		1.120							
Interpolated 2025		0.220	4.000	0.870		0.650		0.190	2.000	1.400		1.210							
Interpolated 2026		0.310	4.000	1.010		0.700		0.260	2.000	1.550		1.290							
Interpolated 2027		0.400	4.000	1.120		0.720		0.350	2.000	1.750		1.400							
Interpolated 2028		0.510	4.000	1.260		0.750		0.470	3.000	1.950		1.480							
Interpolated 2029		0.620	4.000	1.370	1.590	0.750	0.970	0.570	3.000	2.090		1.520		1.289	3.250	3.250		1.961	
Interpolated 2030		0.700	4.000	1.430	1.843	0.730	1.143	0.670	4.000	2.190		1.520							
Interpolated 2031		0.790	4.000	1.520	2.071	0.730	1.281	0.750	4.000	2.270	2.406	1.520	1.656						
Interpolated 2032		0.850	3.000	1.780	2.005	0.930	1.155	0.800	4.000	2.320	2.561	1.520	1.761						
Interpolated 2033		0.900						0.850	4.000	2.370	2.693	1.520	1.843	1.289	3.625	3.700		2.411	
2034		0.940						0.890											
2035		0.980	2.000	2.100		1.120		0.930											
2036		1.020						0.970											
2037		1.060						1.010											
2038		1.100						1.050											
2039		1.140						1.090											
2040		1.180	2.125	2.300		1.120		1.130	4.000	2.610	3.193	1.480	2.063	2.064	3.800	3.920		1.856	
2041		1.220						1.170											
2042		1.260						1.210											
2043		1.290						1.240											
2044		1.320						1.270											
2045		1.350	2.250	2.440		1.090		1.300	4.000	2.780	3.388	1.480	2.088						
2046		1.360						1.310											
2047		1.370						1.320											
2048		1.380						1.330											
2049		1.390						1.340											
2050		1.400	2.375	2.520		1.120		1.350											
2051								1.360	4.000	2.840	3.486	1.480	2.126						



**Proposal for Bond Underwriting Services  
Altadena Library District**

**Community Facilities District No. 2020-1**

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Prepared by:



**Fixed Income Capital Markets  
Public Finance Office**

74-710 Highway 111, Suite 102  
Palm Desert, CA 92260  
(213) 244-9380

June 8, 2021

Nikki Winslow, District Director  
Altadena Library District  
600 E. Mariposa St.  
Altadena, CA 91001  
[nwinslow@altadenalibrary.org](mailto:nwinslow@altadenalibrary.org)

Ms. Winslow:

On behalf of D.A. Davidson & Co., thank you for the opportunity to respond to the Altadena Library District (the “District”) Request for Proposal (“RFP”) to provide bond underwriting services on an “as-needed” basis, and specifically for the issuance of Community Facilities District No. 2020-1 special tax bonds (the “Bonds”). All elements of the proposal have been reviewed and our Firm is distinctly qualified to serve the District in this capacity. We have highlighted our value added below.

**Nationally Ranked Underwriter with Proven Expertise in Municipal Bonds** – D.A. Davidson has been providing investment-banking and financial services for over 85 years and consistently ranks near the top of the league tables in terms of lead-managed bond underwritings on a national basis. In 2020, D.A. Davidson ranked **#4** with 517 senior or sole managed financings. (*Source: Thomson Reuters – 2020 National Negotiated Rankings by Number of Issues*). We continue to lead in 2021, with our Q1 ranking at **#4** nationally and continued **#1** ranking in our legacy “focus” states. In 2021, our strategic investment and expansion into California is with the desire to achieve similar results for our local California clients.

**Extensive Firm and Banker experience with Land-Secured Financing** – Over the past ten years, the Firm has closed more than 700 land-secured financings worth over \$8 billion par. Last year alone, our Special District Group closed 60 land-secured transactions for Colorado Metro Districts and ranked **#1** with over 70% market share. Ms. Katie Koster, Managing Director | Southwest Region was hired to expand our land-secured finance practice into California and the Southwest region. She has sole or senior-managed 55 land secured bonds in California since January 1, 2018 for a total par amount of \$822.35 million. She is our proposed Lead Banker and has extensive public finance experience having served in the capacity of Issuer and Manager of a California County land-secured debt portfolio, municipal advisor and investment banker.

**Strong Capital / Strong Institutional AND Retail Sales Teams** – D.A. Davidson has a very strong capital position, with \$157.0 million in net capital and \$153.6 million in excess net capital (as of December 31, 2020). The Firm’s experienced sales force consists of 60 institutional sales people serving over 1,500 institutional clients. Our Wealth Management Group provides added value through California retail sales led by Peter Bouzane, from our Los Angeles trading desk, and Steven Jackson, Jr., Branch Manager | Pasadena and Claremont Wealth Management will assure placement to local Altadena residents.

D.A. Davidson & Co. will enter into a contract under the terms and conditions prescribed by the District with the exceptions listed in **Appendix A** herein. Thank you for your consideration, and I hope to have the opportunity to work with the District and its finance team on its upcoming CFD 2020-1Bonds.

Sincerely,



Katie Koster,  
Managing Director



**TABLE OF CONTENTS**

**SECTION I. EXPERIENCE..... 1**  
**SECTION II. PERSONNEL ..... 6**  
**SECTION III. QUALIFICATIONS..... 7**  
**SECTION IV. COST SHEET ..... 16**

**APPENDIX A - EXCEPTIONS TO PROFESSIONAL SERVICES AGREEMENT (SAMPLE)..... A-1**  
**APPENDIX B – LEAD BANKER'S CALIFORNIA LAND-SECURED FINANCE EXPERIENCE**  
**(JANUARY 2018 TO PRESENT) ..... B-1**  
**APPENDIX C – FINANCE TEAM RESUMES AND CONTACT INFORMATION ..... C-1**  
**APPENDIX D – CASH FLOW ANALYSIS | RECOMMENDED STRUCTURE ..... D-1**

**IMPORTANT REQUIRED DISCLOSURES AND DISCLAIMERS REGARDING OUR PROPOSAL**

## SECTION I. EXPERIENCE

### D.A. DAVIDSON & CO.

Established in 1935, D.A. Davidson Companies is a national, employee-owned financial services holding company headquartered in Great Falls, Montana, with four major hubs in Los Angeles, Denver, Seattle, and Portland. D.A. Davidson Companies includes D.A. Davidson & Co. (hereafter referred to as “D.A. Davidson” or the “Firm”) with its three divisions: Fixed Income Capital Markets, Wealth Management, and Equity Capital Markets. The Firm has approximately 1,400 employees working from 98 office locations in 27 states across the US. Our office serving this contract will be:

#### D.A. Davidson & Co. Fixed Income Capital Markets

74-710 Highway 111, Suite 102  
Palm Desert, CA 92260  
(213) 244-9380 Main  
(949) 637-1962 Cell

*Ms. Katie Koster, Managing Director | Southwest Region*



Fixed Income Capital Markets (“FICM”) primary operating locations for services provided to the District will be from public finance offices in southern California (banking); Denver, Colorado (underwriting); and Los Angeles and Pasadena | Claremont, CA (retail sales/trading). The Firm had \$57.84 billion of assets under management and administration as of December 31, 2020 through its in-house retail distribution provided by the Wealth Management division, including a combined 5,894 accounts representing \$1.93 billion in assets under management in our Pasadena and Claremont branches which service Altadena area clients.

Calendar Year	Number of Issues	Rank	Mkt. Share (%)	Par Amount (US\$ Mill)
2020	517	4	6.9	5319.9
2019	367	5	5.6	4707.9
2018	284	6	5.9	3544.7
2017	352	5	5.4	4575.6
2016	406	5	5.3	4412.2
2015	314	6	4.1	2996.8
2014	287	6	4.5	2137
2013	345	4	5.1	1938.1
2012	410	4	5	2447.3

Source: Thomson Reuters

**A long track record of underwriting excellence:** Specializing in the structuring and underwriting of municipal bonds for a variety of different public entities; D.A. Davidson is committed to strengthening infrastructure, expanding businesses and impacting the lives of the people in its communities. In 2020, D.A. Davidson & Co. completed 517 senior or sole managed negotiated transactions with a total par amount of \$5.32 billion. This ranked D.A. Davidson **4<sup>th</sup> in the nation** in terms of number of transactions (Source: *Thomson Reuters*).

**The Firm has not identified any potential conflicts of interest that would prohibit us from acting as an underwriter for the District.**

### CFD BOND UNDERWRITING EXPERIENCE

In 2021, D.A. Davidson hired Ms. Katie Koster, Managing Director | Southwest Region to build out our California land-secured finance practice; however, the Firm has not yet underwritten any *California* land-secured bonds as of the date of this proposal. The Firm does have significant land-based, special district deal activity, industry expertise and underwriting experience in similar special tax and tax increment credits nationally; and are experts in pricing these credits in both strong and weak markets, utilizing their dedicated Special District Group (“SDG”) headquartered in Colorado. The new California based land-secured practice is an expansion of SDG and will leverage the Firm’s depth of knowledge and investor base to enhance pricing for the District’s bond transaction.

SDG is ranked **#1** in this sector in the state of Colorado and are responsible for completing +700 transactions over the past 10 years nationally, representing \$8B in principal and > 70% of the market share in Colorado special districts (312 Colorado Metro District transactions since December 2015 as compared to our closest California competitors - Stifel Nicolaus with 18 and Piper Sandler with 7) (Source: *Bloomberg*). The Firm also has significant experience in secondary market trading of California CFD credits through our 13 California Wealth Management offices.

As mentioned, Ms. Koster, brings her depth of California CFD experience to the D.A. Davidson team having served as Issuer, Municipal Advisor, Lead or Co-Lead banker for California land-secured bonds over the past +2.5 decades. Ms. Koster has, over the past five years, senior managed approximately 55 land-secured (CFD and assessment) financings for California issuers with a par amount in excess of \$822 million and is recognized in the industry for her expertise in these unique credits. Since her joining D.A. Davidson in February 2021, she has been hired to underwrite or place seven separate land-secured bond series (new money and refundings). Provided below is a list of these transactions for which our Firm is currently engaged.

D.A. Davidson Current engagements (California CFD Transactions)						
Issuer	Dated Date*	Par Amount*	Rating*	Role	Amount Underwritten**	
City of Palmdale CFD 05-01 (Trade and Commerce Center Area) Special Tax Refunding of Series 2005A and Series 2007A	6/3/2021	\$ 11,000,000	NR	Placement Agent	Not Applicable	
Elsinore Valley Municipal Water District CFD No. 2021-1 (Horsethief) Improvement Area No. 1A	7/15/2021	\$ 6,380,000	NR	Sole Manager	Not Available	
Elsinore Valley Municipal Water District CFD No. 2021-1 (Horsethief) Improvement Area No. 2A	7/15/2021	\$ 5,145,000	NR	Sole Manager	Not Available	
Elsinore Valley Municipal Water District CFD No. 2021-1 (Horsethief) Improvement Area No. 3A	7/21/2021	\$ 8,060,000	NR	Sole Manager	Not Available	
Elsinore Valley Municipal Water District CFD No. 2021-1 (Horsethief) Improvement Area No. 4A	7/15/2021	\$ 6,950,000	NR	Sole Manager	Not Available	
Temescal Valley Water District CFD No. 4 (Terramor) Improvement Area No. 2 Special Tax Bonds, Series 2021	9/15/2021	\$ 25,000,000	NR	Sole Manager	Not Available	
Temescal Valley Water District (fka Lee lake Water District) Refunding Revenue Bonds, Series 2022 (CFD No. 1, No. 2 and No. 3 Local Obligation Special Tax Bonds)	6/15/2022	\$ 53,715,000	A+ Underlying expected; AA Insured	Sole Manager	Not Available	

\* All dates, par amounts and ratings are anticipated as of the date of our proposal.

\*\* Amounts underwritten are not available until after pricing date.

In addition, we have included a complete list of California CFD bonds for which Ms. Koster served as Sole or Senior Manager since January 1, 2018, including name of issuer, sale date, size, and ratings as **Appendix B** herein.

## MARKETING AND DISTRIBUTION CAPABILITIES

D.A. Davidson's consistent performance as a top ten firm in national rankings with respect to number of negotiated transactions, and #4 nationally in 2020, is a testament to our broad national distribution network. Our regional underwriting desks (one in Los Angeles) are very active in both the primary and secondary markets for municipal bonds, and our sales/trading operations average \$70 million per day in orders. Our underwriters provide our clients with ongoing and valuable feedback on changing market conditions and investor appetites and our sales force maintains close relationships with the nation's most active portfolio managers, achieving streamlined, superior execution for our clients with thorough and effective distribution.

One advantage D.A. Davidson has over many other underwriters, including some of our closest competitors in the California CFD space, is our ability to sell bonds directly to retail customers (professional and individual). Our ability to generate retail demand working with our Wealth Management Group provides us with leverage over the institutional funds and allows us to fully penetrate the bond market, which ultimately results in more attractive pricing and lower debt service for the District's Bonds.

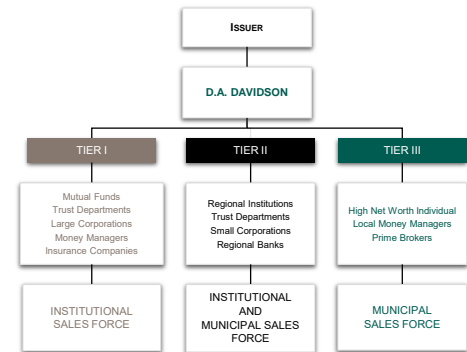
### Wealth Management Retail Sales Force (as of 05/31/2021)

- 69 locations nationally with over 360 registered financial advisors managing over \$52.9 Billion in assets
- In California, 14 offices with 61 retail brokers, serving close to 27,000 accounts and over \$9.34 billion in assets under management. ***Our Pasadena branch has 8 retail brokers and over \$933 million in assets under management with 2,535 accounts and our Claremont branch has an additional 8 retail brokers with over \$1 billion in assets under management with 3,359 accounts; both will be key to distribution of the District's Bonds to local individual retail in the Altadena area. Steven Jackson Jr. is the Branch Manager at both offices.***

Year in and year out, institutional investors typically account for about 90% of the demand for municipal bonds when they are first issued, and our sales force has strong relationships with this important investor base.

**Institutional Sales Force**

- 1,200 national, regional, and local accounts
- 60 fixed-income institutional sales and trading personnel nationally covering over 1,200 Tier I, II, and III, professional retail and other institutional accounts
- Work with portfolio and fund managers who are actively engaged in acquiring new issue municipal bonds



Our marketing approach will begin by identifying likely investors in the District’s Bonds by identifying current holders of California special tax and assessment credits. These investors are already comfortable with California land-secured municipal debt generally, and are likely to approve the District’s credit for purchase. **Our institutional salespeople have relationships with all of these investors.**

Additionally, Peter Bouzane, located in our Los Angeles, California retail office will be the sales team lead. Peter has been focused on the sales and trading of retail municipal bonds in the State of California since 2000 and is active in the secondary market as well. While D.A. Davidson has the ability to target all investor types, the value that Peter will bring to the District is through targeting retail investors in our Wealth Management vertical hungry for supply and the additional marginal yield provided by CFD credits. Retail, both individual and professional, will have an interest in the District’s transaction due to its strong credit fundamentals and the additional return vis-à-vis similarly rated GO credits.

Further, we intend to target smaller sized institutional and non-institutional accounts that are not served in the same capacity by other underwriters who are not as engaged with the distribution of California bonds; and specifically, land-secured bonds.

By utilizing our vast experience with land-secured credits to “tell the story” of the District’s offering to investors, our marketing approach includes the following specifics:

- ◇ **Distribution of the Preliminary Offering Statement** – Posting the preliminary offering statement for investors and our salesforce to see the District’s credit and digest the information. We recommend posting 7 – 10 days prior to pricing.
- ◇ **Distribution of Deal Summary and Rating Reports to D.A. Davidson Salesforce (including Wealth Management)** – Our bankers prepare a summary of salient facts to distribute internally offering one-on-one follow up calls to answer any questions. Our retail sales force is notified of the upcoming transaction allowing them time to contact individual investors.
- ◇ **Internal FICM Sales Calls** – Our Lead Banker will broadcast the financing as part of our regular internal FICM sales calls making sure to highlight, promote, and underscore the importance of the offering.
- ◇ **Wealth Management “Teach-In” Calls** – Our Lead Banker will participate in the development of a presentation to our California financial advisors which will educate our Wealth Management staff further on California CFD credit structures, security, and the process for getting priority orders. In conjunction with this “teach-in”, the District’s transaction will be highlighted, calling attention to the strength of the credit and suitability for their local Altadena area clients.
- ◇ **One-on-One Follow-Up Calls with Investors** – There may be a number of accounts that require a banker be available for follow up questions regarding the credit. D.A. Davidson coordinates and leads opportunities for interface between investors and the District’s finance team prior to the actual sale of the bonds. Ms. Koster will work closely with Steven Jackson, Jr., Branch Manager of our Pasadena and Claremont Wealth Management offices to assure all credit information is available to any individual retail investors that requests it.
- ◇ **Social Media, Media and Information Services** – Our bankers will notify the media (LinkedIn, Bond Buyer and Municipal Market Advisors) and prepare interviews and fact sheets (as required) with respect to the upcoming bond sale during the week leading up to the pricing. We also utilize market calendars such as TM3, Bloomberg and Reuters.

## REFERENCES

As mentioned earlier, Ms. Koster has significant experience with land-secured bond financing having served in the capacity of Issuer (Riverside County Land Secured Debt Portfolio Manager), municipal advisor and investment banker over her +25 year career in public finance. As evidence of this experience, we have provided below five (5) client references for which Ms. Koster where she has served as Lead Banker on CFD bond transactions either currently with D.A. Davidson or while with her previous employer. We are confident that her references will share their satisfaction with Ms. Koster's understanding of the municipal markets, expertise in land-secured finance structuring, and seamless execution.

References for Ms. Koster, Lead Banker				
Temescal Valley Water District	Casitas Municipal Water District	County of Orange	City of Irvine	City of Beaumont
Mr. Jeff Pape, General Manager  22646 Temescal Canyon Road Temescal Valley, CA 92883  (951) 277-1414  <a href="mailto:jeffp@temescalvwd.com">jeffp@temescalvwd.com</a> Est. closing October 2021 Sole Underwriter Temescal Valley along I-15 corridor, south of the City of Corona	Mr. Mike Flood, General Manager  1055 Ventura Avenue Oak View, CA 93022  805-649-2251  <a href="mailto:mflood@casitaswater.com">mflood@casitaswater.com</a> 11/5/2019 Sole Underwriter  Ojai, California	Ms. Suzanne Luster, Public Finance Director  333 W. Santa Ana Blvd., 3 <sup>rd</sup> Floor Santa Ana, CA 92701  (714) 834-3362  <a href="mailto:Suzanne.luster@ocgov.com">Suzanne.luster@ocgov.com</a> 1/31/2018 Sole Underwriter  Newport Beach, CA \$28.425 million County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds "A"/(S&P) underlying rating and "AA" insured (AGM)  Additionally acted as senior manager for the new money issuance of \$93.11 million CFD No.2016-1 of the County of Orange (Village of Esencia) Series A of 2016 Special Tax Bonds; Co-Manager for the new money issuance of \$90.845 million CFD No. 2015-1 of the County of Orange (Village of Esencia) Series A of 2015 Special Tax Bonds; Sole Manager for the \$36.54 million CFD No. 2004-1 of the County of Orange (Ladera Ranch) Series 2014A Special Tax Refunding Bonds; and Sole Manager for the \$64.545 million South Orange County Public financing Authority Special Tax Revenue Refunding Bonds (Ladera Ranch) 2014 Series A (Senior Lien Bonds)	Ms. Kristin Griffith, Finance Director/Treasurer  1 Civic Center Plaza Irvine, CA 92606  (949) 724-6255  <a href="mailto:Kgriffith@cityofirvine.org">Kgriffith@cityofirvine.org</a> 10/3/2018 Sole Underwriter  Irvine, CA  \$72.42 million new money CFD No. 2013-3 (Great Park) Improvement Area No. 8 Special Tax Bonds, Series 2018  Additionally acted as senior or sole manager for the City of Irvine on non- rated CFDs 2004-1 (Central Park) and CFD 2005-2 (Columbus Grove).	Mr. Todd Parton, City Manager  550 E. 6th Street Beaumont, CA 92223  951-769-8520  <a href="mailto:Tparton@beaumontca.gov">Tparton@beaumontca.gov</a> 3/12/2019 Sole Underwriter and Placement Agent  Beaumont, CA  \$9.045 million new money CFD No. 2016-1 (Fairway Canyon) 2019 Special Tax Bonds  Have assisted the City on ten (10) separate series of CFD bonds for the City of Beaumont since 2017; four underwritings and six of which were placements.
Est. \$ 20 million CFD No. 4 (Terramor) Improvement Area No. 2 Special Tax Bonds, series 2021 expected to price in October of this year.	\$12.265 new money CFD No. 2013-1 (Ojai) 2019 Special Tax Bonds			
Additionally acted as sole manager for the December, 2018 issuance of \$22.26 Million CFD No. 4 (Terramor) of Temescal Valley Water District (Improvement Area No. 1, 2018 Special Tax Bonds), sole manager for the PFA pooled refunding of CFD No. 1, CFD No. 2 and CFD No. 3; and acted as sole manager on the new money financings of CFD No. 2 and CFD No. 3.	Also acted as Sole Manager on the Casitas Municipal Water District new money CFD No. 2013-1 (Ojai) 2017 Special Tax Bonds, Series 2017A (\$100,000) and Series 2017B (\$39.81 million) rated "A"/(S&P) underlying and "AA" (BAM) insured			

## BOND UNDERWRITING DEPARTMENT (FILINGS, LICENSES AND CERTIFICATIONS)

The bond underwriting department (known as the Underwriting Desk at D.A. Davidson & Co.) works in collaboration with the investment banking team to successfully market and price your bonds. Ahead of pricing, the Underwriting Desk will provide market intelligence regarding structure, timing and pricing, all as an expression of prudent risk management for the issuer. They will also highlight bond market conditions, trends in investor expectations and receptiveness to key and unique credit features. On the day of pricing, the Underwriting Desk will provide real-time feedback to the investment banking team and work to make market adjustments, as needed, to provide the best results possible. Please refer to FINRA BrokerCheck, <http://brokercheck.finra.org/>, to find the Firm's and its employee's relevant filings, licenses and certifications.

## DISCIPLINARY ACTIONS, CLAIMS AND PROCEEDINGS

In the ordinary course of its business, D.A. Davidson's Fixed Income Capital Markets business ("FICM") is involved in and subject to legal and regulatory proceedings from time-to-time. The Firm takes all legal, regulatory and disciplinary matters seriously and stands by its strong record and reputation in the marketplace, including its business record dating from 1935. Please refer to FINRA BrokerCheck, <http://brokercheck.finra.org/>, to learn more about the firm and its personnel, as well as all final regulatory matters. Additionally, D.A. Davidson & Co. voluntarily participated in the Securities and Exchange Commission's MCDC Initiative. Along with 71 other broker dealers, D.A. Davidson was the subject of an order by the SEC, a description of which is accessible through

FINRA's BrokerCheck or is available on the SEC's website, but for your convenience we have excerpted that description from BrokerCheck (below). D.A. Davidson does not believe the order has or will impact the firm's ability to underwrite municipal bonds or perform other related services.

During March through October 2016, D. A. Davidson violated MSRB Rule G-17 by providing inaccurate or misleading statements in its issue price certificates in connection with 22 municipal offerings of which one was related to a California transaction. In September 2019, the Firm paid a fine of \$85,000.

A regulatory action disclosure filed on Form MA-I relates to the Securities and Exchange Commission's Order dated February 2, 2016 (SEC Admin Releases 33-10019; 34-77021) (the "MCDC Order"). The SEC MCDC Order was issued under the Division of Enforcement's Municipalities Continuing Disclosure Cooperation Initiative, and the violations referred to therein were self-reported by D.A. Davidson. Pursuant to the MCDC Order, the SEC deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against D.A. Davidson arising for willfully violating Section 17(a) (2) of the Securities Act (an antifraud provision of the federal securities laws) in connection with the Firm's underwriting of certain municipal securities offerings. The MCDC Order alleged that we (a) conducted inadequate due diligence in certain municipal securities offerings, (b) failed to form a reasonable basis for believing the truthfulness of certain material representations in official statements regarding compliance by issuers with their continuing disclosure undertakings, and (c) as a result, we offered and sold municipal securities on the basis of materially misleading disclosure documents. In connection with the MCDC order, we paid a \$500,000 fine to the SEC. The MCDC Order is available at the SEC's website <https://www.sec.gov/litigation/admin/2016/33-10019.pdf>.

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## SECTION II. PERSONNEL

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### PROPOSED FINANCE TEAM

D.A. Davidson is committed to the highest level of service and has assembled a team of experienced professionals who will be assigned to the District's upcoming CFD 2020-1 special tax bonds transaction. **Katie Koster, Managing Director / Southwest Region**, will be the primary banking relationship for the District and its municipal advisor. Ms. Koster will be available for all face-to-face meetings, teleconferences, and presentations as required. As mentioned in the previous section, Katie has significant experience with land-secured bond financing having served in the capacity of Issuer (Riverside County Land Secured Debt Portfolio Manager), municipal advisor and investment banker over her +25 year career in public finance; and being recognized in the industry as a land-secured credit expert.

**Dana Cojocarui-Ivoska, Senior Vice President**, and **Mr. Ryan Coolidge, Analyst**, will assist Ms. Koster and provide day-to-day credit, general quantitative analysis, and qualitative support. Dana has been with the Firm since 2016 having opened the inaugural California public finance office in Roseville. Dana worked at Edward Jones for over 15 years and has spent the last ten in Public Finance as an Analyst. Dana has extensive quantitative experience structuring complicated refunding and new money analyses for all types of municipal bond transactions. Ryan recently joined D.A. Davidson as an Analyst to support the expansion of public finance banking in California.

**Brian Courtney - Managing Director / Head of Public Finance Underwriting**, **Peter Bouzane - Senior Vice President / Sales & Trading**, and their teams will coordinate pre-marketing and pricing efforts. Mr. Courtney has been involved in the municipal bond industry since 1996, offering over 20 years of experience as both a trader and underwriter in the municipal bond market. He has been responsible for the underwriting of nearly every land-secured special district financing for the Firm. Since 2011, the Department (which he oversees) has underwritten more than 2,100 financings with a total par amount of over \$12.75 billion. As part of his role, he will provide the District with live market commentary on structure, timing and pricing. Mr. Bouzane will coordinate efforts on sales and trading to professional and individual retail through our Wealth Management division. Peter has worked in the financial services industry since 1996 and has expertise trading California municipal bonds. Peter will coordinate specifically with our Altadena area Wealth Management offices to reach local Altadena area residents. Please find their relevant experience and contact information in **Appendix C** herein.

D.A. Davidson is in the process of building out its presence here in California; as such, the bankers identified to serve the District have significantly less live deals currently in process to time manage or which might be prioritized over the District's transaction. This creates a unique opportunity for both the District and D.A. Davidson. The District will get optimal attention and time from experienced land-secured bankers who are dedicated to building a new relationship with the District and proving that the Firm delivers the broadest service and best pricing result. D.A. Davidson's FICM underwriting, sales and trading have the opportunity to provide a new, sought after California product to its institutional clients and retail customers through our Wealth Management division. Additionally, the Firm has the opportunity to develop a long term relationship with the District and leverage a successful transaction into future business. **The Firm is dedicated to ensuring both accessibility to key personnel and outstanding results during this engagement.**

## SECTION III. QUALIFICATIONS

### APPROACH TO SCOPE OF SERVICES RENDERED

In August 2020, the Board of Trustees of the Altadena Library District adopted resolutions establishing CFD 2020-1 (the “CFD”) and deeming it necessary to incur debt to finance capital improvements. Measure Z was approved overwhelmingly by the community in November 2020, and the CFD was authorized to levy both commercial and residential property owners, raising approximately \$2,600,000 annually. According to the Rate and Method of Apportionment (“RMA”) the cost for owners of single-family residences is 10 cents per square foot escalating 2% annually; the typical homeowner in the Library District would pay about \$14 per month and includes a low income exemption for anyone who qualifies. There is an authorization/appropriation limit of \$24,000,000 and the special tax escalates 2% annually beginning July 1, 2022.

A portion of the levy covers the facilities costs for 30 years, then transitions to cover services into perpetuity. The District’s goals are to support quality library services and equitable access. Both the Main Library and the Bob Lucas Memorial Branch were built over 60 years ago and are in significant need of repairs and improvements. The proceeds will be used to fund structural improvement, repairs to building systems, upgrades to meet current building codes and accessibility for seniors, people with disabilities, and strollers. Funds for services will replace voter approved Measure A which expires in June of 2025; Measure A currently covers about 1/3 of the District’s operating budget.

CFD 2020-1 is the inaugural Community Facilities District for the Library District and, as such, it is important for the District to ensure that the firm they choose to provide Underwriting services is positioned to provide access to, and explanation of, current market information throughout the underwriting process; future fiscal viability, flexibility and equity in the structuring of the CFD Bonds; and quality recommendations. We will highlight below our understanding of the project scope and the RMA, along with preliminary observations with respect to the credit and structuring options, in order to highlight how D.A. Davidson’s finance team will meet your expectations to deliver on the proposed Scope of Services.

### CREDIT | RATING ANALYSIS AND ASSESSMENT OF BENEFIT OF CREDIT ENHANCEMENT

Because of the unique nature of the District’s CFD, it is important to the financial structuring and alternative analysis to determine where a rating agency would rate this credit. This is our first step in the process of determining options and the cost / benefit of those options. In order to assess accurately where CFD 2020-1 will fall in the investment grade rating spectrum, we have compiled a variety of recent CFD transactions and look specifically at the metrics employed by S&P (the primary rating agency for CFDs in California) for each to form a comparison analysis.

Based on this analysis, we believe that CFD 2020-1 is likely a “AA-” investment grade rating based on its very strong credit characteristics. These include specifically the very strong economic fundamentals of the local economy; the very strong District characteristics such as the significant diversification of taxpayers (over 15,000), levy against only Developed Property, Value-to-

	City of Chino Hills CFD No. 10 (Fairfield Ranch) Special Tax Refunding Bonds	Casitas Municipal Water District CFD No. 2013-1 (Ojai) Special Tax Bonds	Altadena Library District CFD No. 2020-1 Special Tax Bonds
Series	Series 2020	Series 2019	Series 2021
Sale Date	7/29/2020	11/5/2019	TBD
S&P Rating	"A+" (S&P)	"A+" (S&P)	Estimate "AA-"
<b>Economic Fundamentals (15% weighting)</b>	"Strong"	"Very Strong"	"Very Strong"
Household Income Levels (EBI)	162.9% of national average	135.7% of national average	170% of National Level (based on Altadena Zip Code)
Unemployment Rate (compared to national rate of 3.4%)	4.0%	3.4%	11% (based on MSA)
Participation in a broad and diverse MSA	Riverside-San Bernardino-Ontario MSA	Oxnard-Thousand Oaks-Ventura MSA	Los Angeles - Long Beach - Glendale MD
Real estate market characteristics	20.3% volatility, home prices up 47.9% over 10 years	14.7% volatility over 10 years	Home prices up 176% over 5 years*
Median Housing Price (Affordability Ratio)	754% of median EBI	1,279.7% of median EBI	Housing Prices in Altadena are 300% over those of the MD; EBI is unavailable
Special Tax Delinquency	1.14% (as high as 10.5% in 2008)	1.26%	Not Available
Population trends	Increased 1.7% over 10 years	Increased 7.8% over 10 years	Increased 2.2% over 10 years (based on MSA)
<b>District Characteristics (35% weighting)</b>	"Strong"	"Strong"	"Very Strong"
Parcels/Units	722 single family, residential parcels, owner occupied	2,611 taxable parcels (2,384 residential, 189 commercial and 32 industrial)	15,554 Parcels
Development Status	100% Developed	94% Developed	100% Developed
Assessed Value	\$335 million	\$1.73 billion	Conservatively estimated at \$15.26B (Median Home Price of \$1.25mm x 12,211 single family units); no value given for apartments or commercial property
Value-to-Lien (including overlapping debt)	19.0:1 (none less than 5:1)	25.7:1 (7.25% less than 5:1)	636:1 (Conservative estimate based on AV above)
<b>Land Use</b>			
Residential	722 taxable	2,384	12,211 Parcels (Over 21 mm Sq. Ft.)
Commercial	-	189	3,061 Apartment Parcels
Industrial	-	32	282
Coverage	1.1	90% of Max Tax produces 1.4x coverage	0
Top 10 Taxpayers (% of levy)	1.90%	5.90%	2.56 - 3.00x
Top Taxpayer (% of levy)	0.20%	1.60%	Diversified
DSRF	Surety	Surety at 75% of Reserve Requirement	Diversified
Effective Tax Rate	1.43-1.72%	1.285-1.769%	Surety
Lien	Closed	Open	Not Available
Financial Profile (50% weighting)	"Adequate-to-Strong"	"Adequate"	Closed except for refundings
MLTM Ratio	6.3x	Not available	"Strong"
MLTM	16.50%	12.20%	TBD



Lien in excess of 600:1 and coverage between 250% and 300%.

Preparation of a detailed and pointed credit presentation will be necessary to achieve this rating; as such, Ms. Koster, our proposed lead banker, can be credited for having lead the rating process for the Casitas Municipal Water District CFD No. 2013-1 (Ojai) Special Tax Bonds in 2019 (see Case Study herein) and the City of Chino Hills CFD No. 10 (Fairfield Ranch) Special Tax Refunding Bonds, both of which received strong “A+” ratings from S&P. They are two of the highest underlying ratings for land secured credits over the past several years. In fact, there were no “AA-” rated CFDs issued in the same time period. Additionally, the Casitas transaction was the Water District’s inaugural CFD and was similar to the Library District credit in that the lien covered a significant number of parcels and only levied against fully developed property within the Water District CFD boundaries.

**Credit Enhancement Analysis**

In order to determine the potential benefit of insurance and/or surety reserve policy, assuming an “AA-” underlying rating, we contacted both Assured Guaranty (AGM) and Build America Mutual (BAM) for indicative pricing, minimum requirements for par amount insured, and funding of the Debt Service Reserve Requirement. The following table shows the results of that inquiry:

	AGM	BAM
<b>Underlying Rating:</b>	AA-	AA-
<b>Indication of Premium:</b>		
Insurance	42.5 - 47.5 bps	80 - 100 bps
Surety	1.75 - 2.25%	2.50 - 3.00%
<b>Stand Alone Surety:</b>	Possibly; but assume Minimums below	Possibly; but assume Minimums below
<b>Debt Service Reserve Fund:</b>	75% of Requirement with no premium	100% of Requirement with no premium
<b>Minimum Requirements:</b>		
Par Insured	50% of Par	50% of Par
Last Maturity	Yes	Yes
<b>Other:</b>	Prefers to have an underlying rating; without one, AGM requires an assumption of a conservative BBBB underlying rating and will price accordingly. Additional fees will be charged for getting the S&P rating themselves.	Prefers underlying rating; but bids would not change without a rating.

Below we have included an insurance break even analysis, by maturity, highlighting on a PV basis which maturities would be most economic to insure based on the more conservative BAM indicative premiums of 100 bps and assuming a value for insurance of 2 – 10 bps. Once the actual rating is received, as part of our services we would solicit final bids from both insurers, identify the most economic for the District’s transaction, and make our recommendations accordingly.

Issuer: Altadena Library District CFD No. 2020-1  
 Bond Issue: Special Tax Bonds, Series 2021  
 Dated Date: 11/15/2021  
 Delivery Date: 11/15/2021  
 1st Principal: 3/1/2022  
 Bond Ins. 100.0bps

Uninsured Bond				Insured Versus Uninsured Differential	Insured Bonds				Breakeven		Insure Bond?
Date	Coupon	Yield	Price		Date	Coupon	Yield	PV	Ins. Prem.	Ins. Yield	
11/15/21				0.020%	11/15/21						
09/01/22	4.00%	0.26%	102.965	0.030%	09/01/22	4.00%	0.24%	102.982	1.6bps		No
09/01/23	4.00%	0.34%	106.541	0.040%	09/01/23	4.00%	0.31%	106.597	5.3bps		No
09/01/24	4.00%	0.49%	109.729	0.050%	09/01/24	4.00%	0.45%	109.846	11.0bps	0.113%	No
09/01/25	4.00%	0.65%	112.535	0.060%	09/01/25	4.00%	0.60%	112.735	18.3bps	0.365%	No
09/01/26	4.00%	0.78%	115.123	0.070%	09/01/26	4.00%	0.72%	115.429	27.3bps	0.547%	No
09/01/27	4.00%	0.95%	117.154	0.080%	09/01/27	4.00%	0.88%	117.586	37.5bps	0.751%	No
09/01/28	4.00%	1.08%	119.078	0.090%	09/01/28	4.00%	1.00%	119.657	49.0bps	0.905%	No
09/01/29	4.00%	1.22%	120.608	0.100%	09/01/29	4.00%	1.13%	121.354	61.4bps	1.062%	No
09/01/30	4.00%	1.32%	122.181	0.100%	09/01/30	4.00%	1.22%	123.114	74.8bps	1.175%	No
09/01/31	4.00%	1.39%	123.820	0.100%	09/01/31	4.00%	1.29%	124.857	81.1bps	1.256%	No
09/01/32	4.00%	1.48%	125.053	0.080%	09/01/32	4.00%	1.38%	126.190	86.6bps	1.354%	No
09/01/33	4.00%	1.53%	126.560	0.080%	09/01/33	4.00%	1.43%	127.800	92.1bps	1.411%	No
09/01/34	4.00%	1.59%	127.799	0.080%	09/01/34	4.00%	1.49%	129.138	96.9bps	1.477%	No
09/01/35	4.00%	1.60%	129.600	0.080%	09/01/35	4.00%	1.50%	131.045	102.3bps	1.493%	Yes
09/01/36	4.00%	1.63%	131.041	0.080%	09/01/36	4.00%	1.53%	132.588	106.9bps	1.527%	Yes
09/01/37	4.00%	1.66%	132.391	0.080%	09/01/37	4.00%	1.56%	134.038	111.1bps	1.561%	Yes
09/01/38	4.00%	1.68%	133.824	0.080%	09/01/38	4.00%	1.58%	135.572	115.3bps	1.584%	Yes
09/01/39	4.00%	1.70%	135.186	0.080%	9/1/2039	4.00%	1.60%	137.035	119.2bps	1.607%	Yes
09/01/40	4.00%	1.74%	136.094	0.080%	9/1/2040	4.00%	1.64%	138.035	122.2bps	1.650%	Yes
09/01/41	4.00%	1.78%	136.897	0.080%	9/1/2041	4.00%	1.68%	138.928	124.8bps	1.692%	Yes
09/01/46	2.38%	2.50%	97.698	0.080%	9/1/2046	2.25%	2.40%	97.207	115.4bps	2.413%	Yes
09/01/51	3.00%	2.40%	112.716	0.080%	9/1/2051	3.00%	2.30%	115.034	125.9bps	2.318%	Yes
<b>Total</b>											

Red Text indicate Maturities that should be insured.  
 Blue Text indicates manually entered data points.

Based on this breakeven analysis, it is more economic to insure only the 2035 – 2051 maturities. Based on this result, we have incorporated these parameters into our preliminary scale and our insured Alternative 3A and 3B structures below.

## PRELIMINARY SCALE AND FINANCIAL ANALYSIS

The tables below reflect indicative interest rates and spread to MMD based on market conditions as of May 27, 2021 for a \$24 million, “AA-” underlying rating with, and without insurance. The blue italicized text denotes pricing used in our recommended structure herein.

AA- Scale					AA Insured Scale (AA- Underlying Rating)					Insurance Benefit
Maturity	MMD	Coupon	Yield	Spread	Maturity	MMD	Coupon	Yield	Spread	
9/1/2022	0.09%	4.00%	0.26%	+17	9/1/2022	0.09%	4.00%	0.24%	+15	+2
9/1/2023	0.13%	4.00%	0.34%	+21	9/1/2023	0.13%	4.00%	0.31%	+18	+3
9/1/2024	0.25%	4.00%	0.49%	+24	9/1/2024	0.25%	4.00%	0.45%	+20	+4
9/1/2025	0.39%	4.00%	0.65%	+26	9/1/2025	0.39%	4.00%	0.60%	+21	+5
9/1/2026	0.51%	4.00%	0.78%	+27	9/1/2026	0.51%	4.00%	0.72%	+21	+6
9/1/2027	0.65%	4.00%	0.95%	+30	9/1/2027	0.65%	4.00%	0.88%	+23	+7
9/1/2028	0.77%	4.00%	1.08%	+31	9/1/2028	0.77%	4.00%	1.00%	+23	+8
9/1/2029	0.88%	4.00%	1.22%	+34	9/1/2029	0.88%	4.00%	1.13%	+25	+9
9/1/2030	0.96%	4.00%	1.32%	+36	9/1/2030	0.96%	4.00%	1.22%	+26	+10
9/1/2031	1.01%	4.00%	1.39%	+38	9/1/2031	1.01%	4.00%	1.29%	+28	+10
9/1/2032	1.05%	4.00%	1.48%	+43	9/1/2032	1.05%	4.00%	1.38%	+33	+10
9/1/2033	1.08%	4.00%	1.53%	+45	9/1/2033	1.08%	4.00%	1.43%	+35	+10
9/1/2034	1.11%	4.00%	1.59%	+48	9/1/2034	1.11%	4.00%	1.49%	+38	+10
9/1/2035	1.13%	4.00%	1.60%	+47	9/1/2035	1.13%	4.00%	1.50%	+37	+10
9/1/2036	1.16%	4.00%	1.63%	+47	9/1/2036	1.16%	4.00%	1.53%	+37	+10
9/1/2037	1.19%	4.00%	1.66%	+47	9/1/2037	1.19%	4.00%	1.56%	+37	+10
9/1/2038	1.22%	4.00%	1.68%	+46	9/1/2038	1.22%	4.00%	1.58%	+36	+10
9/1/2039	1.25%	4.00%	1.70%	+45	9/1/2039	1.25%	4.00%	1.60%	+35	+10
9/1/2040	1.29%	4.00%	1.74%	+45	9/1/2040	1.29%	4.00%	1.64%	+35	+10
9/1/2041	1.33%	4.00%	1.78%	+45	9/1/2041	1.33%	4.00%	1.68%	+35	+10
9/1/2046T	1.50%	2.38%	2.50%	+100	9/1/2046T	1.50%	2.25%	2.40%	+90	+10
9/1/2051T	1.55%	3.00%	2.40%	+85	9/1/2051T	1.55%	3.00%	2.30%	+75	+10

Note: We have not analyzed insuring the transaction without an underlying rating as to do so would widen spreads by +60 bps.

### Additional Structuring Assumptions:

- 1) Dated Date of November 15, 2021 (assumes that levy has been enrolled in August of 2021 for Bond Year 2022 and that first collections will be received in January of 2022 for the December 10, 2021 1<sup>st</sup> tax installment);
- 2) First Coupon – March 1, 2022;
- 3) Final Maturity of September 1, 2051;
- 4) 30 year amortization with no capitalized interest;
- 5) Debt Service Reserve Fund funded at 100% of the three prong IRS test (this is meant to be a conservative assumption given that AGM will allow the DSRF be funded at 75% of the Reserve Requirement);
- 6) Costs of Issuance estimated at \$200,000; and
- 7) Underwriter fees as proposed herein.

**Alternatives:** In order to analyze the full range of structuring options, we looked at the following alternatives.

#### #1 – Rating of “AA-”; Cash funded DSRF

- 1A – 30-year escalation
- 1B – 20-year escalation

#### #2 - Rating of “AA-”; Stand-alone Surety in lieu of cash funded DSRF

- 2A – 30-year escalation
- 2B - 20-year escalation

#### #3 - Rating of “AA-”; Insurance per Breakeven analysis; Surety in lieu of cash funded DSRF

- 3A – 30-year escalation
- 3B – 20-year escalation

**Variations in Escalation of Debt Service:** Most CFD's over the past 10 years have been structured with maximum special tax rates that increase 2% annually as is the case with CFD 2020-1. Most of the time, debt service is also structured to escalate 2% annually through the life of the bonds. However, due to the increased Reserve Requirement and higher interest rates at the back end of the yield curve (where the bulk of the principle matures), it is more economic to escalate the debt service for 20 or 25 years, and then level debt service through year 30. The end result is more project proceeds and lower total debt service.

Based on the assumptions above, and as expected, the results of our preliminary analysis show that utilizing the 20-year debt service escalation followed by leveling debt service through the remaining term of the Series 2020-1 Bonds generates the most project proceeds (\$26,089,319), lowest total debt service (\$38,410,000), AND provides the most special tax revenue coverage (2.56 – 3.12x) which can then be utilized to pay for Library Services. Furthermore, utilizing Alternative 3B achieves the lowest Total Interest Cost. *As such, in order to meet the Library District's goals and objectives, Alternative 3B is our recommended structure.*

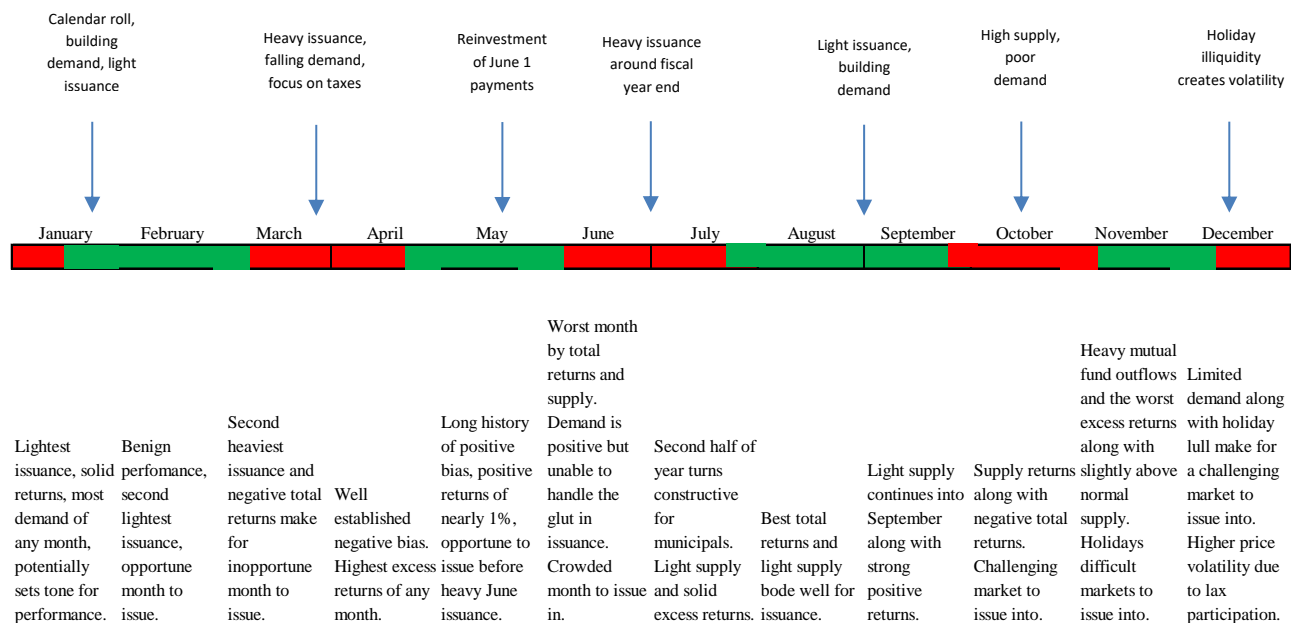
	"AA-" (S&P) Underlying; No Insurance				"AA" (S&P) Insured Rating	
	DSRF Cash		Stand-Alone Surety		Surety in lieu of Cash DSRF	
	Alternative 1A	Alternative 1B 20-yr escalation	Alternative 2A	Alternative 2B 20-yr escalation	Alternative 3A	Alternative 3B 20-yr escalation
<b>Par amount</b>	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000	\$ 24,000,000
<b>Project Proceeds</b>	\$ 24,798,079	\$ 25,065,282	\$ 25,995,087	\$ 25,988,576	\$ 25,951,345	\$ 26,089,319
<b>Total D/S</b>	\$ 38,917,441	\$ 38,591,742	\$ 38,917,441	\$ 38,591,742	\$ 38,728,796	\$ 38,410,000
<b>D/S Coverage</b>	2.64X	2.55 - 3.11X	2.64X	2.55 - 3.11X	2.65X	2.56X - 3.12X
<b>Average Coupon</b>	3.11%	3.14%	3.11%	3.14%	3.08%	3.10%
<b>TIC</b>	2.53%	2.51%	2.53%	2.51%	2.46%	2.44%
<b>DSRF (Cash)</b>	\$ 1,224,561	\$ 1,086,675	\$ -	\$ -	\$ -	\$ -
<b>Surety</b>	\$ -	\$ -	\$ 27,553	\$ 24,450	\$ 27,419	\$ 24,334
<b>Insurance</b>	\$ -	\$ -	\$ -	\$ -	\$ 175,096	\$ 172,636

We have provided a DBC cash flow run with details of our recommended structure as *Appendix D* herein. Further structural enhancements are outlined below.

**TIMING, CALL FEATURES AND DEAL STRUCTURES THAT ENHANCE PRICING**

At D.A. Davidson, we will work directly with the District and its municipal advisor to structure a transaction that meets your local goals and policies, is well received by investors, and delivers the lowest cost of funds; resulting in maximum benefit to the District and its constituents – the property taxpayer. Our approach includes on-going analysis of the tax-exempt bond market, which is monitored throughout the documentation period of the transaction, and is utilized to prepare and fine-tune our alternative structuring options prior to determining the final optimal Financing Plan. Additional structuring considerations not already touched on above include appropriate timing of entry into the market, couponing and optional call provisions.

◇ **Current Market Conditions (Issuance Seasonality):** The municipal markets experience seasonality which signals optimal issuance timing and may impact pricing. Seasonality revolves around (i) traditional supply and demand patterns; (ii) early year calendar roll; (iii) reinvestment flows around fiscal year-ends; and (iv) holiday slowdowns and year-end trading. Understanding the relevance of market timing will allow D.A. Davidson to provide solid timing advice to the District relative to their financing to achieve the lowest cost of funds. Given the District's preliminary start date for documentation and structuring, it is our observation that the second half of the year turns constructive for municipals; with light supply and solid excess returns, timing the transaction to sell in early September or November should bode well for issuance from a timing perspective. We have assumed a November issuance in our cash flows in order to be conservative and allow for any potential delays.



One advantage that our Firm has over our nearest competitors in the CFD space could directly impact the CFD 2020-1 Bonds pricing to the District's advantage; that is, as noted earlier, that D.A. Davidson is in the process of building our CFD business here in the state of California. We don't yet have the extensive list of CFD clientele or a huge book of business competing for our underwriter's time. There is also significant incentive to our banking, sales and trading team to spend whatever additional time is necessary to service the District and offer flexibility in pricing dates should the market require it in order to assure the District's transaction has optimal success. ***You won't be competing with other D.A. Davidson CFD pricings for a place on our calendar and you will have priority with our Underwriter and Sales and Trading team.***

◇ ***Couponing (Premium vs. OID/Par):*** Premium bonds are preferred by institutional investors in the current low interest rate environment while discount/par bonds tend to be preferred by retail; while premium bonds offer greater opportunity for savings (future refundings), par or original issue discount (OID) couponing provides lower TIC. In order to meet the District's objective for the lowest cost of funds, and given that the remaining life of the loan, we have analyzed incorporating Original Issue Discount bonds in the two Term maturities that will appeal to retail (and reduce overall TIC) while offering premium bonds throughout the scale (please refer to scale on Page 8 herein). In today's market, retail buyers are less active due to the contraction in yield; however, this structure should incentivize their participation in the credit and appeal to the broadest investor base possible. D.A. Davidson will review investor preferences and market fundamentals again during the due diligence and documentation stages of the transaction and, prior to pricing, make any additional recommendations. We observe that remaining flexible on couponing into the pricing of the bonds, even bifurcating maturities where requested from investors on the day of pricing, has the ability of providing additional economic benefit and that discount couponing will further improve TIC.

◇ ***Optional Call Provisions:*** While a 10-year optional par call is the most widely accepted, a 7-year option at 103% declining to par in 10-years offers flexibility to the District. While less common due to institutional investor reliance on premium couponing (premium bonds with shorter calls will price to the first optional call date, resulting in higher Yield to Maturity and slightly higher total debt service), the shorter call may provide greater opportunity for refunding savings sooner which may also reduce debt service paid over the life of the bonds. We would recommend using the more flexible optional call provision for the District's financing.

## WILLINGNESS TO COMMIT CAPITAL

D.A. Davidson & Co. has the capital base, resources, and willingness to commit capital to assure successful marketing of our clients' bonds. With over \$268.2 million in shareholder's equity, \$157 million in net capital and \$153 million in excess net capital as of December 31, 2020, D.A. Davidson can, and frequently does, support our clients' offerings in volatile or adverse market conditions in order to stabilize their transactions.

The Underwriting Desk and the Lead Banker determine if, and when, the Firm's capital will be committed on any given transaction. The Managing Director of the Underwriting Desk is allowed to make this determination. The Firm has underwritten deals as large as \$195 million as Senior Manager.

We regularly commit capital between 10 – 25% of the par amount of issues. Two recent examples are the commitment of \$2,050,000, representing 29.29% par amount of the Butte Co (Durham) USD Series 2019 GO Bonds; and the commitment of \$710,000, representing 24.91% of the Mendocino Co (Round Valley) USD GO Bonds. As additional support of the Firm's commitment to municipal finance, we have provided in the table to the right a complete list of California negotiated Sole Managed transactions completed over the past 24 months and the amount of bonds underwritten and taken into inventory to support our clients' pricing.


D.A. Davidson's Recent Unsold Balances					
Sale Date	Issuer	State	Par Amount	Amount Underwritten (\$)	Amount Underwritten (%)
5/30/19	Butte Co (Durham) USD	CA	\$ 7,000,000	\$ 2,050,000	29.29%
7/25/19	Mendocino Co (Round Vly) USD	CA	\$ 2,850,000	\$ 710,000	24.91%
9/5/19	Belvedere Public Financing Authority	CA	\$ 665,000	\$ 445,000	66.92%
9/19/19	El Norte Co USD	CA	\$ 3,291,000	\$ 750,000	22.79%
9/19/19	Del Norte Co USD	CA	\$ 6,215,000	\$ 135,000	2.17%
10/22/19	Solano Co (Winters) JUSD	CA	\$11,000,000	\$ 340,000	3.09%
1/23/20	Humboldt Co (Cuttan) SD	CA	\$ 1,730,000	\$ 125,000	7.23%
3/26/20	Humboldt Co. (Pacific Union) ESD	CA	\$ 2,275,000	\$ 100,000	4.40%
5/20/20	Humboldt Co (Bridgeville) SD	CA	\$ 1,200,000	\$ 100,000	8.33%
6/23/20	Lake Co (Konocti) USD	CA	\$ 3,490,000	\$ 695,000	19.91%
6/25/20	Tehama Co (Corning) UHSD	CA	\$ 2,600,000	\$ 160,000	6.15%
8/5/20	Solano Co (Winters) JUSD	CA	\$ 6,200,000	\$ 30,000	0.48%
11/17/20	Contra Costa Co (Martinez) USD	CA	\$27,500,000	\$ 2,295,000	8.35%
1/6/21	Butte Co (Durham) USD	CA	\$ 9,000,000	\$ 995,000	11.06%
2/25/21	Yuba Co (Marysville) JUSD	CA	\$34,185,000	\$ 375,000	1.10%

## CASE STUDIES

In order to substantiate our Lead Banker and the Firm's character, integrity, reputation, judgment, experience, and efficiency required by the contract, we have included several case studies of similar transactions that highlight those characters for Issuers used as references herein.

### Casitas Municipal Water District

RATING STRATEGY YIELDS STRONG RESULTS FOR INAUGURAL CREDIT



CFD No. 2013-1 of the Casitas Municipal Water District

PRICING DATE	May 10, 2017
PAR AMOUNT	\$ 100,000 Series A \$39,810,000 Series B
COUPON	2.000 - 5.250% with premium
TOTAL REPAYMENT	\$81,222,910.17
REDEMPTION	Series A - Non-Callable Series B - 9.1.27 @ 3% Premium Serial Bonds for 20 Years
STRUCTURE	Term Bonds @ 25- and 30-yr maturity D10 /32 through /37 for individual retail investors
TOTAL LOTS IN DISTRICT	2,854 residential dwelling units; 1.15 million SF retail/commercial uses; and 405,000 SF industrial uses
CREDIT CHARACTERISTICS	Coverage of +1.40x; Parity debt allowed; DSRF at 75% of Reserve Requirement, funded with Reserve Policy provided by BAM

TRANSACTION SUMMARY

The District encompasses approximately 2,150 gross acres of land in the City of Ojai and unincorporated Ventura County. The District was formed for the purpose of financing the acquisition of, and subsequent improvements to, the water system owned and operated by Golden State Water Company which serves property within the District, and, upon acquisition, to transfer ownership and operation of the Ojai Water System to the Water District.

The Water District's acquisition was pursuant to eminent domain proceedings. In April of 2017, the Water District entered into a Settlement Agreement. The claim was resolved by a stipulation for entry of judgment which provided that the Water District pay a stipulated sum on or before a specific date certain. Proceeds of the transaction were used to pay the stipulated sum and timing was critical to meet the judgment terms.

Ms. Katie Koster, was the Lead Banker on the transaction while serving as banker at a prior firm. Due to the underlying credit characteristics of the District, including developed status (no undeveloped property was taxed), large size, strong value-to-lien, and diversification of tax payers, Katie utilizing her significant land-secured expertise and knowledge of the rating process to achieve a very strong "A+" underlying investment grade rating for the District. Furthermore, Ms. Koster was able to obtain bond insurance and a "AA" insured rating from Build America Mutual (BAM) substantially decreasing the overall cost of funds for the District.

Finally, the transaction was priced and closed just in time to meet the Judgment deadline.



## City of Irvine

### PROVIDING THE D.A. DAVIDSON DIFFERENCE

GREAT PARK CFD  
IMPROVEMENT AREA NO. 8



CFD No. 2013-3 (Great Park) (IA B)  
of the City of Irvine, California

PRICING DATE	09.12.2018
PAR AMOUNT	\$72,420,000
COUPON	3.000 - 5.000% with premium
TOTAL REPAYMENT	\$159,832,965.82
REDEMPTION	9.125 @ 3% Premium
STRUCTURE	Special Tax Bonds w/1x Debt Service Coverage Ratio
TOTAL LOTS IN DISTRICT	727 For Sale Units
AMOUNT GENERATED PER LOT	\$107,328

#### TRANSACTION SUMMARY

The District is part of the 3,100 acre master-planned development known as the Great Park Neighborhoods in the City of Irvine, CA, and Improvement Area No. 8 ("IAB") consists of approximately 29.41 taxable acres. Heritage Fields El Toro, LLC (under management by FivePoint Communities) is the master developer of the Great Park, which is expected to develop up to 9,500 residential units and up to 4.8 million SF of non-residential space in numerous phases over a number of years. At the time of the designation of IAB, property owners approved the issuance of debt in an amount not to exceed \$120 million. At issuance, IAB

- had been graded and major infrastructure had been completed;
- six different merchant builders were developing the property in 10 products;
- Products ranged from detached condominiums in two and three story configurations, to duplex, triplex and row townhome units;
- In total, 484 homes had closed escrow to homeowners, 23 model homes were improved and 191 dwelling units were in various stages of construction; an additional 29 lots were in finished lot condition with building permits issued on all but 13 lots.

Ms. Katie Koster, Managing Director | Southwest Region, was the Lead Banker on the transaction while serving as banker at a prior firm. Despite the partially developed status of the project, utilizing her significant land-secured expertise, Ms. Koster structured the transaction without an underlying rating and was able to obtain bond insurance and a "AA" insured rating from AGM substantially decreasing the overall cost of funds for the City and the annual special tax obligation of individual homeowners residing within the CFD.

## City of Beaumont

### COMMUNITY EDUCATION & RESTRUCTURING LEAD TO LOWEST COST OF FUNDS

CFD NO. 2016-1 (FAIRWAY  
CANYON) 2019 SPECIAL  
TAX BONDS



CFD No. 2016-1 (Fairway Canyon) of  
the City of Beaumont, California

PRICING DATE	March 12, 2019
PAR AMOUNT	\$9,045,000
COUPON	2.250 - 5.000% with premium
TOTAL REPAYMENT	\$16,790,841.22
REDEMPTION	9.125 @ 3% Premium
STRUCTURE	Serial Bonds for 20 years Two Term Bonds at 25- and 30-yr maturity
TOTAL LOTS IN DISTRICT	372 Single Family Residential Units
OTHER CREDIT CHARACTERISTICS	Property originally owned by three separate Merchant Builders; at issuance 301 parcels had been sold to homeowners 100% Cash Funded DSRF No underlying rating or credit enhancement

#### HISTORY WITH THE CITY

Ms. Katie Koster, Managing Director | Southwest Region served as underwriter to the City on eight transactions worth \$142.27 million in par since January of 2018, of which 7 were land-secured credits. She also served the City as placement agent prior to execution of an SEC Settlement Agreement, successfully placing 10 separate series of refunding special tax bonds (\$94.2 million par) resulting in over \$33 million in savings for property owners.

#### VALUE ADDED

Ms. Koster, in her role as Lead Banker and Placement Agent, worked tirelessly to re-establish the Beaumont name in the land-secured market following FBI and SEC investigations into the City's financial practices. She worked to illustrate that the prior issues were the result of a prior administration and not of the current staff or Council. Further, she educate investors on the steps that current City management had taken to right the ship. In addition, she was instrumental as part of the City's finance team educating the public on restructuring options utilized to restructure the City's land-secured debt portfolio and investors on the livability of the Beaumont community and the health of each CFD project.

#### EVIDENCE OF REGISTRATION WITH SEC | MSRB | FINRA

D.A. Davidson is registered with the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB), and the Financial Industry Regulatory Authority (FINRA). As verifiable evidence of such registrations, please refer to FINRA BrokerCheck, <http://brokercheck.finra.org/>.



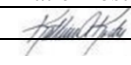
**SECTION IV. COST SHEET**

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D.A. Davidson & Co. confirms its ability to complete all services in the Scope of Services and to meet the District's insurance requirements.

**FEE SCHEDULE FOR BOND UNDERWRITING SERVICES\***

Takedown (\$/bond)	Expenses (\$/bond)	Mgmt. Fee (\$/bond)	Total Gross Spread (\$bond)
\$4.11	\$0.89	\$0.00	\$5.00

This proposal submitted by: D.A. Davidson & Co.  
 Address: 74-710 Highway 111, Suite 102  
Palm Desert, CA 92260  
 Telephone Number: 213-244-9380  
 Fax Number: Not Applicable  
 Contact Name: Katie Koster, Managing Director  
 Authorized Signature: 

\* Assumes a par amount of \$24,000,000 fixed rate tax-exempt bonds with a final maturity of September 1, 2051.

## Appendix A – Exceptions to Professional Services Agreement (Sample)

As an Underwriter, our primary role is to purchase securities with a view to distribution in an arms-length commercial transaction with the District, and the Firm has financial and other interests that differ from those of the District. Unlike the District's Municipal Advisor, an Underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is not required by federal law to act in the best interest of the District without regard to its own financial or other interests. However, the Underwriter has a duty to purchase securities from the District at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable.

As such, Underwriter's will enter into a Bond Purchase Agreement (the "BPA") which describes the details of the purchase of the securities at the time of pricing. The BPA will have several provisions which conflict with the Professional Services Agreement Sample provided in the Request for Proposals (the "PSA"). Due to this, there are several changes/exceptions that we would request in order to enter into a PSA with the District at the inception of the provision of services.

### Changes/Exceptions:

1. Global reference - Use of the word "Consultant" needs to be defined/clarified to reflect our primary role as Underwriter as outlined above.
2. Recitals, C. and Exhibit B, "Rates" – Rates to reflect contingent fee paid at closing of the transaction as outlined in the Fee Proposal section.
3. Agreement, Section 3. Compensation – See # 2 above. Also, strike language that reflects maintaining a monthly log for hours of services and provision of monthly invoice. Our fees are contingent on the successful sale of bonds and no hourly fees are paid for our services.
4. Section 17. Indemnification. Negotiate such that guarantee of District's legal costs are covered by D.A. Davidson only if D.A. Davidson is determined to be negligent in their duties.
5. Section 23. Conflicts of Interest. References to duty of loyalty and fiduciary duty should be struck, an Underwriter cannot agree to these terms under MSRB Rule G-17.
6. Request to add language to the PSA that states, ***"Provisions of this agreement are superseded by a bond purchase agreement in all conflicting terms."***

**Appendix B – Lead Banker California Land-Secured Finance Experience (January 2018 to present)**




**Katie Koster - Experience List**  
**California Land Secured Transactions**  
**(January 2018 - Present)**

Dated Date	Issuer	Par	New Money / Refunding	Project	Credit Rating	Role
11/17/2020	Improvement Area No. 1 of the City of Tracy, CFD No. 2016-1 (Tracy Hills), Special Tax Bonds, Series 2020	\$ 18.160	New Money	Development	NR	Sole Manager; Co-Lead Banker
11/12/2020	California Municipal Finance Authority Special Tax Revenue Bonds, BOLD Program Series 2020B	\$ 16.780	New Money	Development and Impact Fees	NR	Sole Manager; Co-Lead Banker
10/30/2020	Folsom Ranch Financing Authority City of Folsom CFD No. 23 (Folsom Ranch) Improvement Area No. 1 Special Tax Revenue Bonds Series 2020	\$ 12.925	New Money	Development	NR	Sole Manager; Co-Lead Banker
10/22/2020	City of Fontana CFD No. 85 (The Meadows) Special Tax Bonds, Series 2020	\$ 22.640	New Money	Development	NR	Sole Manager; Lead Banker
10/8/2020	Elk Grove Finance Authority Special Tax Revenue Bonds Series 2020	\$ 11.495	New Money	Development	NR	Sole Manager; Co-Lead Banker
9/9/2020	City of Roseville Creekview CFD No. 1 (Public Facilities) Improvement Area No. 1 Special Tax Bonds Series 2020	\$ 10.905	New Money	Development	NR	Sole Manager; Co-Lead Banker
8/19/2020	Nipomo Community Services District Assessment District No. 2020-1 (Blacklake Sewer Consolidation) Limited Obligation Improvement Bonds Series 2020	\$ 11.225	New Money	Capital Projects	"A+" (S&P) underlying; "AA" insured (BAM)	Sole Manager; Lead Banker
8/13/2020	City of Chino Hills CFD No. 10 (Fairfield Ranch) Special Tax Refunding Bonds, Series 2020	\$ 5.910	Refunding	Development	"A+" (S&P) underlying; "AA" Insured (AGM)	Sole Manager; Lead Banker
7/30/2020	City of Roseville Villages at Sierra Vista CFD No. 1 (Public Facilities) Special Tax Bonds Series 2020	\$ 9.835	New Money	Development	NR	Sole Manager; Co-Lead Banker
5/27/2020	CFD No. 2016-74 (Menifee Town Center) of Eastern Municipal Water District Improvement Area C 2020 Special Tax Bonds	\$ 4.145	New Money	Development	NR	Sole Manager; Lead Banker
2/27/2020	California Municipal Finance Authority Special Tax Revenue Bonds, BOLD Program Series 2020A	\$ 7.685	New Money	Development and Impact Fees	NR	Sole Manager; Co-Lead Banker
2/6/2020	City of American Canyon CFD No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2020	\$ 5.165	New Money	Development	NR	Sole Manager; Co-Lead Banker
1/29/2020	West Sacramento Area Flood Control Agency Assessment Revenue Refunding Bonds Series 2020 (Federally Taxable)	\$ 11.655	Refunding	Capital Projects	-/"AA-"/"AAA"	Sole Manager; Co-Lead Banker
12/23/2019	City of Dixon CFD No. 2013-1 (Parklane) Special Tax Bonds, Series 2019	\$ 11.005	New Money	Development	NR	Sole Manager; Lead Banker
12/19/2019	Folsom Ranch Financing Authority City of Folsom CFD No. 21 (White Rock Springs Ranch) Special Tax Revenue Bonds, Series 2019	\$ 9.695	New Money	Development	NR	Sole Manager; Co-Lead Banker
12/17/2019	Improvement Area No. 1 of the City of Tracy, CFD No. 2016-2 (ECFD), Special Tax Bonds, Series 2019	\$ 15.385	New Money	Development and Impact Fees	NR	Sole Manager; Co-Lead Banker
12/12/2019	Chino Hills Financing Authority Revenue Refunding Bonds (CFD Bond Program), Series D	\$ 8.265	Refunding	Development	-/"BBB+"/-	Sole Manager; Lead Banker
12/5/2019	City of Rancho Cordova Grantline 208 CFD No. 2018-1 Special Tax Bonds Series 2019	\$ 7.105	New Money	Development	NR	Sole Manager; Co-Lead Banker
11/14/2019	CFD No 2014-66 (Meadow Creek) of Eastern Municipal Water District 2019 Special Tax Bonds	\$ 1.275	New Money	Development	NR	Sole Manager; Lead Banker
11/6/2019	City of Roseville SVSP Westpark-Federico CFD No. 1 (Public Facilities) Special Tax Bonds Series 2019	\$ 7.745	New Money	Development	NR	Sole Manager; Co-Lead Banker
11/5/2019	Casitas Municipal Water district CFD No. 2013-1 (Ojai) 2019 Special Tax Bonds	\$ 12.265	New Money	Capital Projects	"A+" (S&P) underlying; "AA" Insured (BAM)	Sole Manager; Lead Banker
10/8/2019	CFD No. 2017-1 of the Golden Valley Unified School District Improvement Area No. 1 Series 2019 Special Tax Bonds	\$ 5.440	New Money	Development	NR	Sole Manager; Lead Banker
9/17/2019	City of West Sacramento CFD No. 29 (Port Towne Infrastructure) Special Tax Bonds, Series 2019	\$ 3.645	New Money	Development	NR	Sole Manager; Co-Lead Banker
8/20/2019	City of Roseville Diamond Creek CFD No. 1 (Public Facilities) Special Tax Refunding Bonds Series 2019	\$ 5.030	Refunding	Development	NR	Sole Manager; Co-Lead Banker
8/8/2019	Improvement Area No. 1 of the City of Tracy CFD No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2019	\$ 14.850	New Money	Development	NR	Sole Manager; Co-Lead Banker
8/7/2019	Folsom Ranch Financing authority City of Folsom CFD No. 19 (Mangini Ranch) Special Tax Revenue Bonds, Series 2019	\$ 14.040	New Money	Development	NR	Sole Manager; Co-Lead Banker
8/7/2019	City of Tracy CFD No. 2006-01 (NEI Phase II) Special Tax Refunding Bonds, Series 2019	\$ 8.230	Refunding	Development	NR	Sole Manager; Co-Lead Banker
7/23/2019	City of Roseville Villages at Sierra Vista CFD No. 1 (Public Facilities) Special Tax Bonds Series 2019	\$ 12.540	New Money	Development	NR	Sole Manager; Co-Lead Banker
5/2/2019	City of Roseville Westbrook CFD No. 1 (Public Facilities) Special Tax Bonds Series 2019	\$ 14.010	New Money	Development	NR	Sole Manager; Co-Lead Banker
3/12/2019	City of Beaumont CFD No. 2016-1 (Fairway Canyon) 2019 Special Tax Bonds	\$ 9.045	New Money	Development	NR	Sole Manager; Lead Banker

**Katie Koster - Experience List**  
**California Land Secured Transactions**  
**(January 2018 - Present)**

Dated Date	Issuer	Par	New Money / Refunding	Project	Credit Rating	Role
1/31/2019	City of Woodland CFD No. 2004-1 (Spring Lake) Special Tax Bonds, Series 2019 (Capital Projects)	\$ 21.490	New Money	Capital Projects	NR	Sole Manager; Co-Lead Banker
12/20/2018	CFD No. 4 (Terramor) of Temescal Valley Water District (Improvement Area No. 1) 2018 Special Tax Bonds	\$ 22.260	New Money	Development	NR	Sole Manager; Lead Banker
12/7/2018	City of Beaumont CFD No. 93-1 (Improvement Area No. 8E) 2018 Special Tax Bonds	\$ 12.680	New Money	Development	NR	Sole Manager; Lead Banker
11/8/2018	City of Beaumont CFD No. 93-1 (Improvement Area No. 7D) 2018 Special Tax Bonds	\$ 3.725	New Money	Development	NR	Sole Manager; Lead Banker
11/8/2018	City of Beaumont CFD No. 93-1 2019 Special Tax Bonds	\$ 2.370	New Money	Development	NR	Sole Manager; Lead Banker
10/25/2018	San Dieguito School Facilities Financing Authority Special Tax Revenue Bonds Series 2018	\$ 74.580	Refunding	Development	"AA-" (S&P) underlying	Sole Manager; Co-Lead Banker
10/3/2018	City of Irvine CFD No. 2013-3 (Great Park) Improvement Area No. 8 Special Tax Bonds, Series 2018	\$ 72.420	New Money	Development	NR Underlying; "AA" Insured (AGM)	Sole Manager; Lead Banker
10/2/2018	City of Murrieta CFD No. 2005-5 (Golden City)(Improvement Area B) 2018 Special Tax Bonds	\$ 11.505	New Money	Development	NR	Sole Manager; Lead Banker
8/30/2018	City of Lincoln CFD No. 2003-1 (Lincoln Crossing Project) Special Tax Refunding Bonds, Series 2018	\$ 64.470	Refunding	Development	"A+" (S&P) underlying; "AA" Insured (AGM)	Sole Manager; Co-Lead Banker
8/29/2018	Improvement Area No. 1 of the City of Tracy CFD No. 2016-1 (Tracy Hills) Special Tax Bonds, Series 2018	\$ 32.625	New Money	Development	NR	Sole Manager; Co-Lead Banker
7/26/2018	City of Roseville Westbrook CFD No. 1 (Public Facilities) Special Tax Bonds	\$ 11.615	New Money	Development	NR	Sole Manager; Co-Lead Banker
7/18/2018	City of Rio Vista Public Financing Authority Special Tax Revenue Bonds, Series 2018	\$ 9.615	Refunding	Wastewater Facilities	"A-" (S&P) underlying; "AA" insured (AGM)	Senior Manager; Lead Banker
6/28/2018	Elk Grove Finance Authority Special Tax Revenue Bonds Series 2018	\$ 19.145	New Money	Development	NR	Sole Manager; Co-Lead Banker
6/21/2018	City of Beaumont CFD No. 93-1 Special Tax Bonds, 2018 Series A (Improvement Area No. 8C)	\$ 16.915	New Money	Development	NR	Sole Manager; Lead Banker
6/21/2018	City of Beaumont CFD No. 93-1 Improvement Area No. 8D Special Tax Bonds, Series 2018A	\$ 7.675	New Money	Development	NR	Sole Manager; Lead Banker
6/21/2018	City of Beaumont CFD No. 93-1 (Improvement Area No. 17C) 2018 Special Tax Bonds	\$ 8.730	New Money	Development	NR	Sole Manager; Lead Banker
6/5/2018	Folsom Ranch Financing Authority City of Folsom CFD No. 20 (Russell Ranch) Special Tax Revenue Bonds, Series 2018	\$ 13.255	New Money	Development	NR	Sole Manager; Co-Lead Banker
3/28/2018	City of Rancho Cordova Sunridge North Douglas CFD No. 2005-1 Special Tax Bonds Series 2018	\$ 5.450	New Money	Development	NR	Sole Manager; Co-Lead Banker
2/27/2018	CFD No. 2006-1 of the Sulphur Springs School District Special Tax Bonds, Series 2018	\$ 19.300	New Money	School Facilities	NR	Sole Manager; Co-Lead Banker
1/31/2018	County of Orange Reassessment District No. 17-1R (Newport Coast Phase IV) Limited Obligation Improvement Refunding Bonds	\$ 28.425	Refunding	Development	"A" (S&P) underlying; "AA" insured (AGM)	Sole Manager; Lead Banker
		\$ 822.35				

## Appendix C - Finance Team Resumes and Contact Information

Team Member	Role	Experience
<p><b>Katie Koster</b> Managing Director   Southwest Region</p>  <p><a href="mailto:kkoster@dadco.com">kkoster@dadco.com</a> 213-244-9380</p>	<ul style="list-style-type: none"> <li>• Lead Banker/Primary Contact</li> <li>• Ensure that full firm resources are available to the District</li> <li>• Responsible for day-to-day management of the issue and for developing the plan of finance</li> <li>• Coordinate pre-marketing, pricing and closing of any financing</li> </ul>	<ul style="list-style-type: none"> <li>• 25+ years of public finance</li> <li>• 250 senior transactions in CA since 2008 with aggregate par of over \$5 billion; 70% of which is land secured finance experience</li> <li>• Extensive CA financing experience with general government issuer specializing in land secured, general obligation, lease revenue/COP, water/wastewater revenue and tax increment finance</li> <li>• CFD clients have included the City of Irvine (Great Park) CFD, Orange County (Mission Viejo Ranch) and (Ladera Ranch) master planned communities and Tejon Ranch.</li> </ul>
<p><b>Dana Cojocaru-Ivoska</b> Senior Vice President</p>  <p><a href="mailto:dcojocaru-ivoska@dadco.com">dcojocaru-ivoska@dadco.com</a> 916-788-7263</p>	<ul style="list-style-type: none"> <li>• Execution Banker/Analyst</li> <li>• Coordinate quantitative and qualitative analysis and presentation materials</li> <li>• Assist in day-to-day execution responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• 15 years of public finance experience</li> <li>• 61 senior-managed deals and 6 placement agent in CA since 2016 with over \$470 million in par</li> <li>• Extensive California financing experience including cities, special districts, K-12, health care, and higher education.</li> </ul>
<p><b>Ryan Coolidge</b> Public Finance Analyst</p>  <p><a href="mailto:rcoolidge@dadco.com">rcoolidge@dadco.com</a> 949-999-4025</p>	<ul style="list-style-type: none"> <li>• Assist in day-to-day activities</li> <li>• Support Bankers and lead analysts in quantitative analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Joined D.A. Davidson's California team in March of 2021</li> <li>• Graduated in May 2020</li> <li>• Came to D.A. Davidson after spending time with Mesirow Financial's Public Finance Team</li> </ul>

**Brian Courtney**  
Managing Director, Head of Public  
Finance Underwriting



[bcourtney@dadco.com](mailto:bcourtney@dadco.com)  
303-764-6044

• Underwriter who will price and coordinate the marketing of the District's bonds

- 25 years of experience as trader and underwriter in the municipal bond market
- Provides live market commentary on structure, timing, and pricing
- Experienced in pricing and allotment of firm's negotiated product, competitive underwritings, secondary trading, and hedging of firm's risk positions
- Has worked with numerous issuers and is an expert in pricing debt for public issuers

**Peter Bouzane**  
Senior Vice President



[pbouzane@dadco.com](mailto:pbouzane@dadco.com)  
213-244-9226

• Trader who will coordinate the sales and marketing of the District's bonds and manage utilization of in-house retail

- 29 of experience as trader and underwriter in the California municipal markets
- Has worked with numerous issuers in fixed income capital markets
- Currently manages D.A. Davidson's California Municipal Retail desk



**Appendix D – Cash flow Analysis Recommended Structure**

**TABLE OF CONTENTS**

**ALTADENA LIBRARY DISTRICT CFD No. 2020-1  
Special Tax Bonds, Series 2021  
Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call  
[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

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**Alternative 3B - 20 year escalation, then flat D/S**

| <b>Report</b>                       | <b>Page</b> |
|-------------------------------------|-------------|
| Sources and Uses of Funds . . . . . | 1           |
| Bond Solution . . . . .             | 2           |
| Bond Pricing . . . . .              | 3           |
| Bond Summary Statistics . . . . .   | 4           |
| Bond Debt Service . . . . .         | 5           |
| Net Debt Service . . . . .          | 7           |
| Formula Verification . . . . .      | 9           |
| Disclaimer . . . . .                | 10          |

**SOURCES AND USES OF FUNDS**

**ALTADENA LIBRARY DISTRICT CFD No. 2020-1**

**Special Tax Bonds, Series 2021**

**Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call  
[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

**Alternative 3B - 20 year escalation, then flat D/S**

Dated Date                    11/15/2021  
Delivery Date                11/15/2021

**Sources:**

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|                |               |
|----------------|---------------|
| Bond Proceeds: |               |
| Par Amount     | 24,000,000.00 |
| Net Premium    | 2,606,288.90  |
|                | 26,606,288.90 |

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**Uses:**

---

|                                                    |               |
|----------------------------------------------------|---------------|
| Project Fund Deposits:                             |               |
| Project Fund                                       | 26,089,319.42 |
| Delivery Date Expenses:                            |               |
| Cost of Issuance                                   | 200,000.00    |
| Underwriter's Discount                             | 120,000.00    |
| Bond Insurance (47.5 bps) (est)                    | 172,635.73    |
| Surety Bond Premium (est'd at 2.25% of DSRF reqmt) | 24,333.75     |
|                                                    | 516,969.48    |
|                                                    | 26,606,288.90 |

## BOND SOLUTION

### ALTADENA LIBRARY DISTRICT CFD No. 2020-1

#### Special Tax Bonds, Series 2021

Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call

[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]

#### Alternative 3B - 20 year escalation, then flat D/S

| Period<br>Ending | Proposed<br>Principal | Proposed<br>Debt Service | Total Adj<br>Debt Service | Revenue<br>Constraints | Unused<br>Revenues | Debt Serv<br>Coverage |
|------------------|-----------------------|--------------------------|---------------------------|------------------------|--------------------|-----------------------|
| 09/01/2022       | 360,000               | 989,538                  | 989,538                   | 2,536,492              | 1,546,954          | 256.33100%            |
| 09/01/2023       | 230,000               | 1,008,025                | 1,008,025                 | 2,587,222              | 1,579,197          | 256.66243%            |
| 09/01/2024       | 260,000               | 1,028,825                | 1,028,825                 | 2,638,966              | 1,610,141          | 256.50290%            |
| 09/01/2025       | 290,000               | 1,048,425                | 1,048,425                 | 2,691,745              | 1,643,320          | 256.74180%            |
| 09/01/2026       | 325,000               | 1,071,825                | 1,071,825                 | 2,745,580              | 1,673,755          | 256.15937%            |
| 09/01/2027       | 355,000               | 1,088,825                | 1,088,825                 | 2,800,492              | 1,711,667          | 257.20311%            |
| 09/01/2028       | 395,000               | 1,114,625                | 1,114,625                 | 2,856,502              | 1,741,877          | 256.27468%            |
| 09/01/2029       | 430,000               | 1,133,825                | 1,133,825                 | 2,913,632              | 1,779,807          | 256.97366%            |
| 09/01/2030       | 470,000               | 1,156,625                | 1,156,625                 | 2,971,904              | 1,815,279          | 256.94622%            |
| 09/01/2031       | 515,000               | 1,182,825                | 1,182,825                 | 3,031,342              | 1,848,517          | 256.27987%            |
| 09/01/2032       | 555,000               | 1,202,225                | 1,202,225                 | 3,091,969              | 1,889,744          | 257.18723%            |
| 09/01/2033       | 605,000               | 1,230,025                | 1,230,025                 | 3,153,809              | 1,923,784          | 256.40199%            |
| 09/01/2034       | 655,000               | 1,255,825                | 1,255,825                 | 3,216,885              | 1,961,060          | 256.15709%            |
| 09/01/2035       | 705,000               | 1,279,625                | 1,279,625                 | 3,281,222              | 2,001,597          | 256.42063%            |
| 09/01/2036       | 755,000               | 1,301,425                | 1,301,425                 | 3,346,847              | 2,045,422          | 257.16787%            |
| 09/01/2037       | 815,000               | 1,331,225                | 1,331,225                 | 3,413,784              | 2,082,559          | 256.43928%            |
| 09/01/2038       | 875,000               | 1,358,625                | 1,358,625                 | 3,482,060              | 2,123,435          | 256.29291%            |
| 09/01/2039       | 935,000               | 1,383,625                | 1,383,625                 | 3,551,701              | 2,168,076          | 256.69533%            |
| 09/01/2040       | 1,000,000             | 1,411,225                | 1,411,225                 | 3,622,735              | 2,211,510          | 256.70851%            |
| 09/01/2041       | 1,070,000             | 1,441,225                | 1,441,225                 | 3,695,189              | 2,253,964          | 256.39226%            |
| 09/01/2042       | 1,110,000             | 1,438,425                | 1,438,425                 | 3,695,189              | 2,256,764          | 256.89135%            |
| 09/01/2043       | 1,135,000             | 1,438,450                | 1,438,450                 | 3,695,189              | 2,256,739          | 256.88689%            |
| 09/01/2044       | 1,160,000             | 1,437,913                | 1,437,913                 | 3,695,189              | 2,257,277          | 256.98291%            |
| 09/01/2045       | 1,190,000             | 1,441,813                | 1,441,813                 | 3,695,189              | 2,253,377          | 256.28779%            |
| 09/01/2046       | 1,215,000             | 1,440,038                | 1,440,038                 | 3,695,189              | 2,255,152          | 256.60369%            |
| 09/01/2047       | 1,240,000             | 1,437,700                | 1,437,700                 | 3,695,189              | 2,257,489          | 257.02090%            |
| 09/01/2048       | 1,280,000             | 1,440,500                | 1,440,500                 | 3,695,189              | 2,254,689          | 256.52131%            |
| 09/01/2049       | 1,315,000             | 1,437,100                | 1,437,100                 | 3,695,189              | 2,258,089          | 257.12820%            |
| 09/01/2050       | 1,355,000             | 1,437,650                | 1,437,650                 | 3,695,189              | 2,257,539          | 257.02983%            |
| 09/01/2051       | 1,400,000             | 1,442,000                | 1,442,000                 | 3,695,189              | 2,253,189          | 256.25447%            |
|                  | 24,000,000            | 38,410,000               | 38,410,000                | 98,581,971             | 60,171,970         |                       |

## BOND PRICING

### ALTADENA LIBRARY DISTRICT CFD No. 2020-1

#### Special Tax Bonds, Series 2021

**Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call  
[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

#### Alternative 3B - 20 year escalation, then flat D/S

| Bond Component          | Maturity Date | Amount     | Rate   | Yield  | Price     | Yield to Maturity | Call Date  | Call Price | Premium (-Discount) |
|-------------------------|---------------|------------|--------|--------|-----------|-------------------|------------|------------|---------------------|
| Uninsured Serial Bond:  |               |            |        |        |           |                   |            |            |                     |
|                         | 09/01/2022    | 360,000    | 4.000% | 0.260% | 102.965   |                   |            |            | 10,674.00           |
|                         | 09/01/2023    | 230,000    | 4.000% | 0.340% | 106.541   |                   |            |            | 15,044.30           |
|                         | 09/01/2024    | 260,000    | 4.000% | 0.490% | 109.729   |                   |            |            | 25,295.40           |
|                         | 09/01/2025    | 290,000    | 4.000% | 0.650% | 112.535   |                   |            |            | 36,351.50           |
|                         | 09/01/2026    | 325,000    | 4.000% | 0.780% | 115.123   |                   |            |            | 49,149.75           |
|                         | 09/01/2027    | 355,000    | 4.000% | 0.950% | 117.154   |                   |            |            | 60,896.70           |
|                         |               | 1,820,000  |        |        |           |                   |            |            | 197,411.65          |
| Insured Serial Bond:    |               |            |        |        |           |                   |            |            |                     |
|                         | 09/01/2028    | 395,000    | 4.000% | 1.000% | 119.657   |                   |            |            | 77,645.15           |
|                         | 09/01/2029    | 430,000    | 4.000% | 1.130% | 121.354   |                   |            |            | 91,822.20           |
|                         | 09/01/2030    | 470,000    | 4.000% | 1.220% | 123.114   |                   |            |            | 108,635.80          |
|                         | 09/01/2031    | 515,000    | 4.000% | 1.290% | 124.857   |                   |            |            | 128,013.55          |
|                         | 09/01/2032    | 555,000    | 4.000% | 1.380% | 123.924 C | 1.580%            | 09/01/2031 | 100.000    | 132,778.20          |
|                         | 09/01/2033    | 605,000    | 4.000% | 1.430% | 123.408 C | 1.789%            | 09/01/2031 | 100.000    | 141,618.40          |
|                         | 09/01/2034    | 655,000    | 4.000% | 1.490% | 122.793 C | 1.975%            | 09/01/2031 | 100.000    | 149,294.15          |
|                         | 09/01/2035    | 705,000    | 4.000% | 1.500% | 122.691 C | 2.097%            | 09/01/2031 | 100.000    | 159,971.55          |
|                         | 09/01/2036    | 755,000    | 4.000% | 1.530% | 122.385 C | 2.217%            | 09/01/2031 | 100.000    | 169,006.75          |
|                         | 09/01/2037    | 815,000    | 4.000% | 1.560% | 122.080 C | 2.322%            | 09/01/2031 | 100.000    | 179,952.00          |
|                         | 09/01/2038    | 875,000    | 4.000% | 1.580% | 121.877 C | 2.408%            | 09/01/2031 | 100.000    | 191,423.75          |
|                         | 09/01/2039    | 935,000    | 4.000% | 1.600% | 121.675 C | 2.485%            | 09/01/2031 | 100.000    | 202,661.25          |
|                         | 09/01/2040    | 1,000,000  | 4.000% | 1.640% | 121.271 C | 2.566%            | 09/01/2031 | 100.000    | 212,710.00          |
|                         | 09/01/2041    | 1,070,000  | 4.000% | 1.680% | 120.869 C | 2.639%            | 09/01/2031 | 100.000    | 223,298.30          |
|                         |               | 9,780,000  |        |        |           |                   |            |            | 2,168,831.05        |
| Insured Term Bond 2046: |               |            |        |        |           |                   |            |            |                     |
|                         | 09/01/2042    | 1,110,000  | 2.250% | 2.400% | 97.207    |                   |            |            | -31,002.30          |
|                         | 09/01/2043    | 1,135,000  | 2.250% | 2.400% | 97.207    |                   |            |            | -31,700.55          |
|                         | 09/01/2044    | 1,160,000  | 2.250% | 2.400% | 97.207    |                   |            |            | -32,398.80          |
|                         | 09/01/2045    | 1,190,000  | 2.250% | 2.400% | 97.207    |                   |            |            | -33,236.70          |
|                         | 09/01/2046    | 1,215,000  | 2.250% | 2.400% | 97.207    |                   |            |            | -33,934.95          |
|                         |               | 5,810,000  |        |        |           |                   |            |            | -162,273.30         |
| Insured Term Bond 2051: |               |            |        |        |           |                   |            |            |                     |
|                         | 09/01/2047    | 1,240,000  | 3.000% | 2.300% | 106.105 C | 2.700%            | 09/01/2031 | 100.000    | 75,702.00           |
|                         | 09/01/2048    | 1,280,000  | 3.000% | 2.300% | 106.105 C | 2.700%            | 09/01/2031 | 100.000    | 78,144.00           |
|                         | 09/01/2049    | 1,315,000  | 3.000% | 2.300% | 106.105 C | 2.700%            | 09/01/2031 | 100.000    | 80,280.75           |
|                         | 09/01/2050    | 1,355,000  | 3.000% | 2.300% | 106.105 C | 2.700%            | 09/01/2031 | 100.000    | 82,722.75           |
|                         | 09/01/2051    | 1,400,000  | 3.000% | 2.300% | 106.105 C | 2.700%            | 09/01/2031 | 100.000    | 85,470.00           |
|                         |               | 6,590,000  |        |        |           |                   |            |            | 402,319.50          |
|                         |               | 24,000,000 |        |        |           |                   |            |            | 2,606,288.90        |

Dated Date 11/15/2021  
 Delivery Date 11/15/2021  
 First Coupon 03/01/2022

Par Amount 24,000,000.00  
 Premium 2,606,288.90

Production 26,606,288.90 110.859537%  
 Underwriter's Discount -120,000.00 -0.500000%

Purchase Price 26,486,288.90 110.359537%  
 Accrued Interest

Net Proceeds 26,486,288.90

## BOND SUMMARY STATISTICS

### ALTADENA LIBRARY DISTRICT CFD No. 2020-1

#### Special Tax Bonds, Series 2021

**Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call  
[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

#### Alternative 3B - 20 year escalation, then flat D/S

|                                   |                |
|-----------------------------------|----------------|
| Dated Date                        | 11/15/2021     |
| Delivery Date                     | 11/15/2021     |
| First Coupon                      | 03/01/2022     |
| Last Maturity                     | 09/01/2051     |
| Arbitrage Yield                   | 2.092364%      |
| True Interest Cost (TIC)          | 2.436971%      |
| Net Interest Cost (NIC)           | 2.542826%      |
| All-In TIC                        | 2.543025%      |
| Average Coupon                    | 3.104288%      |
| Average Life (years)              | 19.342         |
| Weighted Average Maturity (years) | 18.935         |
| Duration of Issue (years)         | 14.455         |
| Par Amount                        | 24,000,000.00  |
| Bond Proceeds                     | 26,606,288.90  |
| Total Interest                    | 14,410,000.14  |
| Net Interest                      | 11,923,711.24  |
| Bond Years from Dated Date        | 464,196,666.67 |
| Bond Years from Delivery Date     | 464,196,666.67 |
| Total Debt Service                | 38,410,000.14  |
| Maximum Annual Debt Service       | 1,442,000.00   |
| Average Annual Debt Service       | 1,289,166.52   |
| Underwriter's Fees (per \$1000)   |                |
| Average Takedown                  |                |
| Other Fee                         | 5.000000       |
| Total Underwriter's Discount      | 5.000000       |
| Bid Price                         | 110.359537     |

| Bond Component         | Par Value     | Price   | Average Coupon | Average Life | Average Maturity Date | PV of 1 bp change |
|------------------------|---------------|---------|----------------|--------------|-----------------------|-------------------|
| Insured Serial Bond    | 9,780,000.00  | 122.176 | 4.000%         | 14.498       | 05/15/2036            | 9,701.55          |
| Insured Term Bond 2046 | 5,810,000.00  | 97.207  | 2.250%         | 22.840       | 09/17/2044            | 10,632.30         |
| Insured Term Bond 2051 | 6,590,000.00  | 106.105 | 3.000%         | 27.854       | 09/22/2049            | 5,931.00          |
| Uninsured Serial Bond  | 1,820,000.00  | 110.847 | 4.000%         | 3.374        | 03/31/2025            | 649.40            |
|                        | 24,000,000.00 |         |                | 19.342       |                       | 26,914.25         |

|                            | TIC           | All-In TIC    | Arbitrage Yield |
|----------------------------|---------------|---------------|-----------------|
| Par Value                  | 24,000,000.00 | 24,000,000.00 | 24,000,000.00   |
| + Accrued Interest         |               |               |                 |
| + Premium (Discount)       | 2,606,288.90  | 2,606,288.90  | 2,606,288.90    |
| - Underwriter's Discount   | -120,000.00   | -120,000.00   |                 |
| - Cost of Issuance Expense |               | -200,000.00   |                 |
| - Other Amounts            |               | -196,969.48   | -196,969.48     |
| Target Value               | 26,486,288.90 | 26,089,319.42 | 26,409,319.42   |
| Target Date                | 11/15/2021    | 11/15/2021    | 11/15/2021      |
| Yield                      | 2.436971%     | 2.543025%     | 2.092364%       |

## BOND DEBT SERVICE

### ALTADENA LIBRARY DISTRICT CFD No. 2020-1

#### Special Tax Bonds, Series 2021

**Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call  
[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

#### Alternative 3B - 20 year escalation, then flat D/S

Dated Date                    11/15/2021  
Delivery Date                11/15/2021

| Period Ending | Principal  | Coupon | Interest      | Debt Service  | Annual Debt Service | Bond Balance | Total Bond Value |
|---------------|------------|--------|---------------|---------------|---------------------|--------------|------------------|
| 11/15/2021    |            |        |               |               |                     | 24,000,000   | 24,000,000       |
| 03/01/2022    |            |        | 233,325.14    | 233,325.14    |                     | 24,000,000   | 24,000,000       |
| 09/01/2022    | 360,000    | 4.000% | 396,212.50    | 756,212.50    | 989,537.64          | 23,640,000   | 23,640,000       |
| 03/01/2023    |            |        | 389,012.50    | 389,012.50    |                     | 23,640,000   | 23,640,000       |
| 09/01/2023    | 230,000    | 4.000% | 389,012.50    | 619,012.50    | 1,008,025.00        | 23,410,000   | 23,410,000       |
| 03/01/2024    |            |        | 384,412.50    | 384,412.50    |                     | 23,410,000   | 23,410,000       |
| 09/01/2024    | 260,000    | 4.000% | 384,412.50    | 644,412.50    | 1,028,825.00        | 23,150,000   | 23,150,000       |
| 03/01/2025    |            |        | 379,212.50    | 379,212.50    |                     | 23,150,000   | 23,150,000       |
| 09/01/2025    | 290,000    | 4.000% | 379,212.50    | 669,212.50    | 1,048,425.00        | 22,860,000   | 22,860,000       |
| 03/01/2026    |            |        | 373,412.50    | 373,412.50    |                     | 22,860,000   | 22,860,000       |
| 09/01/2026    | 325,000    | 4.000% | 373,412.50    | 698,412.50    | 1,071,825.00        | 22,535,000   | 22,535,000       |
| 03/01/2027    |            |        | 366,912.50    | 366,912.50    |                     | 22,535,000   | 22,535,000       |
| 09/01/2027    | 355,000    | 4.000% | 366,912.50    | 721,912.50    | 1,088,825.00        | 22,180,000   | 22,180,000       |
| 03/01/2028    |            |        | 359,812.50    | 359,812.50    |                     | 22,180,000   | 22,180,000       |
| 09/01/2028    | 395,000    | 4.000% | 359,812.50    | 754,812.50    | 1,114,625.00        | 21,785,000   | 21,785,000       |
| 03/01/2029    |            |        | 351,912.50    | 351,912.50    |                     | 21,785,000   | 21,785,000       |
| 09/01/2029    | 430,000    | 4.000% | 351,912.50    | 781,912.50    | 1,133,825.00        | 21,355,000   | 21,355,000       |
| 03/01/2030    |            |        | 343,312.50    | 343,312.50    |                     | 21,355,000   | 21,355,000       |
| 09/01/2030    | 470,000    | 4.000% | 343,312.50    | 813,312.50    | 1,156,625.00        | 20,885,000   | 20,885,000       |
| 03/01/2031    |            |        | 333,912.50    | 333,912.50    |                     | 20,885,000   | 20,885,000       |
| 09/01/2031    | 515,000    | 4.000% | 333,912.50    | 848,912.50    | 1,182,825.00        | 20,370,000   | 20,370,000       |
| 03/01/2032    |            |        | 323,612.50    | 323,612.50    |                     | 20,370,000   | 20,370,000       |
| 09/01/2032    | 555,000    | 4.000% | 323,612.50    | 878,612.50    | 1,202,225.00        | 19,815,000   | 19,815,000       |
| 03/01/2033    |            |        | 312,512.50    | 312,512.50    |                     | 19,815,000   | 19,815,000       |
| 09/01/2033    | 605,000    | 4.000% | 312,512.50    | 917,512.50    | 1,230,025.00        | 19,210,000   | 19,210,000       |
| 03/01/2034    |            |        | 300,412.50    | 300,412.50    |                     | 19,210,000   | 19,210,000       |
| 09/01/2034    | 655,000    | 4.000% | 300,412.50    | 955,412.50    | 1,255,825.00        | 18,555,000   | 18,555,000       |
| 03/01/2035    |            |        | 287,312.50    | 287,312.50    |                     | 18,555,000   | 18,555,000       |
| 09/01/2035    | 705,000    | 4.000% | 287,312.50    | 992,312.50    | 1,279,625.00        | 17,850,000   | 17,850,000       |
| 03/01/2036    |            |        | 273,212.50    | 273,212.50    |                     | 17,850,000   | 17,850,000       |
| 09/01/2036    | 755,000    | 4.000% | 273,212.50    | 1,028,212.50  | 1,301,425.00        | 17,095,000   | 17,095,000       |
| 03/01/2037    |            |        | 258,112.50    | 258,112.50    |                     | 17,095,000   | 17,095,000       |
| 09/01/2037    | 815,000    | 4.000% | 258,112.50    | 1,073,112.50  | 1,331,225.00        | 16,280,000   | 16,280,000       |
| 03/01/2038    |            |        | 241,812.50    | 241,812.50    |                     | 16,280,000   | 16,280,000       |
| 09/01/2038    | 875,000    | 4.000% | 241,812.50    | 1,116,812.50  | 1,358,625.00        | 15,405,000   | 15,405,000       |
| 03/01/2039    |            |        | 224,312.50    | 224,312.50    |                     | 15,405,000   | 15,405,000       |
| 09/01/2039    | 935,000    | 4.000% | 224,312.50    | 1,159,312.50  | 1,383,625.00        | 14,470,000   | 14,470,000       |
| 03/01/2040    |            |        | 205,612.50    | 205,612.50    |                     | 14,470,000   | 14,470,000       |
| 09/01/2040    | 1,000,000  | 4.000% | 205,612.50    | 1,205,612.50  | 1,411,225.00        | 13,470,000   | 13,470,000       |
| 03/01/2041    |            |        | 185,612.50    | 185,612.50    |                     | 13,470,000   | 13,470,000       |
| 09/01/2041    | 1,070,000  | 4.000% | 185,612.50    | 1,255,612.50  | 1,441,225.00        | 12,400,000   | 12,400,000       |
| 03/01/2042    |            |        | 164,212.50    | 164,212.50    |                     | 12,400,000   | 12,400,000       |
| 09/01/2042    | 1,110,000  | 2.250% | 164,212.50    | 1,274,212.50  | 1,438,425.00        | 11,290,000   | 11,290,000       |
| 03/01/2043    |            |        | 151,725.00    | 151,725.00    |                     | 11,290,000   | 11,290,000       |
| 09/01/2043    | 1,135,000  | 2.250% | 151,725.00    | 1,286,725.00  | 1,438,450.00        | 10,155,000   | 10,155,000       |
| 03/01/2044    |            |        | 138,956.25    | 138,956.25    |                     | 10,155,000   | 10,155,000       |
| 09/01/2044    | 1,160,000  | 2.250% | 138,956.25    | 1,298,956.25  | 1,437,912.50        | 8,995,000    | 8,995,000        |
| 03/01/2045    |            |        | 125,906.25    | 125,906.25    |                     | 8,995,000    | 8,995,000        |
| 09/01/2045    | 1,190,000  | 2.250% | 125,906.25    | 1,315,906.25  | 1,441,812.50        | 7,805,000    | 7,805,000        |
| 03/01/2046    |            |        | 112,518.75    | 112,518.75    |                     | 7,805,000    | 7,805,000        |
| 09/01/2046    | 1,215,000  | 2.250% | 112,518.75    | 1,327,518.75  | 1,440,037.50        | 6,590,000    | 6,590,000        |
| 03/01/2047    |            |        | 98,850.00     | 98,850.00     |                     | 6,590,000    | 6,590,000        |
| 09/01/2047    | 1,240,000  | 3.000% | 98,850.00     | 1,338,850.00  | 1,437,700.00        | 5,350,000    | 5,350,000        |
| 03/01/2048    |            |        | 80,250.00     | 80,250.00     |                     | 5,350,000    | 5,350,000        |
| 09/01/2048    | 1,280,000  | 3.000% | 80,250.00     | 1,360,250.00  | 1,440,500.00        | 4,070,000    | 4,070,000        |
| 03/01/2049    |            |        | 61,050.00     | 61,050.00     |                     | 4,070,000    | 4,070,000        |
| 09/01/2049    | 1,315,000  | 3.000% | 61,050.00     | 1,376,050.00  | 1,437,100.00        | 2,755,000    | 2,755,000        |
| 03/01/2050    |            |        | 41,325.00     | 41,325.00     |                     | 2,755,000    | 2,755,000        |
| 09/01/2050    | 1,355,000  | 3.000% | 41,325.00     | 1,396,325.00  | 1,437,650.00        | 1,400,000    | 1,400,000        |
| 03/01/2051    |            |        | 21,000.00     | 21,000.00     |                     | 1,400,000    | 1,400,000        |
| 09/01/2051    | 1,400,000  | 3.000% | 21,000.00     | 1,421,000.00  | 1,442,000.00        |              |                  |
|               | 24,000,000 |        | 14,410,000.14 | 38,410,000.14 | 38,410,000.14       |              |                  |



## BOND DEBT SERVICE

### ALTADENA LIBRARY DISTRICT CFD No. 2020-1

#### Special Tax Bonds, Series 2021

**Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call**

**[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

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#### Alternative 3B - 20 year escalation, then flat D/S

Dated Date                    11/15/2021  
 Delivery Date                11/15/2021

| Period<br>Ending | Principal  | Coupon | Interest      | Debt Service  | Bond<br>Balance | Total<br>Bond Value |
|------------------|------------|--------|---------------|---------------|-----------------|---------------------|
| 09/01/2022       | 360,000    | 4.000% | 629,537.64    | 989,537.64    | 23,640,000      | 23,640,000          |
| 09/01/2023       | 230,000    | 4.000% | 778,025.00    | 1,008,025.00  | 23,410,000      | 23,410,000          |
| 09/01/2024       | 260,000    | 4.000% | 768,825.00    | 1,028,825.00  | 23,150,000      | 23,150,000          |
| 09/01/2025       | 290,000    | 4.000% | 758,425.00    | 1,048,425.00  | 22,860,000      | 22,860,000          |
| 09/01/2026       | 325,000    | 4.000% | 746,825.00    | 1,071,825.00  | 22,535,000      | 22,535,000          |
| 09/01/2027       | 355,000    | 4.000% | 733,825.00    | 1,088,825.00  | 22,180,000      | 22,180,000          |
| 09/01/2028       | 395,000    | 4.000% | 719,625.00    | 1,114,625.00  | 21,785,000      | 21,785,000          |
| 09/01/2029       | 430,000    | 4.000% | 703,825.00    | 1,133,825.00  | 21,355,000      | 21,355,000          |
| 09/01/2030       | 470,000    | 4.000% | 686,625.00    | 1,156,625.00  | 20,885,000      | 20,885,000          |
| 09/01/2031       | 515,000    | 4.000% | 667,825.00    | 1,182,825.00  | 20,370,000      | 20,370,000          |
| 09/01/2032       | 555,000    | 4.000% | 647,225.00    | 1,202,225.00  | 19,815,000      | 19,815,000          |
| 09/01/2033       | 605,000    | 4.000% | 625,025.00    | 1,230,025.00  | 19,210,000      | 19,210,000          |
| 09/01/2034       | 655,000    | 4.000% | 600,825.00    | 1,255,825.00  | 18,555,000      | 18,555,000          |
| 09/01/2035       | 705,000    | 4.000% | 574,625.00    | 1,279,625.00  | 17,850,000      | 17,850,000          |
| 09/01/2036       | 755,000    | 4.000% | 546,425.00    | 1,301,425.00  | 17,095,000      | 17,095,000          |
| 09/01/2037       | 815,000    | 4.000% | 516,225.00    | 1,331,225.00  | 16,280,000      | 16,280,000          |
| 09/01/2038       | 875,000    | 4.000% | 483,625.00    | 1,358,625.00  | 15,405,000      | 15,405,000          |
| 09/01/2039       | 935,000    | 4.000% | 448,625.00    | 1,383,625.00  | 14,470,000      | 14,470,000          |
| 09/01/2040       | 1,000,000  | 4.000% | 411,225.00    | 1,411,225.00  | 13,470,000      | 13,470,000          |
| 09/01/2041       | 1,070,000  | 4.000% | 371,225.00    | 1,441,225.00  | 12,400,000      | 12,400,000          |
| 09/01/2042       | 1,110,000  | 2.250% | 328,425.00    | 1,438,425.00  | 11,290,000      | 11,290,000          |
| 09/01/2043       | 1,135,000  | 2.250% | 303,450.00    | 1,438,450.00  | 10,155,000      | 10,155,000          |
| 09/01/2044       | 1,160,000  | 2.250% | 277,912.50    | 1,437,912.50  | 8,995,000       | 8,995,000           |
| 09/01/2045       | 1,190,000  | 2.250% | 251,812.50    | 1,441,812.50  | 7,805,000       | 7,805,000           |
| 09/01/2046       | 1,215,000  | 2.250% | 225,037.50    | 1,440,037.50  | 6,590,000       | 6,590,000           |
| 09/01/2047       | 1,240,000  | 3.000% | 197,700.00    | 1,437,700.00  | 5,350,000       | 5,350,000           |
| 09/01/2048       | 1,280,000  | 3.000% | 160,500.00    | 1,440,500.00  | 4,070,000       | 4,070,000           |
| 09/01/2049       | 1,315,000  | 3.000% | 122,100.00    | 1,437,100.00  | 2,755,000       | 2,755,000           |
| 09/01/2050       | 1,355,000  | 3.000% | 82,650.00     | 1,437,650.00  | 1,400,000       | 1,400,000           |
| 09/01/2051       | 1,400,000  | 3.000% | 42,000.00     | 1,442,000.00  |                 |                     |
|                  | 24,000,000 |        | 14,410,000.14 | 38,410,000.14 |                 |                     |

## NET DEBT SERVICE

### ALTADENA LIBRARY DISTRICT CFD No. 2020-1

#### Special Tax Bonds, Series 2021

**Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call  
[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

#### Alternative 3B - 20 year escalation, then flat D/S

| Date       | Principal  | Interest      | Total<br>Debt Service | Net<br>Debt Service | Annual<br>Net D/S |
|------------|------------|---------------|-----------------------|---------------------|-------------------|
| 03/01/2022 |            | 233,325.14    | 233,325.14            | 233,325.14          |                   |
| 09/01/2022 | 360,000    | 396,212.50    | 756,212.50            | 756,212.50          | 989,537.64        |
| 03/01/2023 |            | 389,012.50    | 389,012.50            | 389,012.50          |                   |
| 09/01/2023 | 230,000    | 389,012.50    | 619,012.50            | 619,012.50          | 1,008,025.00      |
| 03/01/2024 |            | 384,412.50    | 384,412.50            | 384,412.50          |                   |
| 09/01/2024 | 260,000    | 384,412.50    | 644,412.50            | 644,412.50          | 1,028,825.00      |
| 03/01/2025 |            | 379,212.50    | 379,212.50            | 379,212.50          |                   |
| 09/01/2025 | 290,000    | 379,212.50    | 669,212.50            | 669,212.50          | 1,048,425.00      |
| 03/01/2026 |            | 373,412.50    | 373,412.50            | 373,412.50          |                   |
| 09/01/2026 | 325,000    | 373,412.50    | 698,412.50            | 698,412.50          | 1,071,825.00      |
| 03/01/2027 |            | 366,912.50    | 366,912.50            | 366,912.50          |                   |
| 09/01/2027 | 355,000    | 366,912.50    | 721,912.50            | 721,912.50          | 1,088,825.00      |
| 03/01/2028 |            | 359,812.50    | 359,812.50            | 359,812.50          |                   |
| 09/01/2028 | 395,000    | 359,812.50    | 754,812.50            | 754,812.50          | 1,114,625.00      |
| 03/01/2029 |            | 351,912.50    | 351,912.50            | 351,912.50          |                   |
| 09/01/2029 | 430,000    | 351,912.50    | 781,912.50            | 781,912.50          | 1,133,825.00      |
| 03/01/2030 |            | 343,312.50    | 343,312.50            | 343,312.50          |                   |
| 09/01/2030 | 470,000    | 343,312.50    | 813,312.50            | 813,312.50          | 1,156,625.00      |
| 03/01/2031 |            | 333,912.50    | 333,912.50            | 333,912.50          |                   |
| 09/01/2031 | 515,000    | 333,912.50    | 848,912.50            | 848,912.50          | 1,182,825.00      |
| 03/01/2032 |            | 323,612.50    | 323,612.50            | 323,612.50          |                   |
| 09/01/2032 | 555,000    | 323,612.50    | 878,612.50            | 878,612.50          | 1,202,225.00      |
| 03/01/2033 |            | 312,512.50    | 312,512.50            | 312,512.50          |                   |
| 09/01/2033 | 605,000    | 312,512.50    | 917,512.50            | 917,512.50          | 1,230,025.00      |
| 03/01/2034 |            | 300,412.50    | 300,412.50            | 300,412.50          |                   |
| 09/01/2034 | 655,000    | 300,412.50    | 955,412.50            | 955,412.50          | 1,255,825.00      |
| 03/01/2035 |            | 287,312.50    | 287,312.50            | 287,312.50          |                   |
| 09/01/2035 | 705,000    | 287,312.50    | 992,312.50            | 992,312.50          | 1,279,625.00      |
| 03/01/2036 |            | 273,212.50    | 273,212.50            | 273,212.50          |                   |
| 09/01/2036 | 755,000    | 273,212.50    | 1,028,212.50          | 1,028,212.50        | 1,301,425.00      |
| 03/01/2037 |            | 258,112.50    | 258,112.50            | 258,112.50          |                   |
| 09/01/2037 | 815,000    | 258,112.50    | 1,073,112.50          | 1,073,112.50        | 1,331,225.00      |
| 03/01/2038 |            | 241,812.50    | 241,812.50            | 241,812.50          |                   |
| 09/01/2038 | 875,000    | 241,812.50    | 1,116,812.50          | 1,116,812.50        | 1,358,625.00      |
| 03/01/2039 |            | 224,312.50    | 224,312.50            | 224,312.50          |                   |
| 09/01/2039 | 935,000    | 224,312.50    | 1,159,312.50          | 1,159,312.50        | 1,383,625.00      |
| 03/01/2040 |            | 205,612.50    | 205,612.50            | 205,612.50          |                   |
| 09/01/2040 | 1,000,000  | 205,612.50    | 1,205,612.50          | 1,205,612.50        | 1,411,225.00      |
| 03/01/2041 |            | 185,612.50    | 185,612.50            | 185,612.50          |                   |
| 09/01/2041 | 1,070,000  | 185,612.50    | 1,255,612.50          | 1,255,612.50        | 1,441,225.00      |
| 03/01/2042 |            | 164,212.50    | 164,212.50            | 164,212.50          |                   |
| 09/01/2042 | 1,110,000  | 164,212.50    | 1,274,212.50          | 1,274,212.50        | 1,438,425.00      |
| 03/01/2043 |            | 151,725.00    | 151,725.00            | 151,725.00          |                   |
| 09/01/2043 | 1,135,000  | 151,725.00    | 1,286,725.00          | 1,286,725.00        | 1,438,450.00      |
| 03/01/2044 |            | 138,956.25    | 138,956.25            | 138,956.25          |                   |
| 09/01/2044 | 1,160,000  | 138,956.25    | 1,298,956.25          | 1,298,956.25        | 1,437,912.50      |
| 03/01/2045 |            | 125,906.25    | 125,906.25            | 125,906.25          |                   |
| 09/01/2045 | 1,190,000  | 125,906.25    | 1,315,906.25          | 1,315,906.25        | 1,441,812.50      |
| 03/01/2046 |            | 112,518.75    | 112,518.75            | 112,518.75          |                   |
| 09/01/2046 | 1,215,000  | 112,518.75    | 1,327,518.75          | 1,327,518.75        | 1,440,037.50      |
| 03/01/2047 |            | 98,850.00     | 98,850.00             | 98,850.00           |                   |
| 09/01/2047 | 1,240,000  | 98,850.00     | 1,338,850.00          | 1,338,850.00        | 1,437,700.00      |
| 03/01/2048 |            | 80,250.00     | 80,250.00             | 80,250.00           |                   |
| 09/01/2048 | 1,280,000  | 80,250.00     | 1,360,250.00          | 1,360,250.00        | 1,440,500.00      |
| 03/01/2049 |            | 61,050.00     | 61,050.00             | 61,050.00           |                   |
| 09/01/2049 | 1,315,000  | 61,050.00     | 1,376,050.00          | 1,376,050.00        | 1,437,100.00      |
| 03/01/2050 |            | 41,325.00     | 41,325.00             | 41,325.00           |                   |
| 09/01/2050 | 1,355,000  | 41,325.00     | 1,396,325.00          | 1,396,325.00        | 1,437,650.00      |
| 03/01/2051 |            | 21,000.00     | 21,000.00             | 21,000.00           |                   |
| 09/01/2051 | 1,400,000  | 21,000.00     | 1,421,000.00          | 1,421,000.00        | 1,442,000.00      |
|            | 24,000,000 | 14,410,000.14 | 38,410,000.14         | 38,410,000.14       | 38,410,000.14     |

## NET DEBT SERVICE

### ALTADENA LIBRARY DISTRICT CFD No. 2020-1

#### Special Tax Bonds, Series 2021

**Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call  
[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

#### Alternative 3B - 20 year escalation, then flat D/S

| Period<br>Ending | Principal  | Interest      | Total<br>Debt Service | Net<br>Debt Service |
|------------------|------------|---------------|-----------------------|---------------------|
| 09/01/2022       | 360,000    | 629,537.64    | 989,537.64            | 989,537.64          |
| 09/01/2023       | 230,000    | 778,025.00    | 1,008,025.00          | 1,008,025.00        |
| 09/01/2024       | 260,000    | 768,825.00    | 1,028,825.00          | 1,028,825.00        |
| 09/01/2025       | 290,000    | 758,425.00    | 1,048,425.00          | 1,048,425.00        |
| 09/01/2026       | 325,000    | 746,825.00    | 1,071,825.00          | 1,071,825.00        |
| 09/01/2027       | 355,000    | 733,825.00    | 1,088,825.00          | 1,088,825.00        |
| 09/01/2028       | 395,000    | 719,625.00    | 1,114,625.00          | 1,114,625.00        |
| 09/01/2029       | 430,000    | 703,825.00    | 1,133,825.00          | 1,133,825.00        |
| 09/01/2030       | 470,000    | 686,625.00    | 1,156,625.00          | 1,156,625.00        |
| 09/01/2031       | 515,000    | 667,825.00    | 1,182,825.00          | 1,182,825.00        |
| 09/01/2032       | 555,000    | 647,225.00    | 1,202,225.00          | 1,202,225.00        |
| 09/01/2033       | 605,000    | 625,025.00    | 1,230,025.00          | 1,230,025.00        |
| 09/01/2034       | 655,000    | 600,825.00    | 1,255,825.00          | 1,255,825.00        |
| 09/01/2035       | 705,000    | 574,625.00    | 1,279,625.00          | 1,279,625.00        |
| 09/01/2036       | 755,000    | 546,425.00    | 1,301,425.00          | 1,301,425.00        |
| 09/01/2037       | 815,000    | 516,225.00    | 1,331,225.00          | 1,331,225.00        |
| 09/01/2038       | 875,000    | 483,625.00    | 1,358,625.00          | 1,358,625.00        |
| 09/01/2039       | 935,000    | 448,625.00    | 1,383,625.00          | 1,383,625.00        |
| 09/01/2040       | 1,000,000  | 411,225.00    | 1,411,225.00          | 1,411,225.00        |
| 09/01/2041       | 1,070,000  | 371,225.00    | 1,441,225.00          | 1,441,225.00        |
| 09/01/2042       | 1,110,000  | 328,425.00    | 1,438,425.00          | 1,438,425.00        |
| 09/01/2043       | 1,135,000  | 303,450.00    | 1,438,450.00          | 1,438,450.00        |
| 09/01/2044       | 1,160,000  | 277,912.50    | 1,437,912.50          | 1,437,912.50        |
| 09/01/2045       | 1,190,000  | 251,812.50    | 1,441,812.50          | 1,441,812.50        |
| 09/01/2046       | 1,215,000  | 225,037.50    | 1,440,037.50          | 1,440,037.50        |
| 09/01/2047       | 1,240,000  | 197,700.00    | 1,437,700.00          | 1,437,700.00        |
| 09/01/2048       | 1,280,000  | 160,500.00    | 1,440,500.00          | 1,440,500.00        |
| 09/01/2049       | 1,315,000  | 122,100.00    | 1,437,100.00          | 1,437,100.00        |
| 09/01/2050       | 1,355,000  | 82,650.00     | 1,437,650.00          | 1,437,650.00        |
| 09/01/2051       | 1,400,000  | 42,000.00     | 1,442,000.00          | 1,442,000.00        |
|                  | 24,000,000 | 14,410,000.14 | 38,410,000.14         | 38,410,000.14       |

**FORMULA VERIFICATION**

**ALTADENA LIBRARY DISTRICT CFD No. 2020-1**

**Special Tax Bonds, Series 2021**

**Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call**

**[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

**Alternative 3B - 20 year escalation, then flat D/S**

| <b>Component</b> | <b>Formula</b>                                                 | <b>Value</b> |
|------------------|----------------------------------------------------------------|--------------|
| INS              | 0.475% of total adjusted Debt Service - Debt Service of SERIAL | 172,635.73   |
| SURETY           | 2.25% of 75% of 10% of Reasonable Par Amount                   | 44,898.11    |
| SURETY           | 2.25% of 75% of maximum annual Debt Service                    | 24,333.75    |
| SURETY           | 2.25% of 75% of 125% of average annual adjusted Debt Service   | 27,193.36    |
| SURETY           | Surety Bond Premium (est'd at 2.25% of DSRF reqmt)             | 24,333.75    |

**DISCLAIMER**

**ALTADENA LIBRARY DISTRICT CFD No. 2020-1  
Special Tax Bonds, Series 2021  
Assumes: 'AA-' Rating; 'AA' Insurance; Surety for Res Req; 09/01/31 Par Call  
[Interest Rates as of 05/27/2021 - Preliminary for Discussion Purposes]**

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**Alternative 3B - 20 year escalation, then flat D/S**

D.A. Davidson and Co. ("The Firm or 'D.A. Davidson') is serving as underwriter or placement agent on the prospective transaction, not as municipal advisor. As an underwriter, D.A. Davidson's primary role is to purchase or place securities or notes for distribution in an arms-length transaction. D.A. Davidson is acting in its own interests and does not owe you a fiduciary duty with respect to the information presented herein, or with respect to the transaction contemplated and any discussions, undertakings and procedures leading thereto. Pursuant to the federal securities laws, during the course of this transaction D.A. Davidson also owes certain duties to the capital markets and to the investing public. Furthermore, no information contained within constitutes a 'recommendation' or 'advice' within the meaning of Section 15B of the Exchange Act, with any existing or proposed Municipal Securities Rulemaking Board rules, or any other state or federal law, regulation, or statute. You should discuss the information and material contained in this communication with any and all internal or external advisors and experts, including without limitation your own legal, accounting, tax, financial and other advisors, that the municipal entity or obligated person deems appropriate before acting on this information or material. The information contained herein is limited to factual information describing one or more types of debt financing structures, and may include options such as fixed rate debt, variable rate debt, general obligation debt, debt secured by various types of revenues, or insured debt, among other alternatives.

Furthermore, should D.A. Davidson present multiple scenarios or even a comparison of the general characteristics of potential debt financing structures along with the risks, advantages, and disadvantages of each, D.A. Davidson is not providing any recommendation(s) or advice in regards to the scenarios presented or features of any particular option. The factual information presented herein and described above does not, and should not be construed to, contain subjective assumptions, opinions, or views. The conduct of D.A. Davidson's personnel or the content and manner of their presentation(s) should not in any way be construed as a suggestion, advice, or an opinion.

Information about interest rates and terms for SLGs is based on current publically available data, and treasury or agency rates for open-market escrows are tied to prevailing market interest rates for these types of credits; these do not necessarily reflect costs or rates that D.A. Davidson will be able to secure should you select the firm to act as underwriter or placement agent. All such information is gathered from publically available sources or from prevailing market rates. Should you retain D.A. Davidson as underwriter or placement agent, the firm will be able to provide more particular information as well as advice in connection with the relevant transaction.

## **Important Required Disclosures and Disclaimers Regarding our Proposal**

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This proposal is submitted in response to your Request for Proposals to Serve as Underwriter dated June 8, 2021. The contents of this proposal and any subsequent discussions between us, including any and all information, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the “Rules”) of the Securities and Exchange Commission (Rule 15Ba1-1 et seq.).

In submitting this proposal, we are not undertaking to act as a “municipal advisor” to you or any other person within the meaning of Section 15B of the Securities Exchange Act of 1934 and the Rules. In connection with this proposal and the transactions described herein, we are not acting as a financial advisor or municipal advisor to you or any other person, and are not subject to any fiduciary duty to you or to any other person. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors in connection with your evaluation of this proposal and the transactions described herein.

Neither this material nor any of its contents may be disclosed, sold, or redistributed, electronically or otherwise, without prior written consent of D.A. Davidson Companies. The information presented herein is based on public information we believe to be reliable, prevailing market conditions, as well as our views at this point in time. We make no representation or warranty with respect to the accuracy or completeness of this material. Past performance is not necessarily indicative of future results. D.A. Davidson Companies does not assume any liability for any loss which may result from the reliance by any person upon such material. We make no representations regarding the legal, tax, regulatory, or accounting implications of entering into a Transaction.

Required Disclosure Pursuant to MSRB Rule G-23: An underwriter’s primary role will be to purchase as principal, or arrange for the placement of the securities in a commercial arm’s length transaction with the issuer, and may have financial and other interests that differ from those of the issuer.

D.A. Davidson & Co. is providing the information contained herein for informational purposes only in anticipation of being engaged as underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm’s-length, commercial transaction with the issuer.



**Proposal to Provide  
Bond Underwriting Services**

**Due Date: June 8, 2021**

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**STIFEL** | Public Finance

June 8, 2021

Nikki Winslow, *District Director*  
Altadena Library District

**Re: Proposal to Provide Bond Underwriting Services**

Dear Nikki:

Thank you for the opportunity to present our credentials to provide underwriting services to the Altadena Library District ('District') related to the CFD 2020-1 Bonds. As you evaluate our proposal, please be mindful of the following qualifications:

**Top Ranked Land-Secured Underwriter.** Stifel is the *number one underwriter of California land-secured bonds as measured by both par and by number of transactions.* Over the past 24 months, Stifel has underwritten 95 land-secured financings in California, totaling \$1.4 billion in par amount, which represents a 58% market share. Stifel's consistent presence gives us unmatched insight into emerging market trends, keeps us in constant dialogue with the important buyers of California land-secured bonds and allows us to be as aggressive as possible in establishing credit spreads.

**California LAND-SECURED Rankings  
(Past 24 Months – Since June 1, 2019)**

Firm	Issues	Rank	Par (\$M)
<b>STIFEL</b>	<b>95</b>	<b>1</b>	<b>\$1,433</b>
Piper Sandler	50	2	509
RBC	11	3	146
Hilltop	12	4	130
Ray James	13	5	122

*Source: TM3, Full to BR, Equal if Joint (6/1/19 to 6/1/21)*

**Direct Access to Individual Retail Investors.** Stifel is the *only firm* with experience originating California land-secured bonds that has the ability and willingness to sell land-secured bonds directly to individual investors on a meaningful scale. Individual retail participation can lower borrowing costs by increasing the pool of investors, enabling more of the financing to be serialized, and providing institutional investors future liquidity knowing there's retail appetite should they ever need to liquidate their holdings. See Section I, Question III, for more information.

**Significant Experience with Local Credits.** Stifel has extensive recent experience working with public agencies surrounding the District, including the cities of Pasadena and Arcadia and the Crescenta Valley Water District. The accompanying map highlights issuers for which we have assisted over the past few years. This vast experience of working with many of the District's neighbors provides our banking and underwriting team with a better understanding of local credits and insights on appropriate pricing levels.

**Recent Experience with Local Credits**

- Arcadia
- Burbank
- Crescenta Valley Water District
- Glendale
- La Canada Flintridge
- Los Angeles County
- Monterey Park
- Pasadena
- Rosemead
- South Pasadena
- South El Monte

**Our Culture and Customer Focus.** At Stifel, we take pride in our character, integrity and judgment. It is these traits, among others, that have gained the trust of our issuer-clients and have propelled the firm to its position as the leading underwriter of municipal bonds. Our team has cultivated a reputation for excellence by providing issuer-clients with thoughtful and engaging customer service, always delivering a work product that is of the utmost quality in a timely and efficient manner.

We understand the importance of this financing to the District and look forward to demonstrating our abilities. We confirm our intent to perform all of the services outlined in the Scope of Work – however, please note that we have listed exceptions to the Professional Services Agreement under Section V herein. Again, thank you for the opportunity to present our qualifications and please reach out with any questions.

Sincerely,

  
Tom Jacob, *Managing Director*

T: (213) 443-5010 | M: (213) 434-3067 | E: tjacob@stifel.com





## Table of Contents

### Cover Letter

### Section I – Experience

1. Conflicts of Interest.....	1
2. Experience.....	1
3. Marketing and Distribution Capabilities.....	2
4. References.....	3
5. Role of Bond Underwriting Department.....	4
6. Disciplinary Actions.....	4

Section II – Personnel.....	5
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Section III – Qualifications .....	5
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Section IV – Cost Proposal .....	8
----------------------------------	---

Section V – Exceptions to the Services Agreement.....	8
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### Appendices

#### Appendix A – Team Resumes

#### Appendix B – List of Stifel Special Tax Bond Experience over the Past 24 Months

**DISCLOSURE:** As outlined in the SEC’s Municipal Advisor Rule, Stifel, Nicolaus & Company, Incorporated (“Stifel”) is providing the attached material and all information and advice contained therein in response to a request for proposals or request for qualifications (the “RFP”) by a municipal issuer or obligated person with respect to a specific issue of municipal securities. Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the RFP.

Stifel is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm’s- length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its’ own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not be relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and is subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel as you deem appropriate.

## SECTION I – EXPERIENCE

### 1. NAME OF FIRM, CONTACT INFORMATION AND TEAM LEADER

*Company name, address, telephone number, and authorized representative(s). Please include a list of any potential conflicts of interest your firm may have in acting as an underwriter for the District.*

Tom Jacob will serve as the primary contact for the District and as the authorized representative of Stifel. His contact information, along with the address of our downtown Los Angeles office, is found within the accompanying graphic.

Stifel has not identified any conflicts of interest that might interfere with our ability to serve as underwriter for the District’s financing.

	515 South Figueroa Street, Suite 1800 Los Angeles, CA 90071
	<b>Tom Jacob</b> <i>Managing Director</i>
Stifel, Nicolaus & Company, Incorporated   www.stifel.com	

### 2. EXPERIENCE

*Identify the number of years of experience in providing bond underwriting, similar in size and scope to that requested in the RFP. Provide a listing of CFD Special Tax bonds issued over the past 24 months for which your firm was the underwriter, and include the spread to MMD for each transaction.*

#### Stifel is the Most Experienced Underwriter to Assist the District

**Leading California Underwriter.** Stifel is the leading specialist in California municipal finance, with *86 years of experience in the State* directly or through our predecessor firms. Stifel brings together bankers, salespeople and underwriters with more collective experience with California municipal credits than any other firm. Since June 1, 2019 (24-month period), Stifel has senior managed 382 bond issues totaling nearly \$11.6 billion, making Stifel the number one underwriter by number of issues. We have brought to market approximately 25% of all California municipal issues during this timeframe, all of which are priced from one of our two California underwriting desks (LA and SF).

**Top Ranked Land-Secured Underwriter.** Stifel is the most active underwriter of California land-secured bonds as measured by both par and number of transactions. Our dominance in this sector has been cultivated through decades of consistent activity in financing land-secured bonds. Over the past 24 months, Stifel has underwritten 95 land-secured financings in California, totaling \$1.4 billion in par amount, which represents a 58% market share. The value of this extensive and diverse experience shows up in our bankers’ understanding of land-secured credits, our underwriters’ insights on appropriate pricing levels, our sales professionals’ relationships with a broad audience of investors that buy these bonds and our firm’s willingness to underwrite unsold balances even in challenging market environments. As requested by the District, we provide a detailed list of our CFD special tax bond experience over the past 24 months in **Appendix B**.

**Incomparable Experience with Local Credits.** Stifel has extensive recent experience working with public agencies surrounding the District, including the cities of Pasadena and Arcadia and the Crescenta Valley Water District. The accompanying map highlights issuers for which we have assisted over the past few years. This vast experience of working with many of the District’s neighbors provides our banking and underwriting team with a better understanding of local credits and insights on appropriate pricing levels.

#### OVERALL California (Past 24 Months)

Firm	# Issues	Rank	Par (\$M)
<b>Stifel</b>	<b>382</b>	<b>1</b>	<b>\$11,579</b>
Raymond James	239	2	6,323
Piper Sandler	183	3	6,615
RBC	179	4	10,552
Citi	97	5	14,733

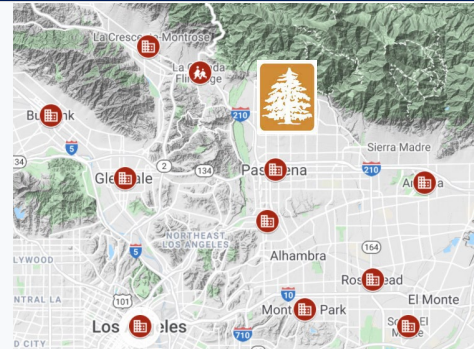
#### LAND-SECURED California (Past 24 Months)

Firm	# Issues	Rank	Par (\$M)
<b>Stifel</b>	<b>95</b>	<b>1</b>	<b>\$1,433</b>
Piper Sandler	50	2	509
RBC	11	3	146
Hilltop	12	4	130
Raymond James	13	5	122

Source: TM3, Full to BR, Equal if Joint(From 6/1/19 to 6/1/21)

#### Recent Experience with Local Credits

Recent Clients
<ul style="list-style-type: none"> <li>Arcadia</li> <li>Burbank</li> <li>Crescenta Valley Water District</li> <li>Glendale</li> <li>La Canada Flintridge</li> <li>Los Angeles County</li> <li>Monterey Park</li> <li>Pasadena</li> <li>Rosemead</li> <li>South Pasadena</li> <li>South El Monte</li> </ul>

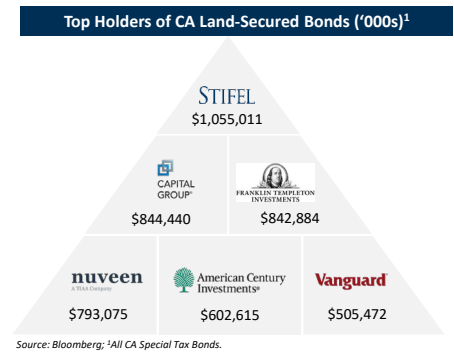


### 3. MARKETING AND DISTRIBUTION

Provide a description of your firm's marketing and distribution capabilities.

#### The Only Firm with Direct Access to All Prospective Investors

Stifel provides the District with the only distribution network that has the ability to sell bonds directly to the entire audience of investors for land-secured bonds – **both institutional investors and individual retail investors**. As the top underwriter of California CFD bonds, our market presence means we always know who is buying (and who needs to sell). Furthermore, because our group originates such a large share of this niche market, almost every institutional investor that wants California land-secured paper has a relationship with one of our sales professionals and those investors view Stifel as an authority in establishing appropriate spreads. We use this to the advantage of our public agency issuer clients to ensure that their financings are priced at the most aggressive interest rates possible at the time. Finally, unlike any of our competitors, Stifel has an active network of individual retail investors that buy land-secured bonds. Notably, Stifel's Private Client Group currently holds over \$1 billion of California land-secured bonds, more than any single institutional investor. Below, we have provided an overview of our distribution resources.



**Retail Investor Marketing Capabilities.** Stifel's private client group targets individuals and small money managers that invest on behalf of a few high net worth individuals, which can be important components in delivering the lowest cost of borrowing. These investors tend to be less price sensitive in a rising interest rate environment, they are less impacted by volatile market conditions and they buy throughout the yield curve allowing the issuer to take fuller advantage of the upward sloping yield curve. Stifel's retail system includes well over 2,000 sales executives who manage nearly \$340 billion of client assets, including over \$1 billion of California land-secured bonds. Our sales professionals are located in 36 offices throughout the State, including local Los Angeles County offices in Westlake, Pasadena, and Los Angeles. These sales professionals manage the municipal bond portfolios of some of the largest family offices in the state, many of which maintain accounts at Stifel specifically for primary market access to new issues. Stifel is the only underwriting firm with meaningful recent experience selling land-secured bonds that actually has a platform to sell bonds directly to individuals.



**Stifel's Proven Retail Distribution.** Due to our group's long-term dominance of the California land-secured market, individual investors who have an understanding of real estate credits and/or an investment sophistication to make these bonds a useful element of their portfolio have become clients of our firm precisely for the access we can provide to land-secured bonds. By virtue of this, we are consistently able to generate orders from individuals for a significant portion of land-secured issues we underwrite. We believe this claim is best supported by the results we have been able to achieve on some recent land-secured issuances.

#### Recent Stifel Land-Secured Issues (Rated and Non-Rated): The Power of Individual Retail

Sale Date	Issuer Name	District	S&P Rating	Parcels	Par Amount	Total Retail Orders (\$)	Orders to Par <sup>1</sup>	# Retail Orders	% of Total Orders	Average Retail Order
05/11/21	Lake Elsinore*	Multiple	A	1,920	\$34.97M	\$5.25M	10%	4	18%	\$1.31M
05/06/21	City/County of SF	2020-1	None	12	43.30M	23.02M	53%	16	12%	1.44M
05/04/21	Lake Elsinore*	93-1	A-	3,414	10.39M	5.75M	55%	9	28%	0.64M
02/25/21	San Marcos	2002-01	A	1,090	15.10M	4.44M	30%	11	42%	0.40M
02/11/21	Saugus USD	Multiple	None	1,946	28.14M	19.17M	68%	46	20%	0.42M
01/27/21	Jurupa CSD*	52	None	241	11.22M	7.08M	63%	51	47%	0.14M

1. Amount of individual retail investor orders divided by the par amount.

\*Tom was the lead banker on each of these transactions.

**Targeted Institutional Investor Participation.** Stifel has one of the largest institutional municipal sales groups in the country whose clients include municipal bond funds, SMAs, insurance companies, banks and other types of professional investors. In total, the firm has 22 dedicated municipal sales executives and 200 fixed income generalists. Because Stifel maintains the leading position in the origination of land-secured bonds, any institution that wants to own California land-secured bonds has a relationship with one of our sales executives. And because we sell so many land-secured bonds, our sales executives are in constant dialogue with these credit analysts and portfolio managers discussing their credit sensitivities and structuring needs.


If the District selects an underwriter that does not have direct access to individual retail investors that will buy land-secured bonds, the distribution of the bonds will be limited to the 5 to 10 institutional investors, who will dictate structure and pricing. To the extent that there are serial maturities (since these institutions do not typically buy bonds inside of 15 years), those underwriters will have to sell the shorter serial maturities of the Bonds to the few broker dealers that will take them into inventory, mark up the price and sell them to individuals. The inclusion of a “middle man” in the sale of bonds to individuals only happens if that intermediary is also making money, which ultimately means that the issuer of the bonds is not getting the lowest possible cost of borrowing.

In summary, Stifel’s pledge to the District is that we will generate competition by leveraging: 1) very large base of high net worth individual retail investors; 2) supplementing that demand with interest from residents in within the District; and 3) manage an orderly process with institutional investors at aggressive credit spreads.

**4. PROPOSER REFERENCES**

*Provide five (5) client references for which the proposer has provided similar services. References shall include date and description of service, project location, completion dates, organization’s name, contact person, title, address, and telephone number.*

Provided below are five references (representatives for some of the largest land-secured programs in California) for which Stifel has provided similar services. Tom served as lead banker for each one of these clients and transactions.

<b>Jurupa Community Services District</b>		<b>Eastern Municipal Water District</b>	
<b>Contact</b>	Steven Popelar, <i>Director of Finance &amp; Administration</i> (951) 685-7434 11201 Harrell Street Jurupa Valley, CA 91752	<b>Contact</b>	Thomas Hays, <i>Finance Manager</i> (951) 928-3777 2270 Trumble Road Perris, CA 92570
<b>Financings</b>	Stifel has served the District as underwriter for over a decade (since 2010) <b>Experience with JCSD: Past 24 Months Only</b> <b>- 7 CFD financings totaling \$70 million in par</b>	<b>Financings</b>	Stifel has served the Water District as underwriter for over two decades (since 2000) <b>Experience with EMWD: Past 24 Months Only</b> <b>- 5 transactions totaling \$39 million in par</b>
<b>Services</b>	CFD bond underwriting services	<b>Services</b>	CFD bond underwriting services
<b>District Types</b>	Residential, commercial, industrial	<b>District Types</b>	Residential and commercial
<b>Project Locations</b>	All districts located in the City of Eastvale	<b>Project Locations</b>	Various locations within the Water District
<b>City of Lake Elsinore</b>		<b>City of Beaumont</b>	
<b>Contact</b>	Jason Simpson, <i>City Manager</i> (951) 674-3124 130 South Main Street Lake Elsinore, CA 92530	<b>Contact</b>	Todd Parton, <i>City Manager</i> (951) 769-8520 550 E. 6th Street Beaumont, CA 92223
<b>Financings</b>	Stifel has been the City's underwriter since 2015 <b>Experience with City: Past 24 Months Only</b> <b>- 7 CFD financings totaling \$78 million in par</b>	<b>Financings</b>	Stifel has been the City's underwriter since 2019 <b>Experience with City: Past 24 Months Only</b> <b>- 6 CFD financings \$61 million in par</b>
<b>Services</b>	CFD bond underwriting services	<b>Services</b>	CFD bond underwriting services
<b>District Types</b>	Residential, commercial, industrial	<b>District Types</b>	Residential
<b>Project Locations</b>	Various districts located in the City	<b>Project Locations</b>	Various districts located in the City
<b>City of Desert Hot Springs</b>		<b>Proposer References</b>	
<b>Contact</b>	Luke Rainey, <i>City Manager</i> (760) 329-6411 11-999 Palm Dr. Desert Hot Springs, CA 92240		
<b>Financings</b>	Stifel has been the City's underwriter since 2017 <b>Experience with City: Past 24 Months Only</b> <b>- 1 CFD financing totaling \$2 million in par</b>		
<b>Services</b>	CFD bond underwriting services		
<b>District Types</b>	Residential		
<b>Project Locations</b>	One district located west of downtown		

## 5. ROLE OF BOND UNDERWRITING DEPARTMENT

*Proposer shall describe the role of the bond underwriting department in the firm and attach a copy of the firm's relevant filings, licenses or certifications as needed.*

Stifel is organized around two primary business groups, Institutional Capital Markets, which includes our Municipal Securities Group (group that includes our banking and underwriting team introduced in Section II and for the purpose of answering this question, our *Bond Underwriting Department*), and Global Wealth Management, serving the needs of retail clients. The graphic to the right above depicts our overall organization structure.

A successful transaction that results in the lowest possible borrowing cost will require seamless collaboration and consistent communication among the members of the *Bond Underwriting Department*, which includes the banking team (Tom and Sandrine), the underwriting team (Betsy, Ben and Marcus) and the salesforce. Concurrent with Phase I of the Scope of Work (please see Section III), Tom and Sandrine will work closely with Betsy, Ben and Marcus, communicating the nuances of the structure and credit that will start to form a marketing and sales plan (Phases II and III in Section III). Once an underlying rating is in hand and the POS is finalized and ready to be distributed to prospective investors, our three underwriters will employ a tailored and targeted investor outreach. As previously described, our underwriters (one of which works from our downtown Los Angeles office and the other two from our San Francisco office) have more locally based resources in California than any firm and will coordinate a salesforce that covers thousands of prospective investors. This expansive investor coverage combined with the fact that our underwriting team has brought to market *more than 50% of all land-secured transactions in the past two years* ensures that the District will achieve the lowest cost of borrowing.

Also provided under the following question, we invite the District to view the following link at the FINRA (Financial Industry Regulatory Authority) website, which provides information on our relevant filings, licenses and certifications:

<http://brokercheck.finra.org/Firm/Summary/793>.

## 6. DISCIPLINARY ACTIONS

*List all disciplinary actions, administrative proceedings, malpractice claims or other like proceedings against your firm or any of its personnel relating to your firm's services as bond underwriter, whether current, pending, or occurring in the last five (5) years, relating to the municipal industry by the SEC, NASD, MSRB or any other State of Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal industry. Please indicate disposition of each claim.*

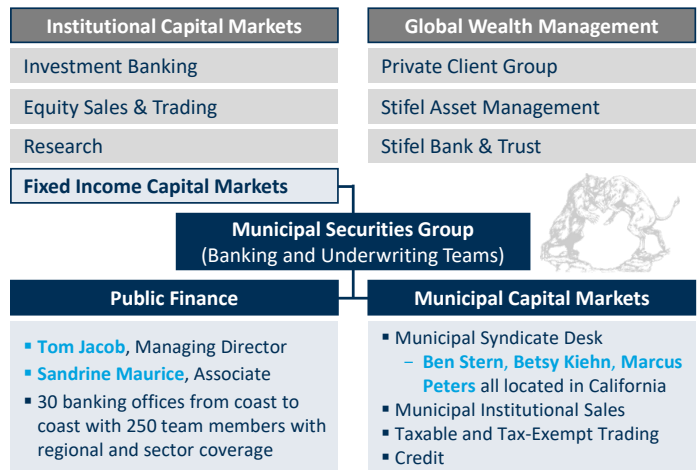
Stifel, Nicolaus & Company, Incorporated ("Stifel") is an investment banking and securities firm providing investment services to individuals and institutional clients, investment banking, and related services including the day-to-day purchase and sale of securities. Stifel is a wholly owned subsidiary of Stifel Financial Corp. (SF). In the normal course of business, at any given time, Stifel is subject to a number of claims and disputes, as well as regulatory matters including examinations, reviews, investigations, or formal actions. All required disclosures of material litigation and regulatory matters are made in Stifel Financial Corp.'s public filings with the SEC and other regulatory authorities, such as its Form 10-K and the most recent Form 10-Q filed with the U.S. Securities and Exchange Commission (the "SEC"), 8-K's, and in other regulatory filings, such as Form B/D, as amended. You are further referred to the FINRA website, where you can access Broker Check reports for Stifel, Nicolaus & Company, Incorporated which may be located with the following hyperlink:

<http://brokercheck.finra.org/Firm/Summary/793>.

This contains the regulatory reports on Stifel's disciplinary disclosures.

### Getting to Know Stifel

#### Our organization and capabilities





## SECTION II – PERSONNEL

*Proposer shall provide the names, proposed roles, background and experience, office location and availability of personnel that would work on the District's account, and specifically identify the primary person(s) who will be responsible for managing the relationship with the District. Identify who will provide any computer financial analysis services.*

### The Most Experienced Team in the Business

**Banking Team.** Stifel's banking team efforts will be led by **Tom Jacob**, a Managing Director based in the firm's downtown Los Angeles office. During his more than 14 years of public finance experience, Tom has structured hundreds of financings including more than 100 land-secured financings totaling \$1.3 billion in par value. His recent experience includes financings for issuers that have the largest land-secured programs in the State: the cities of Lake Elsinore and Beaumont, Eastern Municipal Water District and Jurupa Community Services District. Tom has completed 7 land-secured transactions totaling over \$90 million in par amount just since the beginning of this year. Additionally, he has three more land-secured transactions scheduled to price over the next 4 months. **Sandrine Maurice**, an Associate based in San Francisco, will be responsible for research, financing execution support, and day-to-day tasks necessary to ensure a smooth transaction.

**Experienced Team Ready to Serve the District**

 <p><b>Tom Jacob</b> <i>Managing Director</i> <b>Primary Contact</b> • 14+ Years Exp • Significant Experience with Land-Secured Financings</p>	 <p><b>Sandrine Maurice</b> <i>Associate</i> <b>Financial Support</b> • 9+ Years Experience in Public Finance</p>	
 <p><b>Betsy Kiehn</b> <i>Head of Municipal Capital Markets</i> • 14+ Years Experience • Underwrites &gt;100 Bond Issues Annually</p>	 <p><b>Ben Stern</b> <i>Managing Director</i> • 25+ Years Experience • Underwrites &gt;100 Bond Issues Annually</p>	

Banking Team Highlighted in Blue, Capital Markets (Underwriting) Team in Grey

**Underwriting Team.** Stifel's marketing and distribution effort will be coordinated by **Betsy Kiehn**, **Ben Stern**, and **Marcus Peters**. These three underwriters, collectively, have underwritten all of the firm's California municipal financings since 2018, representing roughly 25% of all California municipal financings brought to market in that time period. In the specialized land-secured sector, their experienced includes more than 50% of all California land secured financings brought to market in that time. Betsy, Ben, and Marcus bring to each land-secured financing superior insight into this niche market and successful strategies that position the credit for the broadest possible audience of investors. All three will be available, as needed, to provide ongoing perspective on market conditions and will lead our marketing and pricing process.

Please know that we take pride in always being available to our clients. Feel free to contact Tom or any members of the banking or underwriting team at any time.

Please see **Appendix A** for full resumes.

## SECTION III – QUALIFICATIONS

*Proposer shall provide a clear understanding of the services required by the District in response to Section IV - Scope of Work. Does the Proposer have the character, integrity, reputation, judgment, experience, and efficiency required by the contract? Has the Proposer performed satisfactorily in previous contracts of similar size and scope, or otherwise demonstrated its capability to perform the contract the District?*

### Our Culture and Approach to Building Client Trust

At Stifel, we pride ourselves on our character, integrity and judgment. It is these traits, among others, that have gained the trust of our issuer-clients and have propelled the firm to its current position as the leading underwriter of municipal bonds, as previously described. Our banking team has cultivated a reputation for excellence by providing issuer-clients with thoughtful and engaging customer service, always delivering a work product that is of the utmost quality in a timely and efficient manner. Moreover, our capital markets team (in charge of marketing, pricing and selling bonds) has more California experience than any other team in the industry, giving them with a unique understanding of local credits and insights on optimal pricing levels. As such, we are confident that we are the most qualified underwriting firm to assist the District with its financing. We invite the District to reach out to any one of our five references (representing some of the largest land-secured programs in California) provided in Section I, Question 5, each of whom will attest to our professionalism, work product and all of the other aforementioned attributes.

## Our Understanding of the Scope of Work

We are committed to providing those services listed under the Scope of Work, as outlined by the District, throughout the financing process. While not an exhaustive list of services, we plan to implement them in the following three phases: 1) strategic planning and preparation of documents and credit package; 2) pre-sale marketing plan; and 3) Board approval, sale and post-sale analysis.

Proposed Scope of Work Phases	
<b>PHASE 1: Strategic Planning, Preparation of Documents and Credit Package</b>	
<u>Financing Structure</u>	<ul style="list-style-type: none"> <li>Using the detailed special tax revenue analysis prepared last year (or any recent updates), Stifel will assist the District in selecting a financing structure that will: (a) garner support from both the District Board and the public; and (b) meet the revenue demands required to finance the improvements to the Main Library and Bob Lucas branch.               <ul style="list-style-type: none"> <li>Specific structures: sizing the bonds using a revenue constraint that includes undeveloped property, excludes undeveloped property and/or assesses the special tax on a square footage basis.</li> <li>Structuring nuances: term of the debt, escalating debt, length of capitalized interest period, serial vs. term bonds, optional call provision</li> </ul> </li> </ul>
<u>Financing Roadmap</u>	<ul style="list-style-type: none"> <li>Following our selection, Stifel will work with the Municipal Advisor and the District in developing a roadmap that will clearly articulate the required financing milestones in order to sell the bonds by the time the special tax levy needs to be submitted to Los Angeles County for the 2021/22 property tax bills.</li> </ul>
<u>POS and Bond Documents</u>	<ul style="list-style-type: none"> <li>Stifel will take an active role in reviewing and providing feedback on the POS and bond documents. Given our unparalleled experience in dealing with land-secured credits, Stifel is the most qualified underwriter to assist Disclosure Counsel in telling the credit story to prospective investors.</li> </ul>
<u>Credit Analysis and Outreach</u>	<ul style="list-style-type: none"> <li>According to the same special tax revenue analysis mentioned above, roughly 96% of the nearly 14,000 taxable parcels are conveyed residential (single family and apartments) and roughly 97% of all parcels are considered developed pursuant to the rate and method of apportionment. Both of these statistics are very positive credit features that should result in a strong investment grade rating. If selected, we look forward to analyzing the credit in more detail and determining the viability of a municipal bond insurance policy, both of which would lead to a lower cost of borrowing (i.e. lower debt service payments to achieve the desired amount of construction proceeds).</li> <li>If applicable, Stifel will partner with the Municipal Advisor in preparing a credit package for both the rating agency (most likely Standard &amp; Poor's) and bond insurers, participate in any discussions and answer any questions regarding the credit and ultimately evaluate, summarize and debrief the District and its Municipal Advisor on the results.</li> </ul>
<b>PHASE 2: Pre-Sale Marketing Plan</b>	
<u>Marketing Plan</u>	<ul style="list-style-type: none"> <li>Our unparalleled expertise with land-secured financings and constant market presence grants us valuable knowledge of active investors and their appetite, allowing for a more tailored and targeted marketing approach. While we would revisit our approach closer to the time of sale, we expect participation from the following investors:               <ul style="list-style-type: none"> <li>'Mom and Pop' Retail</li> <li>'Big Boy' Retail</li> <li>Institutions/High Yield Bond Funds</li> </ul> </li> </ul>

<b>"Mom and Pop" Retail Accounts</b>	<b>Target Years:</b> All Years <b>Total Demand:</b> Up to \$1M These are investors that place orders in increments of \$5,000 to \$50,000. While certainly not carrying the deal, these orders help substantiate the liquidity of the bond issue, which is so important for institutional demand.
<b>"Big Boy" Retail Accounts</b>	<b>Target Years:</b> All Years <b>Total Demand:</b> \$5 to \$10M These individuals purchase bonds in blocks of \$100,000 to \$500,000. The category includes small wealth manager and family offices. Sophisticated retail tend to invest in time horizons that make sense for personal reasons (e.g., retirement) and at the spot that generates maximum yield.
<b>SMA's, Money Managers, Investment Advisors &amp; Short Term Bond Funds</b>	<b>Target Years:</b> All Years <b>Total Demand:</b> >\$10M These investors may generate interest for the multiple maturities as they typically target of larger block sizes; possibly entire transaction given short amortization.

Investor Outreach

- Various tools to reach prospective investors:
  - *Drone Videos*: Stifel is the only underwriter uses drone videos to market California CFD Bonds, addressing investors’ interest in actually seeing the credit they are buying. One such example can be found following the link below:  
<https://www.munios.com/munios-notice.aspx?i=ALKERkXfBhk3>  
 The drone video was posted with the POS and was helpful in providing perspective on what was happening on site and on the project’s location relative to major thoroughfares and surrounding neighborhoods.
  - *Local Retail Marketing Plan*: Newspaper ads in local publications (both print and online editions) will be used to publicize the bond sale to residents within the District. Stifel would place ads, at no cost to the District, in publications like the *Los Angeles Times* and *Altadena Now*. Examples of our local retail marketing (including for the nearby cities of Arcadia and Pasadena) campaign efforts are provided in the accompanying graphic.
- Other important milestones include engaging discussions with credit analysts, early release of the POS (ideally 2 weeks) and facilitating investor calls.



**PHASE 3: Board Approval, Sale and Post-Sale Analysis**

Board Approval and Meeting Participation

- In collaboration with Bond and Disclosure Counsel, Stifel will work toward a streamlined bond approval process for easy consumption by the Board and District residents.
- Drawing upon our prior experience drafting staff reports and presentation deliverables, Stifel will assist the Municipal Advisor and staff in creating staff reports that summarize the bond approval and financing process in easily digestible terms.
- Stifel will be available to help put together Board presentations and help present materials.

Pricing

- Leading up to the pricing date, Stifel will keep the District and its Municipal Advisor apprised of market conditions and the impact that interest rate fluctuations (if any) may have on the economics of the transaction.
- On the day of pre-pricing, Stifel will provide pricing comparables, our preliminary pricing scale and cash flows to the District and its Municipal Advisor.
- On the day of pricing, Stifel will provide the District and its Municipal Advisor access to an order monitor screen that will allow the team to view live investor orders.
- Stifel will provide a financing progression summary, tracking the economics from the onset of the transaction to what was presented to the Board, up until the day of pricing.

Closing

- Stifel will prepare a ‘flow-of-funds’ memorandum, summarizing the transaction (interest rate, order summary, etc.) and detailing the wires necessary to close the transaction.
- Stifel will also assist Bond Counsel in preparing all of the final closing documents.

Post Sale Analysis

- After pricing, we will be happy to assist the Municipal Advisor in preparing a final summary of the financing so that staff can communicate with the Board and District residents.
- Stifel will prepare a post-sale book memorializing the results of the sale, participating investors, a summary of market conditions leading up to the sale, etc.



## SECTION IV – COST PROPOSAL

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We propose an average takedown of \$5.00 per bond plus expenses (\$1.05 per bond), which equates to a total gross spread of **\$6.05 per bond**. If Stifel prepares the credit rating presentation, we would propose an *additional \$5,000 fee*.

While underwriting fees are an important factor in the selection of the underwriting firm, it is considerably more important to select a firm that is best able to develop and implement a marketing strategy for the District's bonds, targeting a broad network of investors for this unique credit. By succeeding in these areas, the underwriter will be able to minimize the total interest costs. How the bonds are priced have a far greater impact on total costs than do a small difference in fees.

The following page presents our proposed fees in the cost sheet format provided by the District.

## SECTION V – EXCEPTIONS TO THE PROFESSIONAL SERVICES AGREEMENT

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We have reviewed the sample Professional Services Agreement and have the following comments:

1. **Item 8 (Confidential Information):** We propose to add "or regulation" after the following statement: "Consultant shall not, unless required by law or regulation..."
2. **Item 14 (Compliance with Laws and Standards):** We propose a sentence at the end of the paragraph that reads: "This does not create or augment any private right of action under securities laws that they otherwise might have."
3. **Item 16 D (Errors and Omissions Liability):** We propose striking the last sentence starting "At the option of the District, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the District..."
4. **Item 16 E (Other Insurance Requirements):** Should Stifel be selected, the policies would have to be specifically endorsed to comply with the direct notice of cancellation to the holder and an additional insured endorsement specifically naming this holder.
5. **Item 17 (Indemnification):** Should Stifel be selected as the District's Underwriter, Stifel would expect to negotiate an indemnification provision that is appropriate to a municipal securities underwriting engagement. Furthermore, on this section, we propose striking the statement, "(with counsel reasonably approved by the District)."
6. **Item 23 (Conflicts of Interest):** By statutory construct, an underwriter cannot have a fiduciary responsibility to the District. Pursuant to MSRB Rule G17, Stifel will disclose any conflicts of any as and if they arise. As previously stated in our response to Section I, Question I, Stifel has not identified any conflicts of interest that might interfere with our ability to serve as underwriter for the District's financing.

**SECTION VII  
COST SHEET**

**7.0 INTRODUCTION**

Proposer shall complete cost sheet to include all costs, in accordance with the Scope of Work defined in Section IV.

**7.1 COST FOR SCOPE OF WORK, SECTION IV**

**a. Fee Schedule For Bond Underwriting Services For Term Of Contract**

Takedown (\$/bond)	Expenses (\$/bond)	Mgmt. Fee (\$/bond)	Total Gross Spread (\$bond)
\$5.00	\$1.05	\$0*	\$6.05

\*Assuming the municipal Advisor prepares the credit presentation. If not, Stifel proposes a \$5,000 management fee.

This proposal submitted by: Stifel

Company Name

Address: 515 S. Figueroa St., Ste 1800

Los Angeles, CA 90071

Telephone Number: 213-443-5010

Fax Number: 213-443-5023

Contact Name: Thomas Jacob

Authorized Signature: 

## APPENDIX A: TEAM RESUMES

Investment Banking Team	
<p><b>Tom Jacob</b>  <i>Managing Director</i>  <b>Role:</b> Lead Banker/Day-to-Day  <b>Location:</b> Downtown Los Angeles            T: (213) 443-5010            M: (213) 434-3067            tjacob@stifel.com</p>	<p><b>Experience:</b> Tom has over 14 years of public finance experience and has assisted local agencies with approximately 100 land-secured financings totaling \$1.2 billion in par value over the years. Tom is lead banker on some of the largest CFD programs in California (Eastern Municipal Water District, Jurupa Community Services District and the cities Beaumont and Lake Elsinore). Tom has a BA in Business Management from UC Santa Cruz and an MBA from USC.</p> <p><b>Relevant Experience Over Past 24 Months:</b></p> <ul style="list-style-type: none"> <li>✓ Eastern MunicipalWD CFD Program (5 transactions totaling \$39 million)</li> <li>✓ Jurupa CSD CFD Program (7 transactions totaling \$70 million)</li> <li>✓ Lake Elsinore City CFD Program (7 transactions totaling \$78 million)</li> <li>✓ Beaumont City CFD Program (6 transactions totaling \$61 million)</li> <li>✓ Other Recent Land-Secured Experience: Santa Paula and Desert Hot Springs</li> </ul>
<p><b>Sandrine Maurice</b>  <i>Associate</i>  <b>Role:</b> Execution Banker  <b>Location:</b> San Francisco            (415) 364-2503            maurices@stifel.com</p>	<p><b>Experience:</b> Sandrine joined Stifel’s public finance department in 2019 and has provided financing and execution support on a variety of California municipal credits including special tax, tax allocation, water/sewer and general fund credits. She will serve as financing and execution support and will be responsible for research and financial analysis. Prior to Stifel, Sandrine worked as a credit and fixed income-pricing analyst. Sandrine has supported the execution of half a billion in par across senior and joint senior managed roles. Sandrine is a graduate of Pennsylvania State University and holds a BS in Finance.</p>
Underwriting Team	
<p><b>Betsy Kiehn</b>  <i>Managing Director and Head of Muni Capital Markets</i>  <b>Role:</b> Underwriter  <b>Location:</b> San Francisco            (415) 364-2791            bkiehn@stifel.com</p>	<p><b>Experience:</b> Betsy has been underwriting California bonds for Stifel and its predecessor firm, Stone &amp; Youngberg, since 2006. Since 2019, she has led Stifel’s national underwriting, sales and trading group, while continuing to underwrite California financings. Betsy received a Bachelor of Science degree from the University of Vermont. She maintains the Series 7 and 6 FINRA licenses.</p>
<p><b>Ben Stern</b>  <i>Managing Director</i>  <b>Role:</b> Underwriter  <b>Location:</b> Los Angeles            (213) 443-5225            bstern@stifel.com</p>	<p><b>Experience:</b> Ben has been underwriting California bonds for Stifel and its predecessor firm, De La Rosa &amp; Co. since 1990. He works closely with Betsy Kiehn to direct the underwriting of all California negotiated underwritings that the firm undertakes each year. In this role, he makes commitments for the firm on nearly 200 new issues totaling more than \$3.5 billion each year. Ben received a Bachelor of Arts degree and an MBA from the University of California, Los Angeles. He also maintains the Series 7, 53, 55 and 24 FINRA licenses.</p>
<p><b>Marcus Peters,</b>  <i>Vice President</i>  <b>Role:</b> Underwriter  <b>Location:</b> San Francisco, CA            (415) 364-6842            petersm@stifel.com</p>	<p><b>Experience:</b> Marcus Peters joined Stifel in early 2017 with over 5 years of experience in the industry. His previous experience includes being a municipal credit analyst supporting an \$80 billion municipal bond portfolio as well as a bond insurance underwriter and credit analyst. Marcus received a Bachelor of Arts degree from the University of California, Irvine and an MBA from Carnegie Mellon University. He maintains Series 52 and 63 FINRA licenses.</p>

APPENDIX B: LIST OF STIFEL SPECIAL TAX BOND EXPERIENCE OVER THE PAST 24 MONTHS

Par Value Issuer	\$8,665,000			\$24,425,000			\$16,575,000			\$15,565,000			\$6,530,000			\$8,180,000			\$5,375,000			\$19,865,000			\$12,245,000			\$8,835,000				
	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread		
2020	4.000	1.460	12	4.000	1.310	0	3.000	1.350	11	5.000	1.190	6	3.000	1.210	10	3.000	1.120	2	3.000	1.140	2	3.000	1.140	17	3.000	1.140	2	3.000	1.020	2		
2021	5.000	1.630	27	4.000	1.350	2	4.000	1.570	31	5.000	1.240	10	3.000	1.340	21	4.000	1.170	6	3.000	1.170	6	3.000	1.340	31	3.000	1.240	27	3.000	1.180	20		
2022	5.000	1.740	37	5.000	1.390	5	5.000	1.680	41	5.000	1.270	12	3.000	1.450	31	4.000	1.180	6	3.000	1.530	49	4.000	1.400	42	4.000	1.400	42	4.000	1.360	37		
2023	5.000	1.850	47	5.000	1.400	5	5.000	1.790	51	5.000	1.300	14	4.000	1.610	46	5.000	1.210	8	4.000	1.640	59	4.000	1.550	56	4.000	1.550	56	4.000	1.490	50		
2024	5.000	1.960	57	5.000	1.420	5	5.000	1.920	60	5.000	1.280	9	5.000	1.740	56	5.000	1.240	8	4.000	1.770	70	4.000	1.670	66	4.000	1.670	66	4.000	1.610	61		
2025	5.000	2.040	61	5.000	1.480	7	5.000	2.020	65	5.000	1.360	9	5.000	1.870	61	5.000	1.900	65	5.000	1.350	11	4.000	1.900	75	4.000	1.780	71	4.000	1.680	66		
2026	5.000	2.130	66	5.000	1.550	9	5.000	2.130	70	5.000	1.470	12	5.000	2.000	66	5.000	2.030	70	5.000	1.460	14	5.000	2.040	81	4.000	1.900	76	5.000	1.770	72		
2027	5.000	2.230	71	5.000	1.630	10	5.000	2.260	75	5.000	1.560	14	5.000	2.090	67	5.000	2.110	70	5.000	1.540	14	5.000	2.180	86	4.000	2.030	81	5.000	1.820	72		
2028	5.000	2.290	70	5.000	1.680	8	5.000	2.330	75	5.000	1.640	14	5.000	2.170	67	5.000	2.190	70	5.000	1.620	14	5.000	2.260	86	5.000	2.110	81	5.000	1.880	72		
2029	5.000	2.340	68	5.000	1.770	10	5.000	2.400	75	5.000	1.730	16	5.000	2.240	67	5.000	2.230	67	5.000	1.710	16	5.000	2.330	85	5.000	2.190	81	5.000	1.940	73		
2030	5.000	2.410	68	5.000	1.890	15	5.000	2.470	75	5.000	1.830	19	5.000	2.310	67	5.000	2.300	67	4.000	1.900	28	5.000	2.400	86	5.000	2.250	81	5.000	2.000	73		
2031	5.000	2.470	68	5.000	2.000	20	5.000	2.520	75	5.000	1.910	22	5.000	2.360	67	5.000	2.350	67	4.000	2.010	34	5.000	2.460	85	5.000	2.300	81	5.000	2.010	70		
2032				5.000	2.100	23	5.000	2.580	75	5.000	2.020	27	5.000	2.450	70	5.000	2.440	70	4.000	2.120	39	5.000	2.520	85	5.000	2.360	81	5.000	2.060	70		
2033				5.000	2.160	25	5.000	2.620	75	5.000	2.100	30	4.000	2.670	87	5.000	2.490	67	5.000	2.570	85	5.000	2.410	81	5.000	2.410	81	5.000	2.140	74		
2034	5.000	2.590	65	5.000	2.240	28	5.000	2.670	75	5.000	2.170	32	4.000	2.750	90	5.000	2.540	68	5.000	2.620	85	5.000	2.620	85	5.000	2.460	81	5.000	2.180	74		
2035	3.000	3.130	115	5.000	2.280	28	5.000	2.710	75	5.000	2.220	32	4.000	2.800	90	5.000	2.590	68				5.000	2.670	85	5.000	2.510	81	5.000	2.220	74		
2036	3.000	3.170	115	5.000	2.320	28	5.000	2.750	75	5.000	2.250	32	4.000	2.840	90	5.000	2.630	68				3.000	3.110	125	3.000	3.050	131	5.000	2.260	74		
2037	3.000	3.210	115	5.000	2.360	28	5.000	2.790	75	5.000	2.280	32	3.000	3.130	115	3.000	3.120	113				3.000	3.110	125	3.000	3.050	131	4.000	2.500	94		
2038	3.000	3.250	115				5.000	2.830	75	5.000	2.310	32	3.000	3.170	115	3.000	3.160	114				3.000	3.110	125	3.000	3.050	131	4.000	2.540	94		
2039	3.125	3.290	115				3.250	3.250	113				3.000	3.210	115	3.000	3.200	114				5.000	2.730	75	5.000	2.670	81	4.000	2.830	119		
2040																														4.000	2.620	94
2041																																
2042																																
2043																																
2044	4.000	3.280	100				5.000	2.980	72				5.000	2.870	65	5.000	2.910	70				5.000	2.930	79	5.000	2.830	81					
2045																																
2046																																
2047																																
2048																																
2049	5.000	3.030	70				5.000	3.030	72				3.250	3.420	115							5.000	2.980	79	5.000	2.880	81	3.000	3.020	119		



**APPENDIX B: LIST OF STIFEL SPECIAL TAX BOND EXPERIENCE OVER THE PAST 24 MONTHS**

Par Value Issuer Issue Callable Rating/Under Insurance	\$19,380,000	\$32,720,000	\$8,540,000	\$6,320,000	\$15,285,000	\$15,795,000	\$2,820,000	\$6,340,000	\$17,200,000	\$3,060,000	
	Santa Paula CFD 1	Jurupa PFA	Sacramento CFD 2015-04	Lammersville JUSD CFD 2014-1	Fairfield CFD 2019-1	Ontario CFD 43	Menifee USD CFD 2016-1	Ontario CFD 40	Beaumont Pub. Improv. Auth.	Corona Norco USD CFD 17-1	
	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	
	9/1/2028 @ 102	9/1/2030 @ 100	9/1/2030 @ 100	9/1/2027 @ 103	9/1/2030 @ 100	9/2/2027 @ 103	9/1/2027 @ 103	9/1/2027 @ 103	9/1/2030 @ 100	9/1/2027 @ 103	
NR/NR/NR	-A/-	-A/-	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR	-A/-	NR/NR/NR	
Insurance	N/A	BAM	BAM	N/A	N/A	N/A	N/A	N/A	AGM	N/A	
Sale Date	June 4, 2020	June 9, 2020	June 17, 2020	June 23, 2020	June 25, 2020	July 15, 2020	July 16, 2020	July 28, 2020	July 30, 2020	August 4, 2020	
Maturity	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread U.S.	Coupon Yield Spread	
2020											
2021	4.000 1.060 90	5.000 0.510 33	3.000 0.680 43			4.000 0.900 71		3.000 0.800 67	0.773 0.773 65	2yr	3.000 0.730 62
2022	4.000 1.550 136	5.000 0.610 40	3.000 0.750 48			4.000 1.110 90	3.000 1.110 94	3.000 0.950 80	0.903 0.903 78	2yr	3.000 0.880 75
2023	4.000 1.930 170	5.000 0.700 47	3.000 0.810 53			4.000 1.290 107	3.000 1.270 109	3.000 1.160 100	1.088 1.088 95	3yr	3.000 1.100 96
2024	4.000 2.050 175	5.000 0.820 52	4.000 0.910 58			4.000 1.390 112	3.000 1.400 117	3.000 1.300 109	1.281 1.281 105	5yr	3.000 1.270 110
2025	4.000 2.180 180	5.000 0.930 54	4.000 1.050 63	4.000 1.670 125		4.000 1.530 117	1.500 1.530 121	4.000 1.450 115	1.431 1.431 120	5yr	4.000 1.390 116
2026	5.000 2.370 185	4.000 1.110 57	4.000 1.210 65	4.000 1.840 129		4.000 1.690 122	5.000 1.690 125	4.000 1.600 121	1.702 1.702 130	7yr	4.000 1.530 121
2027	5.000 2.520 190	4.000 1.240 59	4.000 1.350 68	4.000 1.990 133		4.000 1.840 127	5.000 1.840 130	4.000 1.750 126	1.852 1.852 145	7yr	4.000 1.680 126
2028	5.000 2.650 195	4.000 1.370 63	4.000 1.470 71	4.000 2.130 138		4.000 2.000 135	5.000 1.970 135	4.000 1.900 133	2.045 2.045 150	10yr	4.000 1.850 134
2029	5.000 2.750 200	4.000 1.430 63	4.000 1.550 73	4.000 2.240 142		4.000 2.120 140	5.000 2.000 131	4.000 2.030 139	2.145 2.145 160	10yr	4.000 1.970 139
2030	5.000 2.850 200	4.000 1.530 64	4.000 1.630 74	4.000 2.370 148		4.000 2.240 145	5.000 2.100 134	4.000 2.120 141	2.245 2.245 170	10yr	4.000 2.070 142
2031		4.000 1.670 69	3.500 1.770 80	4.000 2.520 156		4.000 2.340 150		4.000 2.220 146			4.000 2.150 145
2032		4.000 1.800 72	4.000 1.860 80	4.000 2.660 161		4.000 2.470 155		4.000 2.340 151			4.000 2.280 151
2033		4.000 1.950 77	4.000 1.970 82	4.000 2.780 164		4.000 2.610 160		4.000 2.450 153			4.000 2.420 157
2034		4.000 2.030 82	4.000 2.030 85	4.000 2.830 165	5.000 3.680 245	4.000 2.700 165		4.000 2.510 154			4.000 2.470 157
2035	5.000 3.390 216	4.000 2.080 82	4.000 2.100 87	4.000 2.900 167		4.000 2.750 165	4.000 2.700 163	4.000 2.560 154	2.645 2.645 210	10yr	4.000 2.520 158
2036		4.000 2.120 82				4.000 2.790 165					
2037		4.000 2.170 82				4.000 2.830 165					
2038						3.000 3.020 180					
2039		4.000 2.250 82				3.000 3.060 180		4.000 2.710 153			
2040	5.000 3.600 216		4.000 2.310 88	4.000 3.110 168		4.000 2.920 162	3.000 3.050 178				
2041									3.039 3.039 185	30yr	
2042											4.000 2.740 150
2043											
2044											
2045	4.000 3.950 235			4.000 3.260 168							
2046			4.000 2.470 88								
2047											
2048											
2049				4.000 3.300 168	5.000 4.080 245		4.000 3.040 158				
2050	4.000 4.000 235					4.000 3.000 150		4.000 2.890 147			4.000 2.790 145

Par Value Issuer Issue Callable Rating/Under Insurance	\$13,075,000	\$26,430,000	\$21,565,000	\$4,165,000	\$20,875,000	\$2,355,000	\$19,795,000	\$730,000	\$3,780,000	\$12,800,000
	Dana Point CFD 2006-1	Dana Point CFD 2006-1	Orange Cnty CFD 2017-1	Jurupa CSD CFD 53-1	Roseville CFD 1	Beaumont CFD 2019-1	Romoland SD CFD 2004-1	Romoland SD CFD 2004-1	Jurupa CSD CFD 55	Lake Elsinore CFD 2006-2
	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds	Special Tax Bonds
	9/1/2030 @ 100	9/1/2030 @ 100	8/15/2030 @ 100	9/1/2027 @ 103	9/1/2027 @ 103	9/1/2026 @ 103	9/1/2027 @ 103	9/1/2027 @ 103	9/1/2027 @ 103	9/1/2027 @ 103
-BBB/-	-BBB/-	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR	NR/NR/NR
Insurance	BAM: 2025-2041	BAM: 2025-2041	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sale Date	August 5, 2020	August 5, 2020	August 12, 2020	August 26, 2020	September 2, 2020	September 9, 2020	September 17, 2020	September 17, 2020	September 23, 2020	September 24, 2020
Maturity	Coupon Yield Spread	Coupon Yield Spread U.S.	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread
2020										
2021	4.000 0.480 37	0.847 0.847 73	2yr		2.000 0.780 63		3.000 0.680 54		3.000 0.600 48	
2022	4.000 0.570 44	1.017 1.017 90	2yr	2.000 1.110 100	2.000 0.880 70	4.000 1.260 110	3.000 0.780 63	4.000 0.680 55	3.000 0.680 55	
2023	4.000 0.590 45	1.228 1.228 110	3yr	2.000 1.270 115	2.000 1.070 72	4.000 1.470 130	4.000 0.960 80	4.000 0.920 78	2.000 0.990 85	4.000 0.860 72
2024	4.000 0.670 50	1.428 1.428 121	5yr	2.000 1.390 124	3.000 1.280 107	4.000 1.710 150	4.000 1.150 95	4.000 1.190 101	2.000 1.230 105	4.000 1.090 91
2025	4.000 0.630 42	1.418 1.418 120	5yr	2.000 1.550 136	3.000 1.390 113	4.000 1.870 160	4.000 1.310 105	4.000 1.390 115	2.000 1.390 115	4.000 1.290 105
2026	4.000 0.770 47	1.691 1.691 130	7yr	4.000 1.700 141	4.000 1.540 118	4.000 2.010 165	4.000 1.500 115	4.000 1.550 120	2.000 1.600 125	4.000 1.500 115
2027	4.000 0.920 52	1.841 1.841 145	7yr	4.000 1.850 146	4.000 1.750 129	4.000 2.240 175	4.000 1.740 125	4.000 1.740 125	2.000 1.790 130	4.000 1.730 125
2028	4.000 1.060 57	2.013 2.013 147	10yr	2.500 1.970 150	4.000 1.900 131	4.000 2.420 180	4.000 1.920 130	4.000 1.920 130	2.000 1.970 135	4.000 1.910 130
2029	4.000 1.150 59	2.103 2.103 156	10yr	4.000 2.100 156	4.000 2.030 135	4.000 2.570 184	4.000 2.050 132	4.000 2.090 135	2.000 2.140 140	4.000 2.030 130
2030	4.000 1.270 64	2.203 2.203 166	10yr	4.000 2.200 159	4.000 2.180 141	4.000 2.720 189	4.000 2.180 135	4.000 2.190 135	2.125 2.290 145	4.000 2.150 132
2031	4.000 1.350 67	2.263 2.263 172	10yr	4.000 2.290 162	4.000 2.280 143			4.000 2.360 145		4.000 2.250 135
2032	4.000 1.420 67	2.343 2.343 180	10yr	4.000 2.410 167	4.000 2.410 148			4.000 2.440 145		4.000 2.380 140
2033	4.000 1.500 67	2.393 2.393 185	10yr	4.000 2.540 172	4.000 2.520 151	4.000 2.950 189		4.000 2.540 147		4.000 2.480 142
2034	4.000 1.550 67	2.443 2.443 190	10yr	4.000 2.590 172	4.000 2.570 151			4.000 2.590 147		4.000 2.540 143
2035	4.000 1.590 67	2.493 2.493 195	10yr	4.000 2.630 171	4.000 2.620 151	4.000 3.050 189	4.000 2.580 142	4.000 2.640 147		4.000 2.610 145
2036				4.000 2.660 150					4.000 2.660 145	
2037	4.000 1.640 64								4.000 2.700 145	4.000 2.670 142
2038								4.000 2.710 141		
2039										
2040			4.000 2.710 159			4.000 3.260 189	3.000 3.100 173	4.000 2.790 141	3.000 3.130 175	
2041	4.000 1.800 64	2.898 2.898 169	30yr							
2042										3.000 3.190 175
2043				4.000 2.840 143						4.000 2.850 138
2044						4.000 3.360 184		4.000 2.930 140		
2045				4.000 2.850 159	4.000 2.940 143	4.000 3.410 184	3.250 3.320 175	4.000 2.960 138	4.000 2.980 140	
2050										4.000 2.960 138

# APPENDIX B: LIST OF STIFEL SPECIAL TAX BOND EXPERIENCE OVER THE PAST 24 MONTHS

Par Value Issuer Issue Callable Rating/Under Insurance	\$4,515,000			\$17,135,000			\$6,510,000			\$9,090,000			\$27,220,000			\$12,805,000			\$5,725,000			\$6,805,000			\$6,490,000			\$20,965,000														
	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread									
Eastern Municipal CFD 2013-64 Special Tax Bonds 9/1/2027 @ 103 NR/NR/NR N/A				San Francisco CFD 2016-1 Special Tax Bonds 9/1/2027 @ 103 NR/NR/NR N/A			Fontana CFD 88 Special Tax Bonds 9/1/2027 @ 103 NR/NR/NR N/A			Ontario CFD 45 Special Tax Bonds 9/1/2027 @ 103 NR/NR/NR N/A			Riverside Cnty CFD 07-2 Special Tax Bonds 9/1/2030 @ 100 -/-/- AGM: 2026-2045			Madera Cnty CFD 2017-1 Special Tax Bonds 9/1/2027 @ 103 NR/NR/NR N/A			Fontana CFD 89 Special Tax Bonds 9/1/2027 @ 103 NR/NR/NR N/A			Menifee USD CFD 2006-2 Special Tax Bonds 9/1/2027 @ 103 NR/NR/NR N/A			Etwanda SD CFD 2018-1 Special Tax Bonds 9/1/2027 @ 103 NR/NR/NR N/A			Tejon PFFA CFD 2008-1 Special Tax Bonds 9/1/2031 @ 103 NR/NR/NR N/A														
Sale Date	September 30, 2020			October 7, 2020			October 14, 2020			October 15, 2020			October 28, 2020			October 29, 2020			November 3, 2020			November 4, 2020			November 5, 2020			November 10, 2020														
Maturity	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread	Coupon	Yield	Spread						
2020																																										
2021	3.000	0.490	37	3.000	1.080	94	4.000	0.700	55	3.000	0.580	43	4.000	0.470	28				3.000	0.700	49	4.000	0.580	37	4.000	0.530	35	4.000	0.640	45												
2022	3.000	0.600	47	3.000	1.200	105	4.000	0.840	68	3.000	0.650	49	4.000	0.500	30				4.000	0.730	51	4.000	0.730	53	4.000	0.720	53	4.000	0.850	65												
2023	3.000	0.750	61	3.000	1.370	121	4.000	0.840	68	3.000	0.860	69	4.000	0.590	38				4.000	0.990	77	4.000	0.930	70	4.000	0.930	73	4.000	1.090	87												
2024	4.000	1.050	87	4.000	1.650	145	4.000	1.150	95	4.000	1.150	94	4.000	0.690	45				4.000	1.290	104	4.000	1.160	90	4.000	1.160	94	4.000	1.160	94	4.000	1.360	110									
2025	4.000	1.250	99	4.000	1.840	155	4.000	1.370	108	4.000	1.340	106	4.000	0.810	52				4.000	1.590	129	4.000	1.360	105	4.000	1.360	105	4.000	1.360	110	4.000	1.580	120									
2026	4.000	1.450	108	4.000	2.020	158	4.000	1.570	113	4.000	1.590	116	4.000	0.930	50				4.000	1.830	140	4.000	1.590	115	4.000	1.590	112	4.000	1.580	123	4.000	1.830	136	4.000	1.800	131						
2027	4.000	1.680	118	4.000	2.210	163	4.000	1.810	124	4.000	1.830	126	4.000	1.100	52				4.000	2.030	145	4.000	1.830	125	4.000	1.830	136	4.000	1.970	137	4.000	1.800	131									
2028	4.000	1.860	123	4.000	2.390	168	4.000	1.960	126	4.000	2.000	130	4.000	1.270	55				4.000	2.200	150	4.000	2.020	130	4.000	2.020	143	4.000	1.970	137	4.000	1.800	131									
2029	4.000	1.980	121	4.000	2.580	173	4.000	2.120	127	4.000	2.130	129	4.000	1.410	58				4.000	2.380	155	4.000	2.180	135	4.000	2.180	147	4.000	2.130	142	4.000	1.800	131									
2030	4.000	2.100	123	4.000	2.730	178	4.000	2.270	132	4.000	2.300	136	4.000	1.540	61				4.000	2.530	160	4.000	2.330	140	4.000	2.330	152	4.000	2.280	147	4.000	2.130	142	4.000	1.800	131						
2031	4.000	2.220	128	4.000	2.860	182	4.000	2.410	137	4.000	2.440	141	4.000	1.680	66				4.000	2.480	145	4.000	2.480	157	4.000	2.480	157	4.000	2.430	152	4.000	2.130	142	4.000	1.800	131						
2032	4.000	2.330	131	4.000	2.940	182	4.000	2.520	140	4.000	2.520	141	4.000	1.790	69				4.000	2.610	150	4.000	2.560	157	4.000	2.560	157	4.000	2.510	153	4.000	2.130	142	4.000	1.800	131						
2033	4.000	2.430	133	4.000	3.020	182	4.000	2.600	140	4.000	2.600	141				4.000	2.690	150	4.000	2.640	157	4.000	2.640	157	4.000	2.590	154	4.000	2.130	142	4.000	1.800	131									
2034	4.000	2.510	136	4.000	3.070	182	4.000	2.650	140				2.000	2.300	107				4.000	2.730	150	4.000	2.680	155	4.000	2.630	154	4.000	2.130	142	4.000	1.800	131									
2035	4.000	2.560	136	4.000	3.120	182	4.000	2.700	140				4.000	2.060	78				3.000	3.080	185	4.000	2.730	155	4.000	2.680	155	4.000	2.680	154	4.000	2.130	142	4.000	1.800	131						
2036	4.000	2.610	136																																							
2037	4.000	2.650	136																																							
2038																																										
2039																																										
2040										3.000	3.100	164										4.000	2.900	155																		
2041							4.000	2.910	140							4.000	2.320	83				4.000	2.990	150				4.000	2.890	154												
2042																																										
2043																																										
2044	3.000	3.150	161																																							
2045				4.000	3.350	176																																				
2050	4.000	2.950	133	4.000	3.490	176	4.000	3.080	140	4.000	3.080	140				4.000	2.490	83				4.000	3.160	150	4.000	3.110	155	4.000	3.060	154	4.000	2.130	142	4.000	1.800	131						
2051				4.000	3.130	140	4.000	3.130	140	4.000	3.130	141							4.000	3.590	193	4.000	3.160	150	4.000	3.110	155	4.000	3.060	154	4.000	2.130	142	4.000	1.800	131	4.000	3.610	200			
2051										4.000	3.130	141							4.000	3.640	193	4.000	3.210	150																		

**APPENDIX B: LIST OF STIFEL SPECIAL TAX BOND EXPERIENCE OVER THE PAST 24 MONTHS**

Par Value Issuer	\$34,970,000 Lake Elsinore Fin Auth Taxable Special Tax Bonds 09/01/2031 @ 100 -/A/- AGM				\$2,935,000 Lake Elsinore USD CFD Special Tax Bonds 09/01/2028 @ 103 NR/NR/NR				\$43,300,000 San Francisco CFD (Mission Rock) Special Tax Bonds 09/01/2028 @ 103 NR/NR/NR				\$5,830,000 Root Creek Wtr CFD Special Tax Bonds 09/01/2028 @ 103 NR/NR/NR				\$2,565,000 Root Creek Wtr CFD Special Tax Bonds 09/01/2028 @ 103 NR/NR/NR				\$3,205,000 Ontario CFD Special Tax Bonds 09/01/2028 @ 103 NR/NR/NR				\$29,305,000 Roseville CFD (Fiddymont Ranch) Special Tax Bonds 09/01/2028 @ 103 NR/NR/NR				\$7,490,000 Tiburon Township AD (Hawthorne) Special Assessment 09/01/2028 @ 103 NR/NR/NR			
Sale Date	May 4, 2021				May 5, 2021				May 6, 2021				May 19, 2021				May 19, 2021				May 25, 2021				May 27, 2021				May 27, 2021			
Maturity	Coupon	Yield	Spread	U.S.	Coupon	Yield	Spread		Coupon	Yield	Spread		Coupon	Yield	Spread		Coupon	Yield	Spread		Coupon	Yield	Spread		Coupon	Yield	Spread		Coupon	Yield	Spread	
2020																																
2021	0.212	0.212	5	2yr					3.000	0.300							4.000	0.250	16		3.000	0.300	22		2.000	0.200	12					
2022	0.312	0.312	15	2yr	3.000	0.370	28						3.000	0.350	25		4.000	0.560	41		3.000	0.580	45		2.000	0.400	27					
2023	0.512	0.512	35	2yr	3.000	0.580	45						3.000	0.630	47		4.000	0.560	41		3.000	0.580	45		2.000	0.400	27					
2024	0.719	0.719	40	3yr	3.000	0.990	75						3.000	0.980	70		4.000	1.030	76		4.000	0.980	73		2.000	0.700	45					
2025	1.114	1.114	30	5yr	4.000	1.260	90						4.000	1.310	90		4.000	1.360	95		4.000	1.410	100		2.000	0.990	60					
2026	1.314	1.314	50	5yr	4.000	1.470	100		4.000	1.570	110		4.000	1.520	100		4.000	1.620	110		4.000	1.500	99		2.000	1.260	75					
2027	1.614	1.614	35	7yr	4.000	1.710	110						4.000	1.760	110		4.000	1.860	121		4.000	1.700	105		2.000	1.550	90					
2028	1.864	1.864	60	7yr	4.000	1.910	117						4.000	1.930	115		4.000	1.980	120		4.000	1.850	108		2.000	1.720	95					
2029	2.130	2.130	55	10yr	4.000	2.060	120						4.000	2.030	115		4.000	2.080	120		4.000	2.000	112		2.000	1.860	98					
2030	2.230	2.230	65	10yr	4.000	2.180	123						4.000	2.090	112		4.000	2.170	120		4.000	2.140	117		2.000	2.000	104					
2031	2.330	2.330	75	10yr	4.000	2.260	125		4.000	2.190	118		4.000	2.150	112		4.000	2.230	120		4.000	2.200	117		2.000	2.110	110					
2032	2.430	2.430	85	10yr	4.000	2.310	125						4.000	2.190	112		4.000	2.270	120		4.000	2.240	117		2.000	2.150	110					
2033					4.000	2.340	125						4.000	2.220	112		4.000	2.300	120		4.000	2.270	117		2.125	2.180	110					
2034					4.000	2.370	125						4.000	2.280	115		4.000	2.330	120		4.000	2.210	110		2.125	2.210	110					
2035					4.000	2.390	125						4.000	2.300	115		4.000	2.350	120						2.125	2.230	110					
2036	2.830	2.830	125	10yr	2.500	2.580	140		4.000	2.380	120		4.000	2.340	115						4.000	2.310	107		2.500	2.590	140					
2037																																
2038																																
2039																																
2040																																
2041									4.000	2.580	120		4.000	2.390	100		2.750	2.840	145					4.000	2.280	95		2.375	2.430	110		
2042																																
2043																																
2044	3.212	3.212	95	30yr																												
2045					4.000	2.630	112																									
2046									4.000	2.620	110		4.000	2.530	100											2.500	2.570	110				
2047																																
2048																																
2049																																
2050					4.000	2.680	112						4.000	2.570	100		4.000	2.620	105					4.000	2.410	90						
2051									4.000	2.670	110															2.500	2.620	110				



WELLS  
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SECURITIES



**Altadena**  
**Libraries**

**Altadena Library District**

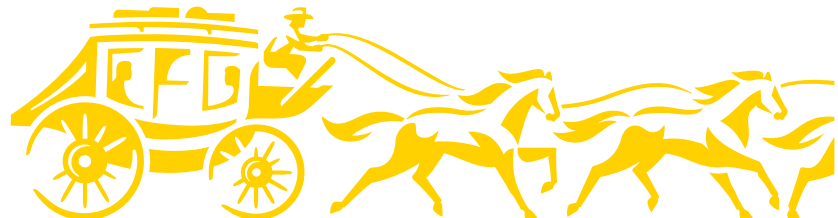
**Community Facilities District No. 2020-1**

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*Request for Proposals*

*Bond Underwriting Services*

June 8, 2021



June 8, 2021

Nikki Winslow  
District Director  
Altadena Library District

Dear Ms. Winslow,

On behalf of Wells Fargo Securities (“WFS,” “Wells Fargo,” or the “Firm”) we thank you for the opportunity to submit our proposal to serve the Altadena Library District’s (the “District”) as underwriter in connection with its upcoming financing. Below, we highlight several compelling reasons for the District to select Wells Fargo to underwrite its upcoming financing.

**Altadena Library District Financing Program.** With significant experience bringing new bond credits to market, our team recognizes the importance of successfully positioning the District’s new bond credit with investors and credit analysts. Given that many community facilities district financings are typically used by and associated with new development projects, our team will focus credit analysts and investors on the strength of the Library District’s established community and existing tax base. In fact, our goal would be to position the financing as more akin to a traditional municipal financing (for which there is very broad investor participation) than a CFD financing (that often have more limited investor participation). The Wells Fargo team assigned to this engagement is well-versed in initial public offerings and leading issuers through the rating process and successfully positioning new credits with investors. Ultimately, we seek to achieve a low interest rate for the District by structuring the financing to appeal to the largest base of investors. As a part of the financing process, we would also work with the District to consider strategies for funding pension obligations utilizing efficient financing programs that may provide cost savings and or budget control over required CalPERS contributions.

**Extensive Distribution Capabilities for CFD Bonds to Retail and Middle Markets Investors.** Wells Fargo and its affiliates offer the District a comprehensive distribution system that includes access to retail, middle markets, and institutional investors. As a leading underwriter of municipal bonds, WFS has deep relationships with the largest investors and credit analysts at leading institutional funds that purchase CFD bonds (Nuveen, Franklin, American Century, Vanguard, Oppenheimer and Invesco). We also offer the District a leading high-net worth distribution business through Wells Fargo Advisors (“WFA”), the third-largest retail brokerage network in the country<sup>1</sup> that employs 11,990 full-service financial advisors including 959 financial advisors in 57 offices and hundreds of bank branches throughout California. High net worth customers of WFA collectively hold \$400 million of outstanding California CFD bonds making WFA customers, taken as a group, one of the largest investors in these bonds.<sup>2</sup> Placement of the District’s bonds to this proprietary investor base will enhance competition for the District’s offering. **Importantly, with a broad retail distribution network with 4 offices within 10 miles of the District, we are well positioned to offer residents within the Altadena Library District an opportunity to purchase the 2021 bonds before making them available to other potential investors.**

**Social/Sustainability Bond Designation.** Based on the District’s mandate and mission, we believe it may be possible for the District to designate its 2021 bonds as a Social Bond. Social Bond designations make a bond offering eligible for purchase by specialty investment funds who are seeking environmentally or socially responsible (ESG) investment opportunities, which in turn creates additional demand for the District’s bond offering. Wells Fargo is the lead underwriter of municipal ESG bonds and ranked #1 as underwriter of ESG labeled negotiated underwritings in 2020 with 23% market share and \$4.47 billion across 17 transactions.<sup>3</sup>

**Momentum in Land Secured Finance.** Wells Fargo continues to successfully expand our presence in the land secured sector (which includes California community facilities districts), having executed a number of high profile financings in the land secured sector since 2018. Over the past three years, WFS has senior managed over \$400 million in special tax, assessment and land secured financings for issuers such as City of Fontana, Memorial City Redevelopment Authority, North Charleston, Dorchester County, Baseline Metropolitan District, Fossil Ridge Metropolitan District, Three Springs Metropolitan District, Vauxmont Metropolitan District, Wyndham Hill Metropolitan District, Crystal Valley Metropolitan District, Erie Commons Metropolitan District, and Centerra Metropolitan District, among many others. Several of these projects were residential-focused real estate districts. We are currently mandated to senior manage over \$400 million of development district financings nationally in 2021 that includes many residential-based districts.

**Momentum in California.** In 2020 WFS senior managed approximately \$5.0 billion of California financings. Moreover, **in 2020 our market share grew more than any other firm at 29% year-over-year**, having served issuers such as the State of California, Metropolitan Water District of Southern California, County of Los Angeles, and Los Angeles County MTA to name a few.<sup>4</sup> The momentum continues in 2021 as WFS has senior managed \$1.5 billion in par amount for issuers such as San Diego Regional Transportation Commission, Escondido Union School

<sup>1</sup> Source: Wells Fargo Clearing Services, LLC. Ranking based on number of licensed advisors.

<sup>2</sup> Source: Wells Fargo Clearing Services, LLC and Bloomberg. Data as of 1/21/2021. Wells Fargo Advisors is the trade name used by Wells Fargo Clearing Services, LLC

<sup>3</sup> Source: Bloomberg, data as of 1/21/2021

<sup>4</sup> Source: Thomson Reuters SDC; long term negotiated and competitive transactions

District, the State of California, Department of Water and Power of the City of Los Angeles, and Calleguas Municipal Water District. We will leverage our local California experience to bring in investors who routinely purchase California tax-exempt bonds with a marketing plan that targets the primary CFD investor base but also seeks to educate accounts who may not focus on development bonds.

**Strong Capital Position.** WFS is one of the few bank broker-dealers operating in the municipal market. While most municipal securities dealers operate from a bank holding company subsidiary, our legal entity is Wells Fargo Bank, N.A. and consequently, WFS municipal underwriting is supported by a total equity capital base of \$171.1 billion<sup>5</sup> and we have no formal limits on our capacity to underwrite bonds. More importantly, we have a proven record of committing capital in support of our municipal clients, in all market conditions, by directly underwriting large unsold balances on bond issues.

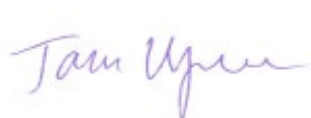
**Secondary Market Trading.** Wells Fargo and its affiliates are extremely active in the secondary market for California development district bonds. Since 2015, Wells Fargo and its affiliates have traded \$3.9 billion of California development district bonds across 59,408 transactions.<sup>6</sup> WFS and its affiliates routinely purchase unsold balances from other underwriters following their primary sales and we also purchase blocks of bonds from investors for placement with our high net worth customers. The trading activity in these credits is direct evidence of our commitment of capital to these bonds (often purchased to be sold over time), our comfort and understanding with these credits and the non-rated status of the bonds, as well as our aggressiveness in pricing the bonds in the secondary market.

**Aggressive Fee Proposal.** Wells Fargo understands and appreciates the importance of the investor education process that is needed for the District's proposed financing. A proper approach will involve significant resources and effort from a broad team of professionals with expertise in development finance, California municipal finance, and credit marketing specialists. As evidence of our strong desire to lead the District's important offering, we have included an aggressive fee proposal of \$3.75/bond takedown assuming an investment grade rating outcome (a separate fee would be proposed if non-rated) plus customary expenses as outlined in greater detail in our response.

**San Gabriel Valley Presence.** Based in California since inception in 1852, Wells Fargo & Company ("WFC") is one of the largest private employers in the state and one of the few major national financial firm headquartered in California. WFC is committed to the San Gabriel Valley, as reflected in the company's employment of 1,378 employees, 26 branches and 4 Wells Fargo Advisors offices throughout. WFC's large presence within the San Gabriel Valley supports the local economy by providing jobs, paying taxes and occupying commercial space. WFC invests in the community through providing loans to local businesses and community members. Last year, The Wells Fargo Foundation provided over \$800,000 in grants to local foundations and charities and WFC team members contributed an additional \$242,000 through its annual team member giving campaign to help our neighborhoods and communities succeed.<sup>7</sup> In addition, WFC has issued 3,409 small business commercial loans and 665 home mortgage loans to San Gabriel Valley residents.

We look forward to the opportunity to provide outstanding banking services to the District and achieve attractive pricing results for the CFD Bonds. We believe we have the right team to best execute the financing at an aggressive fee level. If you have any questions, please contact us. Thank you again for your consideration.

Sincerely,



Tom Wynne, Director  
Land Secured Public Finance  
[tom.wynne@wellsfargo.com](mailto:tom.wynne@wellsfargo.com)  
(213) 253-7210



Julia Kim, Director  
West Region Public Finance  
[julia.kim@wellsfargo.com](mailto:julia.kim@wellsfargo.com)  
(213) 253-7252

<sup>5</sup> Source: Wells Fargo Bank, N.A. CALL report as of 1Q 2021

<sup>6</sup> Source: Wells Fargo Securities Trading Desk and Wells Fargo Clearing Services, LLC. Data as of 12/31/2020

<sup>7</sup> Source: Company Reports, as of January 15, 2021

## TABLE OF CONTENTS

	<u>Page</u>
<b>I. Experience</b>	
1. Potential Conflicts of Interest	1
2. Bond Underwriting Experience	1
3. Marketing and Distribution	3
4. Proposer References	4
5. Role of Bond Underwriting Department	4
6. Litigation Statement	5
<b>II. Personnel</b>	5
<b>III. Qualifications</b>	6

## Appendices

- |                                |  |
|--------------------------------|--|
| <b>A. Pricing Spreads</b>      |  |
| <b>B. Litigation Statement</b> |  |
| <b>C. Project Team Resumes</b> |  |
| <b>D. Cost Sheet</b>           |  |

### **Important Information & Disclaimer**

This document and any other materials accompanying this document (collectively, the “Materials”) are provided for general informational purposes only. By accepting any Materials, the recipient acknowledges and agrees to the matters set forth below.

**Wells Fargo Securities (“WFS”) is the trade name for certain securities related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including but not limited to Wells Fargo Securities, LLC, member NYSE, FINRA, NFA, and SIPC. Commercial banking products and services are provided by Wells Fargo Bank, N.A (“WFBNA”). Investment banking and capital markets products and services provided by Wells Fargo Securities, are not a condition to any banking product or service.**

**Derivatives products (including “swaps” as defined in and subject to the Commodity Exchange Act (“CEA”) and Commodity Futures Trading Commission (“CFTC”) regulations and (ii) “security-based swaps”, (“SBS”) as defined in and subject to the Securities and Exchange Act of 1934 (“SEA”) and SEC regulations thereunder) are transacted through WFBNA, a CFTC provisionally-registered swap dealer and member of the NFA. Transactions in physical commodities are transacted through Wells Fargo Commodities, LLC, a wholly-owned subsidiary of Wells Fargo & Company.**

**WFBNA, as potential derivatives provider, and WFS, as potential underwriter or placement agent (together with any of its affiliates as context may require, “we”, or “Wells Fargo”) are providing the information contained in the Materials for discussion purposes only in anticipation of, or in connection with, engaging in arm’s length commercial transactions with you in which Wells Fargo would be acting solely as a principal or agent, as applicable, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether we, or an affiliate has or is currently acting as such on a separate transaction (the use of the term “agent” does not imply any fiduciary relationship).**

These Materials are being provided to you for the purpose of working with you as an underwriter or placement agent (collectively, “underwriter”) and/or derivatives provider on the transaction(s) described in the Materials. As part of its services as underwriter, WFS may provide information concerning the structure, timing, terms, and other similar matters concerning the issue of municipal securities that WFS proposes to underwrite as described in the Materials. The Materials may also contain such information. Any such information has been, and would be, provided by WFS in the context of serving as an underwriter and not as your municipal or financial advisor. Additionally, WFBNA, as derivatives provider, and WFS, as underwriter, have financial and other interests that differ from your interests (or those of the issuer). In its capacity as underwriter, WFS’ primary role would be to purchase securities from you (or the issuer in the case of a conduit transaction) for resale to investors, or arrange for the placement of securities with investors on your behalf. Wells Fargo will not have any duties or liability to any person or entity in connection with the information being provided in the Materials.

The information provided herein is not intended to be and should not be construed as advice within the meaning of Section 15B of the Securities Exchange Act of 1934, and Wells Fargo will not be acting as your municipal advisor under the municipal advisor rules (“Muni Advisor Rules”) of the Securities and Exchange Commission (“SEC”) and the SEC’s guidance in its Registration of Municipal Advisors Frequently Asked Questions dated May 19, 2014, as supplemented (collectively, “Muni Advisor Rules”).

Please be advised that any information in the Materials regarding municipal derivatives is being provided by WFBNA as a swap dealer and that any swap offered or recommended in the Materials is being offered or recommended by WFBNA as a swap dealer. No part of the Materials is intended to be and should not be construed as an offer or recommendation of a municipal derivatives service or product by WFS, as underwriter, for purposes of Municipal Securities Rulemaking Board Rule G-17, or otherwise. You should consult with your own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate. If you would like a municipal advisor that has legal fiduciary duties to you, you are certainly free to engage a municipal advisor to serve in that capacity.

Transactions referenced in the Materials which are attributed to Wells Fargo or to WFS may include transactions executed by a Wachovia Corporation or Wells Fargo & Company broker-dealer affiliate or by other municipal securities dealers and/or broker-dealers which were acquired by Wachovia Corporation or WFC.

WFS distributes municipal securities to institutional investors primarily through Wells Fargo Bank, N.A. Municipal Finance Group (“WFBNA MFG”) and Wells Fargo Securities, LLC (“WFSLLC”). Distribution to middle market clients is provided primarily through WFSLLC. Retail distribution is primarily provided by Wells Fargo Advisors, which is the trade name used by Wells Fargo Clearing

Services, LLC (“WFCS”) and Wells Fargo Advisors Financial Network, LLC (“WFAFN”), two non-bank separate registered broker-dealers (members FINRA and SIPC). WFSLLC, WFBNA MFG, WFCS, and WFAFN are affiliates and are each wholly owned subsidiaries of WFC.

Any municipal underwriting, commercial paper and remarketing rankings referenced herein represent combined totals for WFBNA MFG and WFSLLC. Non-municipal underwriting, commercial paper and remarketing rankings referenced herein represent totals for WFSLLC only. Source information for any ranking information not otherwise provided herein is available on request. Any rankings referencing competitive municipal new issues for time periods prior to 2011 include issues underwritten by WFCS. Underwriting activities of WFCS are not managed or otherwise controlled by WFBNA MFG or WFSLLC.

If the Materials are being provided to you under any of the following events, the information contained in the Materials and any subsequent discussions between us, including any and all information, advice, recommendations, opinions, indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the Swap Dealer, Bank, RFP, IRMA exemptions and underwriter exclusion, as applicable, provided under the Muni Advisor Rules. In the event the Swap Dealer, Bank, RFP, IRMA exemptions, or underwriter exclusion do not apply, the information included in the Materials are provided in reliance on the general information exclusion to advice under the Muni Advisor Rules. In the event that you have provided us with your written representation in form and substance acceptable to WFBNA that you are represented by a “qualified independent representative” as defined in the Commodity Exchange Act (“CEA”) with respect to any municipal derivative or trading strategy involving municipal derivatives described in the Materials, we have provided you with our written disclosure that we are not acting as an advisor to you with respect to the municipal derivative or trading strategy pursuant to Section 4s(h)(4) of the CEA and the rules and regulations thereunder, and have taken certain other steps to establish the “Swap Dealer exemption” under the Muni Advisor Rules.

Any information related to a bank-purchased bond transaction (“Direct Purchase”) included in the Materials is a product offering of WFBNA or a subsidiary thereof (“Purchaser”) as purchaser / investor. WFS will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of WFS. The information contained herein regarding Purchaser’s Direct Purchase is being provided to you by WFS only for purposes of providing financing alternatives that may be available to you from WFC and its affiliates. Information contained in this document regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm’s length commercial transactions with you in which Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer, and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether Purchaser, or an affiliate has or is currently acting as such on a separate transaction. Additionally, Purchaser has financial and other interests that differ from your interests. Purchaser’s sole role would be to purchase securities from you (or the conduit issuer). Any information relating to a Direct Purchase is being provided to you pursuant to and in reliance on the “Bank exemption” under the Muni Advisor Rules and the general information exclusion to advice under the Muni Advisor Rules.

In the event the Materials are being provided in connection with a RFP, the SEC exempts from the definition of municipal advisor “any person providing a response in writing or orally to a request for proposals or qualifications from a municipal entity or obligated person for services in connection with a municipal financial product or the issuance of municipal securities; provided however, that such person does not receive separate direct or indirect compensation for advice provided as part of such response” (“RFP exemption”). In such event, we have relied upon the RFP exemption, and on your distribution and execution of this RFP through a competitive process. In the event WFBNA MFG is the party providing the Materials responses to all questions, certifications, attestations, information requests, and similar in the RFP or RFQ to which this response relates are specifically limited to, in context of, and as applied to, WFBNA MFG in its capacity as a separately identifiable department of a national bank that is registered as a municipal securities dealer with the Securities and Exchange Commission, Office of the Comptroller of the Currency, and Municipal Securities Rulemaking Board; and not on behalf of Wells Fargo Bank, N.A., unless specified otherwise in our response.

In the event that you have provided us with your written representation that you are represented by an independent registered municipal advisor (an “IRMA”) within the meaning of the Muni Advisor Rules, with respect to the transaction(s) described in the Materials we have provided you with our written disclosure that we are not a municipal advisor to you and are not subject to the fiduciary duty under the Muni Advisor Rules, if applicable, and have taken certain other steps to establish the “IRMA exemption” under the Muni Advisor Rules.

In the event that you have engaged us to serve as an underwriter with respect to the municipal securities issuance described in the Materials we have provided you with our written disclosure regarding our role as an underwriter, that we are not a municipal advisor to you and are not subject to the fiduciary duty under the Muni Advisor Rules, if applicable.

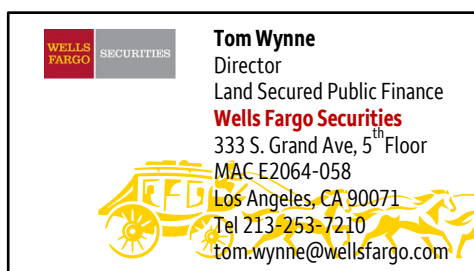
If savings threshold level information is contained herein, please be advised that WFS is not recommending nor providing advice regarding which maturities should be refunded by you.


See additional important disclosures at the end of the Materials.

Section I - Experience

1. Company name, address, telephone number, and authorized representative(s). Please include a list of any potential conflicts of interest your firm may have in acting as an underwriter for the District.

The local Wells Fargo Securities office serving the District is located at 333 Grand Ave., 5<sup>th</sup> Floor, Los Angeles, CA 90071. The lead bankers and primary contacts for the District are Tom Wynne and Julia Kim. The contact information for both representatives is provided below. Our municipal underwriting activities are conducted either through Wells Fargo Bank, N.A. Municipal Finance Group (“WFBNA MFG”) or Wells Fargo Securities, LLC (“WFSLLC”). The Firm typically underwrites rated municipal securities through WFBNA MFG and unrated municipal securities through WFSLLC. To the extent the District wishes to engage a firm that is registered with the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, and the Financial Industry Regulatory Authority, we would underwrite the District’s bonds out of WFSLLC. WFSLLC is registered as a broker/dealer with the Securities Exchange Commission (SEC registration #8-65876), and is regulated by the Financial Industry Regulatory Authority (FINRA registration #126292). WFSLLC is also registered with the MSRB (MSRB registration #A6366). Wells Fargo Securities (“WFS”) is the trade name used for certain securities related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including but not limited to Wells Fargo Securities, LLC, member NYSE, FINRA, NFA, and SIPC and Wells Fargo Bank, N.A. (“WFBNA”).




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WFS is not aware of any conflicts of interest, and shall not knowingly acquire any conflicts of interest, either directly or indirectly, which would materially conflict in any manner or degree with the performance of our services as underwriter for the District as contemplated under this RFP. WFS will disclose any standard conflict of interests in its letter to you that is required by MSRB Rule G-17, in the event that WFS is selected to serve as underwriter.

2. Identify the number of years of experience in providing bond underwriting, similar in size and scope to that request in the RFP. Provide a listing of CFD Special Tax bonds issued over the past 24 months for which your firm was the underwriter, and include the spread to MMD for each transaction.

**Years of Experience Underwriting Municipal Securities.** Wells Fargo & Company has been providing banking services since its inception in 1852. The earliest predecessor of the bank that is now Wells Fargo Bank, N.A. was originally chartered as a national bank in June 1863. Records available to us indicate that Wells Fargo Bank, N.A. Municipal Finance Group (or a predecessor bank that subsequently merged into Wells Fargo Bank, N.A.) (“WFBNA MFG”) has been engaging in municipal securities activities dating back at least to 1966. Records available to us indicate that WFBNA and WFSLLC (or another broker/dealer owned or that has been acquired by Wells Fargo & Company) has been underwriting municipal securities in California at least as far back as 1994.

**Rapidly Expanding Land Secured and Municipal Real Estate Financing Expertise.** Since the hire of **Tom Wynne** in 2018, Wells Fargo has continued to develop a strong national land secured underwriting business with a variety of credit structures (assessments, special tax, and limited tax obligations). Indeed, over the past three years, WFS senior managed over \$400 million in land secured financings for issuers such as City of Fontana, Memorial City Redevelopment Authority, North Charleston, Dorchester County, Baseline Metropolitan District, Fossil Ridge Metropolitan District (“MD”), Three Springs MD, Vauxmont MD, Wyndham Hill MD, Centerra MD, Erie Commons MD, and Crystal Valley MD, among others. A California and national land secured deal list going back to January 1, 2019 is provided further below, with pricing spreads provided in **Appendix A**. The momentum remains strong as we are currently mandated to senior manage \$440 million of development district financings in 2021 by Richland County Sandhills Improvement District, Liberty Ranch MD, Centerra MD, and districts in the cities of Rock Hill (SC), Overland Park (KS), and Tremonton (UT).

Importantly, **several of our engagements have been for mature districts or project areas that would be similar in scope to the Library District – these are developed project areas with no development risk, which because of their size, are rated on the lower end of the investment grade spectrum.** For example, our Wyndham Hill, MD underwriting was for a master-planned residential development that is



anticipated to contain 1,132 residential units within the boundaries of the metropolitan district, of which 689 units have closed to homeowners at the time of the bond sale (\$20.1 million, sold in April 2020, and rated “Baa2” underlying by Moody’s). Crystal Valley MD is another master-planned residential development that is planned to include 3,061 single-family of which 1,486 homes were completed and sold to homeowners at the time of the sale (\$56.7 million, sold in September 2020, and rated “Baa1” underlying by Moody’s). Lastly, the Fossil Ridge MD is an entirely residential community planned for 1,353 single family homes of which 1,162 were sold to homeowners at the time of the bond sale (\$33.1 million, sold in October 2020, and rated “BBB” underlying by S&P). These projects demonstrate our current and ongoing experience with similar projects and also our ability to leverage our real estate expertise for development district financings. The dedicated Wells Fargo team assisted with the inaugural ratings for all aforementioned transactions. A case study of our most recent land secured transaction that priced two weeks ago is provided below.

**Case Study: Baseline Metropolitan District No. 1.** On May 26, 2021, WFS served as sole managing underwriter on Baseline MD’s \$13.6 million Special Revenue Bonds, Series 2021A and Subordinate Special Revenue Bonds, Series 2021B. Baseline is a mixed-use development planned for 2,183 residential units and 1,112,954 square-feet of industrial space. As of May 2021, 98 residential units completed and sold to homeowners, 1,468 residential units under contract to homebuilders (Purchase & Sale Agreements executed), 203,000 square-foot data center and 152,000 square-foot industrial building fully built and occupied, with an additional 353,000 square-feet of industrial space under construction. WFS worked with the Baseline District to structure the transaction with an aggressive call feature, callable beginning December 1, 2024 at a price of 103%, to align with the call date on Baseline District’s other outstanding bonds allowing the Baseline District future flexibility to restructure all outstanding bonds in the near future to for savings or bonding capacity. The Baseline District entered the market during a week of light new issue issuance (\$7.1 billion expected) ahead of a holiday weekend while the municipal market was continuing to experience bond fund net inflows at a record pace. Due to favorable market conditions, WFS pre-marketed the bonds at tighter spreads than comparable transactions. The comprehensive marketing efforts included an investor presentation, one-one-one calls with investors, and teach-ins with the Wells Fargo sales force to engage investors and bring attention to the sale. The investor presentation was viewed by 25 unique accounts, 11 of which placed orders. The transaction received total investor orders of \$233.1 million, representing an 8.7x aggregate subscription. The strong order period allowed Wells Fargo to tighten pricing yields by 25 bps from the pre-marketing period to the final reprice on all maturities.

**Relevance to the District:** Wells Fargo is well-positioned to bring creative financing alternatives to the land secured credits that create widespread investor participation and aggressive pricing. We also demonstrated our ability to place bonds that have unique structuring characteristics (short call) to achieve widespread acceptance and participation.

**Extensive Experience Placing Land Secured Bonds.**<sup>8</sup> WFS and its affiliates are among the most active underwriters in the secondary market for California CFD bonds and we routinely purchase blocks of bonds from investors and underwriters for placement with our high net worth customers. The trading activity in these credits is direct evidence of our commitment of capital to these bonds, our comfort and understanding with these credits, as well as our aggressiveness in pricing the bonds in the secondary market. Since 2015, ***Wells Fargo and its affiliates have traded \$3.9 billion of California CFD bonds across 59,408 transactions.*** This information is invaluable to our underwriters, both when they are determining appropriate yields for a new issue, and when they are deciding whether to use balance sheet to purchase unsold balances.

**Real Estate Underwriting.** In addition to our direct municipal debt underwriting and sales distribution, WFS has tremendous depth of real estate financing experience that we are able to leverage for our development district financings. Wells Fargo Bank, N.A. (“WFBNA”) is a leading real estate bank across many business lines, including commercial real estate lending (#1 loans outstanding), preferred equity underwriting (#1 bookrunner), loan and property sales (#1 in by transaction value), real estate loan syndications (#2 bookrunner), commercial mortgage backed securities underwriting (#3 bookrunner), M&A advisory, debt placement, and private equity. Importantly, WFBNA has over \$5 billion in loan commitments outstanding to our developer clients nationally. (Source: Wells Fargo Real Estate Banking).

California Land Secured Experience							
Sale Date	Issuer	Par (\$mm)	New Money or Refunding	Project Financed	Credit Rating (M/S/F)*	Firm Role	Project Team
6/11/19	City of Fontana CFD No. 74B	4.05	NM	Infrastructure	NR/NR/NR	Sole	Wynne, Kim, Luc, Lineberger

<sup>8</sup> Source: Wells Fargo Clearing Services, LLC; data as of 5/1/2021

Other States Land Secured Experience							
5/23/19	North Charleston	13.12	NM	Infrastructure	NR/AA-/NR	Sole	Wynne, McQuage
9/26/19	North Charleston	19.92	NM	Infrastructure	NR/AA-/NR	Sole	Wynne, McQuage
11/19/19	Memorial City Redev. Auth	37.40	Ref	Infrastructure	NR/A-/NR	Senior	Wynne, McQuage
12/11/19	Vauxmont Met. Dt	66.36	Ref	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage
12/11/19	Vauxmont Met. Dt	66.27	Ref	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage
12/12/19	Erie Commons Met. Dt #2	20.25	Ref	Infrastructure	Baa2/BBB-/NR	Sole	Wynne, Luc, McQuage
12/12/19	Erie Commons Met. Dt #2	12.40	Ref	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage
4/23/20	Wyndham Hill Met. Dt #2	20.07	Ref	Infrastructure	Baa2/NR/NR	Sole	Wynne, Luc, McQuage
4/23/20	Wyndham Hill Met. Dt #2	9.60	Ref	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage
5/27/20	Dorchester County	14.47	Ref	Infrastructure	NR/AA-/NR	Sole	Wynne, McQuage
9/09/20	Crystal Valley Met. Dt #1	56.66	Ref	Infrastructure	Baa1/NR/NR	Sole	Wynne, Luc, McQuage
10/15/20	Centerra Met Dt #1	33.11	NM & Ref	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage
10/21/20	Fossil Ridge Met Dt #3	33.11	NM & Ref	Infrastructure	NR/BBB/NR	Sole	Wynne, Luc, McQuage
12/4/20	Three Springs Met Dt #1	6.75	Ref	Infrastructure	NR/NR/NR	Senior	Wynne, Luc, McQuage
5/26/21	Baseline Met. Dt	26.705	NM	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage
3Q2021**	City of Overland Park	5.00	Ref	Infrastructure	NR/BBB/NR	Sole	Wynne, Luc, McQuage
4Q2021**	Tremonton PID	25.00	NM	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage
4Q2021**	City of Overland Park	60.00	NM	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage
4Q2021**	City of Rock Hill	200.00	NM	Panthers Facility	NR/NR/NR	Senior	Wynne, McQuage
TBD	Centerra Met Dt #1	150.00	NM & Ref	Infrastructure	NR/NR/NR	Sole	Wynne, Luc, McQuage

Source: Securities Data Corp. \*Underlying Rating \*\*Mandated transaction. Par amount and ratings subject to change.

### 3. Provide a description of your firm's marketing and distribution capabilities.

WFS takes a proactive approach to marketing our client's bonds to investors and will work with the District to ensure that the District's future financing reaches a wide spectrum of prospective investors. As demonstrated in the past financings we have executed for community facilities districts, we will design a holistic marketing plan for the District that seeks to ensure broad based investor participation, and in turn, the most aggressive pricing possible. In addition, one of WFS most value-added benefits is our access to middle market investors, which continues to be a growing investor base of municipal bonds and an important buyer base for development district bonds. Our three-pronged channel is increasingly important in the current market as recent developments in the municipal market have shifted the types of investors that make up the primary investor base for municipal bonds. In the table below, we summarize our comprehensive distribution network broken out by our capabilities both nationally and within California.

Comprehensive Distribution Network		
Municipal Institutional Sales	Middle Market Sales*	Retail Sales**
<ul style="list-style-type: none"> <li>13 Municipal Sales professionals</li> <li>3 offices nationwide</li> <li>250 key buyers of muni securities</li> <li>425-account institutional base</li> </ul>	<ul style="list-style-type: none"> <li>80 sales professionals</li> <li>16 offices throughout the country</li> <li>Extensive network covering 6,400+ "Tier 2" and "Tier 3" Investors</li> </ul>	<ul style="list-style-type: none"> <li>3<sup>rd</sup> Largest Brokerage: 11,990 advisors and support</li> <li>WFA Locations: 678</li> <li>3<sup>rd</sup> Largest Client Assets: \$1.7 trillion</li> </ul>
California Distribution Network		
<ul style="list-style-type: none"> <li>2 Municipal Sales professionals</li> <li>Includes long and short term investors</li> </ul>	<ul style="list-style-type: none"> <li>16 Sales professionals in 3 offices</li> <li>Proprietary accounts to Wells Fargo Bank</li> </ul>	<ul style="list-style-type: none"> <li>959 Financial Advisors in California</li> <li>115+ Financial Advisors in Los Angeles</li> </ul>

\*Provided by Wells Fargo Securities, LLC; \*\* Provided by Wells Fargo Advisors a trade name for Wells Fargo Clearing Services LLC

**Institutional Sales.** WFS' institutional sales force distributes a full line of municipal products, including tax-exempt securities. Our dedicated municipal institutional sales team concentrates its efforts on selling municipal and structured finance products to the largest top-tier institutional municipal buyers nationwide including 425 institutional accounts. Our Municipal Institutional Client Services Group includes 13 dedicated municipal institutional salespersons who cover large "Tier 1" high grade accounts with over \$1 billion in assets under management including buyers of development district bonds such as Nuveen, Capital Group, Vanguard, Franklin and BlackRock.<sup>9</sup>

**Local Middle Market Distribution.** One of WFS' competitive advantages is our ability to reach middle market investors (or Tier 2 and 3 institutions), which include small corporations, insurance companies, trust departments, specialty funds, local money managers and local government through our affiliate Wells Fargo Securities, LLC. These investors typically have \$100 million to \$1 billion in assets under

<sup>9</sup> Source: Bloomberg; as of March 31, 2021



management invested in various asset classes including municipal bonds. Many of these investors are proprietary banking relationships. Orders from our middle market customers have made a significant difference in new-issue pricings by increasing the book of orders, creating competition for bonds and delivering new investors. WFSLLC has 80 middle-market sales professionals in 16 regional sales offices (3 offices in California – San Francisco, El Segundo, and Los Angeles), who have relationships with more than 6,400 middle-markets investors.

**Retail Sales.**<sup>10</sup> WFS’ retail brokerage network, through our affiliate Wells Fargo Clearing Services, LLC (DBA Wells Fargo Advisors or “WFA”), maintains the third largest retail brokerage network in the country. Our national retail platform currently employs over 11,990 full-service financial advisors and support, and has approximately \$1.7 trillion in total client held assets. In addition, our firm maintains a fourteen-member retail trading desk that focuses solely on trading municipal bonds on behalf of our retail clients. On our recent sole managed transactions, WFA has placed orders of 10-20% for distribution for their retail system. **Notably, retail clients of WFA hold \$400 million of CFD bonds.**

As whole, Wells Fargo and its affiliates’ client assets rank as the fourth largest investor of California CFDs and the fourth largest investor of national land secured financings. As such, our underwriters continuously receive up-to-date market intelligence on retail investor appetite.

Wells Fargo Advisors*		
	National	California
Client Assets (\$B)	\$1,766.3	\$294.7
# of WFA Accounts	9,299,475	1,174,412
# of WFA Salespeople	11,990	959
WFA Locations	678	57
Tax-Exempt Holdings (\$B)	\$80.2	\$18.2

\*Source Wells Fargo Clearing Services, LLC as of December 31, 2020.

4. Proposer References: Provide five (5) client references for which the proposer has provided similar services. References shall include date and description of service, project location, completion dates, organization’s name, contact person, title, and telephone number.

Below we provide five client references. We encourage the District to contact our references as we believe they will speak highly of the services our firm and professionals have provided.

Client References				
<p>City of Fontana, CA  <b>Lisa Strong</b>                      Management Services                      Director                      (909) 350-7685  <a href="mailto:lstrong@fontana.org">lstrong@fontana.org</a></p> <ul style="list-style-type: none"> <li>\$4.04 million Special Tax Bonds; WFS sole manager; sale date: 6/11/2019; location: Fontana, CA</li> </ul>	<p>Vauxmont Metropolitan District  <b>Brian Mulvany</b>                      Board Director                      (970) 764-6462  <a href="mailto:bmulvany@sugf.com">bmulvany@sugf.com</a></p> <ul style="list-style-type: none"> <li>\$132.62 million Limited Tax GO Bonds; WFS sole manager; sale date: 12/11/2019; location: Arvada, CO</li> </ul>	<p>Baseline Metropolitan District  <b>Kyle Harris</b>                      Board Director                      (720) 360-4700  <a href="mailto:kyle.harris@mcwhinney.com">kyle.harris@mcwhinney.com</a></p> <ul style="list-style-type: none"> <li>\$26.71 million Special Revenue Bonds; WFS sole manager; sale date: 5/26/2021, location: Broomfield, CO</li> </ul>	<p>City of Emeryville, CA (previously at City of Pittsburg, CA)  <b>Brad Farmer</b>                      Finance Director                      (510) 596-4352  <a href="mailto:brad.farmer@emeryville.org">brad.farmer@emeryville.org</a></p> <ul style="list-style-type: none"> <li>\$198.4 million Tax Allocation Bonds; Senior Managed by Lead Banker while at prior firm; sale date: 1/27/2016; Pittsburg, CA</li> </ul>	<p>Centerra Metropolitan District  <b>Josh Kane</b>                      Board Director                      (720) 360-4700  <a href="mailto:Josh.kane@mcwhinney.com">Josh.kane@mcwhinney.com</a></p> <ul style="list-style-type: none"> <li>\$33.1 million Special Revenue Bonds; WFS sole manager; sale date: 10/15/2020; Loveland, CO</li> </ul>

5. Proposer shall describe the role of the bond underwriting department in the firm and attach a copy of the firm’s relevant filings, licenses or certifications as needed.

Wells Fargo & Company (“WFC”) is a diversified, community-based financial services company with \$1.92 trillion in assets and more than 7,200 financial centers across the country. Founded in 1852 and headquartered in San Francisco, California, WFC is a publicly traded company providing banking, insurance, investment, mortgage, and consumer finance services to clients both domestically and internationally. One of WFC’s five operating segments is Corporate and Investment Banking (“CIB”). CIB supports the capital markets, banking, and investment needs of our corporate, government, and institutional clients. Wells Fargo conducts its municipal business through Wells Fargo Bank N.A. Municipal Finance Group (“WFBNA MFG”), part of the CIB division. WFBNA MFG provides a full range of capital markets products, including banking and origination, underwriting, credit analysis, sales and trading, risk management solutions, and infrastructure/P3 advisory. The following table provides a statistical overview of the MFG.

<sup>10</sup> Rankings Source: Wells Fargo Clearings Services, LLC, rankings based off number of licensed advisors, as of 12/31/20; Holdings Source: Wells Fargo Clearing Services, LLC; Wells Fargo Advisors Financial Network; LLC and First Clearing, LLC

### Wells Fargo Municipal Finance Group Overview<sup>11</sup>

138 banking, sales, trading & underwriting professionals	14 municipal finance offices	\$164b of Wells Fargo Bank, N.A. capital base as of September 30, 2020 <sup>12</sup>	\$26.6b of competitive and negotiated underwritings in 2020 <sup>13</sup>
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**Commitment to the Municipal Bond Sector.** The CIB group within Wells Fargo’s organizational structure highlights the importance of municipal finance to senior leadership in the Firm. Municipal finance is a highly important market segment to Wells Fargo given the Firm’s community-based ethos. Wells Fargo<sup>14</sup> has engaged in municipal securities activities dating back at least to 1966. While much has changed over the past 50 years, our commitment to municipal clients is evidenced by the capital support for municipal issuers, whether providing a secondary market to provide liquidity, direct purchase of securities, capital commitment for negotiated and competitive underwritings and the amount of resources available to the Municipal Finance Group to support each of our client’s financial objectives.

**Public Finance Investment Banking:** Wells Fargo’s commitment to the municipal finance business is further demonstrated in terms of personnel. Currently, our Municipal Finance Group employs 138 individuals, including 95 public finance investment banking professionals in 14 offices nationwide. Wells Fargo is committed to providing a breadth of investment banking services and capital markets products to address the needs of our municipal clients, and the Firm continues to invest in skilled senior bankers to build out its municipal finance practice. Since 2017, the Firm has hired 22 public finance professionals at the vice president level or above.

6. List all disciplinary actions, administrative proceedings, malpractice claims or other like proceedings against your firm or any of its personnel relating to your firm’s services as bond underwriter, whether current, pending, or occurring in the last five (5) years, relating to the municipal industry by the SEC, NASD, MSRB or any other State or Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal industry. Please indicate disposition of each claim.

Please see attached Litigation Statement in **Appendix B**.

#### Section II- Personnel

Proposer shall provide the names, proposed roles, background and experience, office location and availability of personnel that would work on the District’s account, and specifically identify the primary person(s) who will be responsible for managing the relationship with the District. Identify who will provide any computer financial analysis services.

**Tom Wynne**, will serve as the lead banker who would be directly responsible for overseeing WFS’ engagement with the District. He will be accessible to the District at all times and partner with the District and its municipal advisor to develop and implement an efficient marketing plan, provide structuring alternatives, lead credit marketing discussions with investor credit analysts and coordinate with our underwriting desk on internal education for our sales team and retail network with the goal of a successful and aggressive pricing.

**Lead Banker. Tom Wynne**, *Director*, joined Wells Fargo in 2018, has a combined 18 years of experience in public finance and real estate finance. Located in our Los Angeles office, his work at Wells Fargo over the last two years includes senior managed land secured financings for a variety of development districts nationally that are secured by special taxes, assessments, limited tax levies and tax increment (property and sales taxes). His recent experience includes land secured bond sales for the City of Fontana, Centerra MD, Baseline MD, Fossil Ridge MD, Crystal Valley MD, Wyndham Hill MD, Three Springs MD, Vauxmont MD, Erie Commons MD, Memorial City, and Dorchester County, among others. Tom and the land secured team are also engaged as senior manager for seven assessment district / special tax district financings totaling over \$400 million nationally that are expected to price in 2021. **His work while at a prior firm also includes land secured financings for the California cities of San Diego, Poway, Menlo Park, Pittsburg, Petaluma, San Pablo, Morgan Hill, Tulare, San Jose, Sacramento, Milpitas, and Emeryville.** In the private sector, Tom owned a real estate business that specialized in residential development in Southern California. His combination of real estate and public finance experience provides a valuable perspective to this engagement. Tom graduated with a BA in Finance and Marketing from the University of Colorado and a MBA from Oxford University.

**Local Banking Expertise/Secondary Banker. Julia Kim**, *Director*, is located in our Los Angeles office, and works closely with Tom on our land secured practice in Southern California. Julia brings to the District local banking expertise; her experience includes serving as lead banker on numerous Southern California County engagements including for Orange, Los Angeles, Riverside, San Diego, Santa Barbara, and Ventura. She

<sup>11</sup> Source: Employment data as of Q2 2020. Rankings and underwriting statistics reflect the total par amount of long-term municipal negotiated and competitive new issues based on true economics to bookrunner as provided by SDC Thomson Reuters as of January 7, 2021.

<sup>12</sup> Source: Wells Fargo Bank, N.A. Call Report as of September 30, 2020.

<sup>13</sup> Source: Thomson Reuters SDC as of December 31, 2020.

<sup>14</sup>Note: Wells Fargo Bank, N.A. Municipal Finance Group or a predecessor bank that subsequently merged into Wells Fargo Bank, N.A

has also led financings for the State of California, City of West Covina, Los Angeles Metropolitan Transportation Authority, and numerous school districts across the State. She is currently engaged as lead banker on the Firm’s sole managed appointment for Escondido Union School District issuance of \$20 million General Obligation Bonds.

**Co-Lead Underwriter. Parks Lineberger**, *Director and Co-Head of Municipal Fixed Rate Underwriting*, leads our firm’s California underwriting efforts. Parks’ career with Wells Fargo consists of over 13 years within the municipal products group. Since 2020, Parks has served as lead underwriter on 18 senior managed negotiated transactions totaling \$6.7 billion in par. This includes transactions for the State of California, West Covina, Los Angeles County Metropolitan Transportation Authority, City of Anaheim, Los Angeles Department of Water and Power, and Counties of Los Angeles and Riverside, to highlight a few. Parks also served as lead underwriter on the City of Fontana’s CFD No 74B’s Special Tax Bonds in 2019. His experience includes real estate related transactions and utility, GO, and general fund credits throughout the U.S.

**Co-Lead Underwriter. Walker McQuage**, *Managing Director and Co-Head of Municipal Fixed Rate Underwriting*, will serve as co-lead underwriter on the District’s financing. Walker has over 20 years of municipal underwriting experience and supervises the underwriting commitments made by WFS’ national municipal trading, sales and underwriting operation. His special district financing experience as lead underwriter include Crystal Valley Metropolitan District, Fossil Ridge Metropolitan District, Wyndham Hill Metropolitan District, Vauxmont Metropolitan District, Erie Commons Metropolitan District, Hartland Township, Grand Forks Park District, Summers Corner Improvement District, Myrtle Beach City, City of Atlanta and Bloomington City, among others.

**Quantitative Expertise and Investment Banking Support. Scott Goldstein**, *Director*, with over 30 years of experience, will provide the District with quantitative structuring and technical expertise. Additionally, Scott will provide computer financial analysis services. **Trung Luc**, *Associate*, and **Joanna Chen**, *Analyst*, will provide transactional support and quantitative analysis for the District’s 2021 financing, in addition to developing marketing and presentation materials. Full resumes for the deal team are provided in **Appendix C**.

**Commercial Banking Services. Renee Gordon**, *Senior Vice President and Relationship Manager*, will be responsible for all aspects of the District’s traditional banking, credit, treasury relationship and functions as a financial consultant. Renee has had over 20 years of banking experience.

**Section III- Qualifications**

Proposer shall provide a clear understanding of the services required by the District in response to Section IV- Scope of Work. Does the Proposer have the character, integrity, reputation, judgment, experience, and efficiency required by the contract? Has the Proposer performed satisfactorily in previous contracts of similar size and scope, or otherwise demonstrated its capability to perform the contract the District seeks to establish through this RFP?

In our response to this question, we begin by offering an expected plan of finance for the 2021 financing pending discussions with the District finance team to confirm goals and additional credit diligence. We then outline more broadly our general approaches to the scope of work items as requested in the RFP.

**Preliminary Plan of Finance.** If selected as the District’s underwriter, our team will work with the finance team will evaluate the potential rating outcome and suggest approaching one of the rating agencies to assign a rating to the 2021 bonds, which will also depend on the size of the financing (to justify the cost of a rating). Assuming a bond rating in the single ‘A’ category, we would likely seek a bond insurance commitment and a surety policy to satisfy a debt service reserve fund requirement. Based on current market conditions and a high single-A category rating with bond insurance, we estimate all-in costs of funding of 1.24% for a 10-year financing (up to \$18.3 million of proceeds), 2.12% for a 20 year financing (up to \$29 million of proceeds), or 2.93% for a 30-year financing (up to \$29 million of proceeds). The determination of the appropriate term would be made by the District and its finance team, in consultation with its attorneys in review of the election question that raises approximately \$2.6 million per year *until ended by voters*. Our analysis includes several assumptions noted below.

<ul style="list-style-type: none"> <li>✓ Tax-exempt bonds</li> <li>✓ Interest rate levels as of June 2, 2021</li> <li>✓ Pricing on September 15 and closing on September 29</li> <li>✓ Single-A rating (underlying rating)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Bond insurance</li> <li>✓ Debt Service reserve fund met by surety policy</li> <li>✓ 10-year par call</li> <li>✓ COI of \$250,000 plus underwriters’ fees outlined in Section VII</li> </ul>
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<b>Indicative Financing Results</b>			
	<b>10-Year Scenario</b>	<b>20-Year Scenario</b>	<b>30-Year Scenario</b>
<b>Scenario Assumptions</b>			
Net Bond Proceeds Generated	\$18,300,000	\$24,000,000	\$24,000,000
Repayment Ratio	129%	149%	186%
<b>Sources of Funds</b>			
2021 Par Amount	\$18,300,000	\$24,000,000	\$24,000,000
Bond Premium	\$4,249,056	\$5,504,029	\$5,733,049
<b>Total Sources of Funds</b>	<b>\$22,549,056</b>	<b>\$29,504,029</b>	<b>\$29,733,049</b>
<b>Uses of Funds</b>			
Net Funds Available for Projects	\$22,106,211	\$28,997,606	\$29,202,398
Cost of Issuance	250,000	250,000	\$250,000
Underwriter's Discount	\$73,625	\$95,000	\$95,000
Surety Bond Cost	36,600	36,029	\$28,996
Bond Insurance	\$82,620	\$125,395	\$156,655
<b>Total Uses of Funds</b>	<b>\$22,549,056</b>	<b>\$29,504,029</b>	<b>\$29,733,049</b>
<b>Bond Statistics</b>			
All-in TIC	1.24%	2.12%	2.93%
Average Life	5.80	11.95	19.25
Average Annual Debt Service	\$2,360,575	\$1,791,353	\$1,443,822
Total Debt Service Payments	\$23,605,750	\$35,827,058	\$44,758,468
Assumptions: Scale as of June 7, 2021, 10-yr par call, no DSRF, cost of issuance of \$250,000, \$3.75/bond for underwriter's discount, principal payments September 1, beginning September 1, 2022			

As a part of the financing process, we would also work with the District to consider strategies for funding its pension obligations utilizing efficient financing programs that may provide cost savings and or budget control over required CalPERS contributions.

**Green, Social or Sustainability Bond Designation.** Subject to further diligence on the library project, we may suggest that the District pursue a social bond designation for the planned 2021 bonds. Indeed, we have successfully executed financings for a variety of credits with a green, social or sustainable designation nationally. (In fact, our senior managed 2020 financing for Century Housing (California CDFI) was just awarded the Sustainability Bond of the year in the US municipal bond category, beating out over 400 other applicants.) As the District may know, a green/social bond designation allows an issuer to inform investors that the use of proceeds complies with either formally established Green or Social Bond Principles or at the issuers own determination of the usage. In our experience, we continue to see broader interest in Green or Social Bonds from not only investors who manage green funds but also investors who have indicated that if they had a choice, a Green Bond would be preferable over a non-Green Bond.

As the leading underwriter of ESG financings in the municipal market (23% market share for 2020 with \$4.5 billion of par<sup>15</sup>), Wells Fargo would be well-positioned to

<b>2020 Negotiated Municipal ESG Underwriter League Table</b>				
Rank	Manager	Par (\$MM)	Deals (#)	Market Share (%)
1	<b>Wells Fargo</b>	<b>\$4,470.04</b>	<b>17</b>	<b>23.12%</b>
2	Jefferies	2,633.12	9	13.62%
3	Citi	2,601.89	9	13.46%
4	JP Morgan	1,534.53	4	7.94%
5	Morgan Stanley	1,492.69	14	7.72%
6	RBC	1,348.15	15	6.97%
7	BofA Securities	1,334.50	11	6.90%
8	Ray. James	942.47	13	4.87%
9	Barclays	829.52	7	4.29%
10	Goldman Sachs	470.93	3	2.44%
<b>Total</b>		<b>\$18,978.20</b>	<b>150</b>	

Source: Securities Data Corp

<sup>15</sup> Source: Thomson Reuters SDC as of 12/31/2020

evaluate the potential application of a green designation and market the District's 2021 bonds to potential buyers seeking investments with such a designation. Importantly, ***sustainability and social bond funds are not limited to investing in rated credits, and they are actively seeking credits across the rating spectrum in the municipal market.***

**Qualifications and Understanding of Services.** Wells Fargo has a clear understanding of the services required by the District and intend to provide the District with comprehensive banking and underwriting services to achieve attractive rates for the anticipated bond issue. As provided from our experience with similar size and scope issuers over the past 55 years, Wells Fargo has demonstrated a track record of actively support clients' needs. From comprehensive analysis of bond structuring alternatives to underwriting bonds in volatile markets to providing continuous updates on market conditions, we will work hand in hand with the District's financing team to ensure a transparent, thorough and successful bond issuance. As senior manager, these services will include the following:

**Pre-Financing Services:** Wells Fargo will assist the District with pre-financing activities to ensure the District's issue is structured to meet its needs and financial constraints while appealing to a broad investor market. Wells Fargo will also assist in preparing all documents, including, among others, a financing timeline, a bond rating agency presentation and strategy, Preliminary Official Statement, a Resolution, a Bond Purchase Agreement and all necessary marketing documents. Wells Fargo will be available to attend all meetings and conference calls.

**Bond Marketing and Underwriting Services:** Wells Fargo will advise the District on bond marketing strategies. We will contact potential investors and provide them with necessary deal information. We will provide the District with pre-pricing information, and we will present our views of market conditions. Our underwriting desk will manage the bond pricing process for the District's financing, including coordinating marketing and sales efforts of managers. If appropriate, we have the ability to underwrite bonds in difficult markets.

**Structuring Services:** We will meet with the District's finance officials and Financial Advisor to refine the goals and objectives of the proposed financing. In developing the terms of the anticipated bond issue, WFS will develop a financing plan that results in a marketable bond issue that attracts the widest audience of potential investors to deliver an attractive cost of funds for the District's financing. We will collect, review and develop data to be used in establishing a financing plan, including information on the forecasted revenues that will be generated from the special taxes, as well as data related to the capital markets, such as: an identification of the most likely purchasers of the bonds, an analysis of general economic indicators, and a survey of market supply structures used in recently successfully marketed issues. Wells Fargo will work with the District to review alternative bond structures that meet the stated goals and objectives. Wells Fargo's bankers will analyze the District's bond structuring alternatives and develop cash flow scenarios appropriate to support the District's decision making. Based upon our quantitative analyses, we will recommend financing structures to the District. In addition to our deal-related cash flow services, we will perform other cash flow scenarios as requested by the District for financial planning purposes. In several instances, Wells Fargo has developed financing modules for our development clients to optimize their financing. With the experience of our investment bankers, programs can be written to meet the needs of our clients. We would welcome the opportunity to demonstrate this to the District.

**Sales Related Services:** Wells Fargo maintains a Credit Strategy Team, led by Don Lipkin that is constant contact with institutional investors. Since the anticipated transaction is expected to be non-rated, the banking team will leverage this team to market the District's bond to the targeted investors and assist with any credit related questions the investors may have. Additionally, the banking team will work closely with various departments including Municipal Bond Trading, Marketing, Retail and Research to develop the most effective marketing strategy for the District's bonds and determine the optimal time to enter the market. Wells Fargo will develop, in coordination with the District's Financial Advisor, a marketing timeline that includes an investor presentation, one-on-one investor calls, and an internal sales force teach-in.

**Execution and Pricing of the Financing:** Wells Fargo provides comprehensive analytical support and market data throughout the pricing process of a negotiated transaction. Several business days prior to the proposed pricing, we will prepare and distribute a market update that includes a discussion of the current capital market environment, the economy and interest rates. Wells Fargo also monitors the municipal forward calendar for other competing issues set to price during this period. One day prior to the pricing, Wells Fargo will conduct a pre-pricing call. During the call, we will discuss pertinent information regarding the bond market and impending economic announcements. On the day of pricing, Wells Fargo will maintain regular contact with the District throughout the day in order to evaluate the orders and determine where the demand for the bonds is the greatest. By doing so, we can make structuring recommendations to improve the overall transaction. If desired (subject to travel restrictions and COVID), the District is welcome to participate in the pricing at one of our California locations (Los Angeles or San Francisco). Bond orders will be provided in real-time via the internet through IPREO. Upon completion of the pricing, Wells Fargo will prepare a complete transaction summary.

**Post-Pricing Related Services:** Wells Fargo's support continues after the sale of the bonds through a closing memo that outlines the activities to take place at closing, including wire instructions and a post-closing book that provide details on bond distribution and highlights activities leading up to the sale and closing of the bonds.

#### Section VII- Cost Sheet

**Underwriting Spread.** To demonstrate our strong desire to work with the District, we propose an average takedown of \$3.75/bond and no management fee if selected to serve as underwriter and if the bonds achieve investment grade ratings of Baa3/BBB- or higher. For a \$24 million transaction, we expect total underwriting expenses of \$24,702 (or \$1.03/bond) if we are paying underwriter's counsel directly, which is estimated at \$15,000. If the bond issue is sold on a non-rated basis, we would propose a takedown of \$7.00/bond plus underwriting expenses. As stated in the cover letter, we view our proposed fees to be aggressive when compared to California land secured transactions. We believe our credentials and experience, coupled with an aggressive fee proposal, support our selection as lead manager for the District's 2021 sale. However, we would be open to discussing our proposal further if the fee is the ultimate final selection determinant. As customary with bond underwriting activities, we expect to be compensated only upon the successful sale and closing of the District's transaction. The completed Cost Sheet is provided in **Appendix D.**



# Appendix A – Pricing Spreads of Recent Senior Managed Land Secured Transactions

Issuer: Issue: Lien: Par Amount: UL Rating: Optional Call: Pricing Date:	City of Fontana CFD #74B Special Tax Senior \$4,045,000 NR/NR/NR 9/1/2025 @ Par 11-Jun-19				Fossil Ridge Metropolitan District No. 3 Series 2020 Limited Tax GO Bonds Senior \$33,105,000 BBB (BAM insured) 12/1/2030 @ Par 21-Oct-20				Crystal Valley Metropolitan District No. 2 Series 2020A Limited Tax GO and Improvement Senior \$56,660,000 Baa1 (AGM enhanced) 12/1/2030 @ Par 9-Sep-20				Wyndham Hill Metropolitan District No.2 Series 2020A GO Limited Tax Bonds Senior \$20,070,000 Baa2 (BAM enhanced) 12/1/2028 @ Par 23-Apr-20				Erie Commons Metropolitan District No. 2 2019A GO Limited Tax Senior \$20,250,000 Baa2/BBB-NR (AGM Insured) 12/1/2029 @ Par 12-Dec-19			
Year	MMD	Coupon	Yield	Spread	MMD	Coupon	Yield	Spread	MMD	Coupon	Yield	Spread	MMD	Coupon	Yield	Spread	MMD	Coupon	Yield	Spread
0 Yr									0.14%	5.00%	0.540%	0.400%	0.84%	5.00%	2.340%	1.500%				
1 Yr	1.34%	3.00%	1.440%	0.100%	0.17%	5.00%	0.570%	0.400%					0.84%	5.00%	2.340%	1.500%				
2 Yr	1.36%	4.00%	1.660%	0.300%	0.18%	5.00%	0.630%	0.450%	0.15%	5.00%	0.630%	0.480%	0.87%	5.00%	2.350%	1.480%	1.05%	5.00%	1.520%	0.470%
3 Yr	1.37%	4.00%	1.770%	0.400%	0.19%	5.00%	0.670%	0.480%	0.16%	5.00%	0.680%	0.520%	0.90%	5.00%	2.400%	1.500%	1.05%	5.00%	1.570%	0.520%
4 Yr	1.38%	4.00%	1.880%	0.500%	0.22%	5.00%	0.770%	0.550%	0.20%	5.00%	0.790%	0.590%	0.92%	5.00%	2.420%	1.500%	1.06%	5.00%	1.630%	0.570%
5 Yr	1.39%	5.00%	1.990%	0.600%	0.30%	5.00%	0.880%	0.580%	0.27%	5.00%	0.890%	0.620%	0.95%	5.00%	2.450%	1.500%	1.09%	5.00%	1.710%	0.620%
6 Yr	1.43%	5.00%	2.080%	0.650%	0.44%	5.00%	1.070%	0.630%	0.36%	5.00%	1.000%	0.640%	1.00%	5.00%	2.500%	1.500%	1.15%	5.00%	1.790%	0.640%
7 Yr	1.47%	5.00%	2.170%	0.700%	0.59%	5.00%	1.290%	0.700%	0.51%	5.00%	1.210%	0.700%	1.04%	5.00%	2.540%	1.500%	1.22%	5.00%	1.890%	0.670%
8 Yr	1.52%	5.00%	2.270%	0.750%	0.74%	5.00%	1.490%	0.750%	0.63%	5.00%	1.380%	0.750%	1.11%	5.00%	2.610%	1.500%	1.28%	5.00%	1.980%	0.700%
9 Yr	1.59%	5.00%	2.340%	0.750%	0.87%	5.00%	1.680%	0.810%	0.74%	5.00%	1.520%	0.780%	1.15%	4.00%	2.700%	1.550%	1.35%	5.00%	2.070%	0.720%
10 Yr	1.66%	5.00%	2.410%	0.750%	0.97%	5.00%	1.810%	0.840%	0.84%	5.00%	1.640%	0.800%	1.21%	4.00%	2.810%	1.600%	1.42%	5.00%	2.140%	0.720%
11 Yr	1.73%	5.00%	2.480%	0.750%	1.06%	4.00%	1.900%	0.840%	0.91%	4.00%	1.710%	0.800%	1.30%	4.00%	2.900%	1.600%	1.49%	5.00%	2.210%	0.720%
12 Yr	1.79%	5.00%	2.540%	0.750%	1.14%	4.00%	1.980%	0.840%	0.99%	4.00%	1.790%	0.800%	1.40%	4.00%	3.000%	1.600%	1.53%	5.00%	2.250%	0.720%
13 Yr	1.86%	5.00%	2.610%	0.750%	1.22%	4.00%	2.060%	0.840%	1.07%	4.00%	1.870%	0.800%	1.50%	3.000%	3.300%	1.800%	1.57%	5.00%	2.290%	0.720%
14 Yr	1.90%	5.00%	2.650%	0.750%	1.26%	4.00%	2.100%	0.840%	1.11%	4.00%	1.910%	0.800%	1.53%	4.00%	3.130%	1.600%	1.61%	5.00%	2.330%	0.720%
15 Yr	1.94%	3.00%	3.090%	1.150%	1.31%	2.125%	2.360%	1.050%	1.16%	4.00%	1.960%	0.800%	1.58%	4.00%	3.180%	1.600%	1.65%	5.00%	2.370%	0.720%
16 Yr	1.98%	3.00%	3.130%	1.150%	1.36%	2.250%	2.460%	1.100%	1.21%	4.00%	2.010%	0.800%	1.64%	4.00%	3.240%	1.600%	1.69%	5.00%	2.410%	0.720%
17 Yr	2.02%	3.00%	3.170%	1.150%	1.40%	2.250%	2.500%	1.100%	1.25%	4.00%	2.050%	0.800%	1.70%	3.125%	3.500%	1.800%				
18 Yr	2.06%	3.00%	3.210%	1.150%	1.44%	2.250%	2.570%	1.130%	1.29%	4.00%	2.110%	0.820%								
19 Yr	2.10%	3.125%	3.250%	1.150%	1.48%	2.375%	2.630%	1.150%	1.33%	4.00%	2.160%	0.830%								
20 Yr	2.14%	3.125%	3.290%	1.150%	1.52%	2.500%	2.640%	1.120%	1.37%	4.00%	2.200%	0.830%	1.82%	3.250%	3.590%	1.770%	1.84%	4.00%	2.790%	0.950%
21 Yr	2.18%	0.00%	0.000%																	
22 Yr	2.22%	0.00%	0.000%																	
23 Yr	2.25%	0.00%	0.000%																	
24 Yr	2.27%	0.00%	0.000%						1.49%	4.00%	2.320%	0.830%								
25 Yr	2.28%	3.250%	3.430%	1.150%	1.700%	3.000%	2.840%	1.140%									1.97%	3.000%	3.090%	1.120%
26 Yr	2.29%	0.00%	0.000%																	
27 Yr	2.30%	0.00%	0.000%																	
28 Yr	2.31%	0.00%	0.000%																	
29 Yr	2.32%	0.00%	0.000%						1.56%	3.000%	2.720%	1.160%	2.02%	4.00%/3.50%	3.62%/3.80%	1.60%/1.78%				
30 Yr	2.33%	5.00%	3.080%	0.750%	1.740%	3.000%	2.890%	1.150%									2.02%	3.000%	3.120%	1.100%

All transactions spread against prior day's MMD.

Source: Official Statements, tm3.com, and Wells Fargo Securities Underwriting Desk

## **Appendix B – Wells Fargo Litigation Statement**

Wells Fargo Securities, LLC ("WFSLLC") is a subsidiary of Wells Fargo & Company ("WFC"), a corporation organized under the laws of Delaware. WFC's principal office is located in San Francisco, California. On December 31, 2008, WFC acquired the former Wachovia Corporation and its subsidiaries, including the predecessor firm to WFSLLC, Wachovia Capital Markets, LLC.

As with any large diversified financial services company of its size in the highly-regulated banking and securities field, Wells Fargo Securities, LLC and Wells Fargo & Company are subject to receiving inquiries and subpoenas from regulators and law enforcement from time to time, as well as being subject to civil litigation. Wells Fargo responds regularly to inquiries and investigations by governmental entities and, as a highly regulated diversified financial institution has in the past entered into settlements of some of those investigations, including those specified below. None have resulted in any material restrictions on Wells Fargo's ability to operate its businesses, and none are or have been material to the operation of the businesses.

The SEC filed a civil lawsuit in 2016 against WFSLLC and a Wells Fargo employee, among others, regarding a 2010 Rhode Island Economic Development Corporation bond offering document. WFSLLC settled the matter with the SEC on March 20, 2019. The Court dismissed all claims against the Wells Fargo employee on June 11, 2019. Securities and Exchange Commission v. Rhode Island Commerce Corporation (f/k/a Rhode Island Economic Development Corporation), et al., No. 1:16-cv-107-M-PAS (D.R.I.). No member of the proposed deal team identified in this RFP has a reportable item on his or her broker check report (available online through FINRA's Broker Check), regarding investigations during his or her tenure with WFSLLC.

Access to the Legal Proceedings sections of Wachovia Corporation's 10-K dated February 28, 2008; and 10-Q's dated October 30, 2008, August 11, 2008, and May 12, 2008 are available via the internet link below:

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000072971&type=10&dateb=20090101&owner=exclude&count=100>

Copies of the Legal Proceedings sections from Wells Fargo & Company recent public filings are available via the internet link below:

[https://www.wellsfargo.com/invest\\_relations/filings](https://www.wellsfargo.com/invest_relations/filings)

Wells Fargo & Company Annual Report Link:

[https://www.wellsfargo.com/invest\\_relations/annual](https://www.wellsfargo.com/invest_relations/annual)

Information regarding regulatory actions and judicial proceedings involving WFSLLC is available online via FINRA's BrokerCheck internet link below:

<http://brokercheck.finra.org/firm/126292>



## Appendix C – Team Resumes

### **Lead Banker**

*Los Angeles, CA*

#### **Tom Wynne, Director**

*Western Region / Land Secured Public Finance*

Mr. Wynne joined Wells Fargo in 2018, has a combined 18 years of experience in public finance and real estate/land secured finance. He is responsible for western region coverage and specializes in real estate district financings (special tax, tax increment, assessments) with deep experience with financings for districts in California, Colorado, Texas, South Carolina and Florida. This includes recent financings for Centerra Metropolitan District, Fossil Ridge Metropolitan District, Crystal Valley Metropolitan District, Wyndham Hill Metropolitan District, Three Springs Metropolitan District, Vauxmont Metropolitan District, Erie Commons Metropolitan District, City of Fontana (CA), Memorial City (TX), and Dorchester County (SC), among others. Tom and the land secured team are also engaged as senior manager for seven assessment district / special tax district financings totaling \$350 million in South Carolina, Texas, Colorado, Kansas and Utah set to price in 2021. His work while at a prior firm also includes special district financings for the cities of Morgan Hill, San Jose, Milpitas, Menlo Park, Pittsburg, Petaluma, San Pablo, Sacramento, and Emeryville. He also provides western region banking coverage to municipal clients, with financings for cities of Anaheim and Long Beach, Bay Area Rapid Transit, Contra Costa Community College District, Los Angeles Department of Water and Power, Metropolitan Water District of Southern California, and Fremont UHSD. In the private sector, Tom ran a real estate business that specialized in development and construction of single family and multifamily communities in Southern California. His combination of housing and public finance experience provides a valuable perspective to this engagement. Tom graduated with a BA in Finance and Marketing from the University of Colorado and a MBA from Oxford University.

### **Local Specialist**

*Los Angeles, CA*

#### **Julia Kim, Director**

*West Region*

Ms. Kim has 15 years of capital markets experience as a public finance investment banker. Julia has in-depth knowledge of various types of credits across the State. She has worked with a variety of municipalities within the State of California including the State, the State Public Works Board of the State of California, San Francisco International Airport, counties of Riverside, San Bernardino, Los Angeles, Orange, Santa Barbara, and Ventura and several cities and school districts across the State. As a general markets banker, Ms. Kim will provide insight into the broader State's economy and financial position. Most recently, Ms. Kim served as the lead banker on a joint-senior manager mandate for the State Public Works Board of the State of California's \$700 million forward delivery tax-exempt lease revenue refunding bond financing as well as lead banker for the County of Los Angeles on a \$400 Lease Revenue Bond financing. Since 2009, Ms. Kim has served as a banker on more than \$20 billion of senior managed California bond and note financings. Ms. Kim received her B.A. from the University of California, Berkeley and a minor in Business Administration from the Haas School of Business. She also maintains her Series 7 and 63 licenses.

### **Quantitative Specialist**

*Denver, CO*

#### **Scott Goldstein, Director**

*Capital Markets*

Mr. Goldstein joined Wells Fargo Securities in 1993 (via merger with A.G. Edwards). He has over 30 years of experience in investment banking as a quantitative specialist with extensive understanding of bond related tax code issues. He has structured over a 1,000 senior managed municipal transactions with significant emphasis for refunding and structured financial solutions. His primary focus has been in the area of higher education, system revenue and general infrastructure issues. He has been instrumental in developing and applying several refunding innovations, providing analytical decision making framework for cash market and derivative solutions, as well as, improving escrow efficiencies to help issuers lower their cost of capital or overall funding cost. Scott is a graduate of the University of Maryland, College Park, Maryland, where he earned a B.S. degree in business with an emphasis in finance and accounting. He received his M.B.A. degree in finance from George Washington University, Washington, D.C.

### **Banking Support**

*Los Angeles, CA*

#### **Trung Luc, Associate**

*West Region*

Mr. Luc rejoined Wells Fargo Securities in June 2015 and has seven years' experience working as a banking support in public finance. Mr. Luc has provided analytical support and deal execution on more than \$5 billion of municipal bond issuance. He has worked with a wide range of issuers throughout the West Coast on various public offerings such as Lease Revenue/Certificates of Participation, Special Tax Bonds, General



Obligation and Utility Revenue Bonds. For the County, he will provide support throughout the deal process, including analyzing financing scenarios, reviewing bond documentation and preparing materials related to the successful closing of the bonds. Mr. Luc received his B.A. in Economics from the University of California, Irvine.

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**Banking Support**

*New York, NY*

**Joanna Chen, Analyst**

*West Region*

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Ms. Chen joined Wells Fargo Securities in 2020 as an analyst to provide quantitative and analytical support to the West and Midwest teams. Ms. Chen provides deal execution support from due diligence to quantitative analysis. Ms. Chen received her B.A. in Political Science with a concentration in International Relations and her B.A. in Media Studies with a concentration in Business from the University of California, Berkeley.

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**Co-Lead Underwriter**

*Charlotte, NC*

**Parks Lineberger, Director**

*Co-Head of Fixed Rate Underwriting*

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Mr. Lineberger leads our firm's California underwriting efforts. Mr. Lineberger's career with Wells Fargo consists of over 12 years within the municipal finance group. Throughout the course of the financing, Mr. Lineberger will provide pricing details and general updates regarding the municipal market and the impact of market movements on the City's financing. His experience includes, but is not limited to special tax, GO, lease revenue, housing, water and wastewater revenue transactions, and other credits including healthcare, higher education, taxable, and corporate municipalities throughout the U.S. Mr. Lineberger has served as underwriter on over \$10 billion of senior managed California transactions since 2016. Mr. Lineberger holds a B.S. degree in Finance and Accounting from North Carolina State and maintains his Series 7, 63, and 52 licenses.

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**Co-Lead Underwriter**

*Charlotte, NC*

**Walker McQuage, Managing Director**

*Co-Head of Fixed Rate Underwriting*

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Mr. McQuage has over 20 years of municipal underwriting experience and supervises the underwriting commitments made by Wells Fargo's national municipal trading, sales and underwriting operation. His special district financing experience as lead underwriter include Crystal Valley Metropolitan District (CO), Fossil Ridge Metropolitan District (CO), Wyndham Hill Metropolitan District (CO), Vauxmont Metropolitan District (CO), Erie Commons Metropolitan District (CO), Hartland Township (MI), Grand Forks Park District (ND), Summers Corner Improvement District (SC), Livermore Successor Redevelopment Agency (CA), Myrtle Beach City (FL), City of Atlanta (GA) and Bloomington City (MN), among many others. Walker's experience also includes the underwriting of GO and revenue supported debt as well as sales tax secured and appropriation-backed debt.

## Appendix D – Cost Sheet

**SECTION VII  
COST SHEET**

**7.0 INTRODUCTION**

Proposer shall complete cost sheet to include all costs, in accordance with the Scope of Work defined in Section IV.

**7.1 COST FOR SCOPE OF WORK, SECTION IV**

**a. Fee Schedule For Bond Underwriting Services For Term Of Contract**

Takedown* (\$/bond)	Expenses** (\$/bond)	Mgmt. Fee (\$/bond)	Total Gross Spread (\$bond)
\$3.75	\$1.03	\$0.00	\$4.78

\*Assumes rated issuance; if non-rated, then proposed takedown is \$7.00/bond plus underwriting expenses.

\*\*Underwriting expenses include an estimate of \$15,000 for underwriter's counsel and \$9,702 for expenses including IPREO, CUSIP fees, DTC charges, and CDIAAC.

This proposal submitted by: Wells Fargo Securities, LLC

Company Name

Address: 333 S. Grand Ave., 5th Floor

Los Angeles, CA 90071

Telephone Number: (213) 253-7210

Fax Number: \_\_\_\_\_

Contact Name: Tom Wynne

Authorized Signature: 

**Disclosures (Continued):****Informational Purposes Only; Important Information Regarding These Materials**

The Materials are provided for general information about the transactions described herein. The Materials do not constitute an offer to sell or a solicitation of an offer to buy, or a recommendation or commitment for any transaction involving the securities or financial products named or described herein, and are not intended as investment advice or as a confirmation of any transaction. Assumptions stated herein may or may not be valid. Externally sourced information contained in the Materials has been obtained or derived from sources we reasonably believe to be reliable, but Wells Fargo Securities and WFBNA make no representation or warranty, express or implied, with respect thereto, and do not represent or guarantee that such information is accurate or complete. Wells Fargo Securities and WFBNA do not assume or accept any liability for any loss which may result from reliance thereon. Wells Fargo Securities and/or one or more of its affiliates may provide advice or may from time to time have proprietary positions in, or trade as principal in, any securities or other financial products that may be mentioned in the Materials, or in derivatives related thereto.

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One or more transactions described in the Materials may be “swaps” as defined in the CEA and CFTC regulations or foreign exchange (“FX”) products subject to certain CFTC regulations. From time to time, we may furnish you with certain information or request that you furnish us with certain information or representations or take other actions we consider necessary or appropriate to comply with applicable legal or regulatory requirements, including the requirement that, in order to enter into a swap with us, you must be an Eligible Contract Participant (“ECP”) (as defined in CEA Section 1a(18) and CFTC Regulation 1.3). Nothing herein purports to be a complete statement of regulations applicable to swaps, matters which you should address with your own legal advisors. **For purposes of CFTC Regulations 1.71 and 23.605, please note that the Materials are a “solicitation” of a swap and not a “research report” as defined therein.** To the extent the Materials include a scenario analysis, such inclusion shall not supersede your right under CFTC Regulation 23.431(b) to request and consult in the design of a scenario analysis. Nothing in the Materials should be construed as a recommendation or opinion with respect to any swap or trading strategy involving a swap for purposes of CFTC regulations or the CEA. The Materials do not take into account your particular investment objectives, financial condition or needs and are not intended to serve as a basis for entering into a swap or to suggest, through opinion, recommendation, or otherwise, that you should enter into a particular swap or trading strategy involving a swap. In addition to the information furnished herein, you should not enter into any swap or other transaction described in the Materials without reviewing and understanding our “Disclosure of Material Information for Swaps” and accompanying documents available to you at: [www.wellsfargo.com/swapdisclosures](http://www.wellsfargo.com/swapdisclosures) (“Swap Disclosures”).

If you are a “Special Entity” within the meaning of CFTC Regulation 23.401(c), you are hereby notified that these Materials are not, are not intended to be and should not be interpreted as an expression of an opinion within the meaning of CFTC Regulation 23.440 by any person on behalf of Wells Fargo & Company and its subsidiaries as to whether you should enter into any swap or trading strategy involving a swap.

If these Materials relate to an SBS they are intended only for persons that are ECPs as defined in CEA Section 1a(18) and the regulations issued thereunder. If you are not an ECP and the Materials involve an SBS, please disregard the Materials, delete the Materials without retaining a copy, and immediately notify the sender.

**Not Financial, Accounting, Tax or Legal Advice; Arm’s Length Relationship**

You should not construe the content of the Materials as financial, accounting, tax, legal or other advice, and you should consult your own financial advisor, accountant, tax advisor and attorney for opinions on whether to enter into any transaction described in the Materials and as to as to financial, accounting, tax, legal and related matters concerning these Materials. Wells Fargo is not acting as your agent or advisor, including pursuant to Section 15B of the SEA or any other applicable regulation, with respect to the transactions described in these Materials, and does not owe you a fiduciary duty. All transactions described in the Materials are arm’s length transactions to be negotiated by each party acting in its own best interests. The price and other terms of any transaction will be individually negotiated, and there is no assurance that they will represent the best price or terms available to you from us or other sources. Whether they are executable, indicative or illustrative, you should assume that any price we offer, quote or otherwise provide to you for entering into, transferring or terminating a transaction with Wells Fargo is strictly a Wells Fargo price and should not be considered a “market price” offered by anyone else in the market. In this regard, Wells Fargo under applicable CFTC regulations may be required to disclose to you a “pre-trade mid-market mark” of the transaction in order for you to assess material incentives and conflicts of interest we may have in connection with the transaction. We may also be required to disclose material economic terms and material risks of such transaction. Information about the pre-trade mid-market mark and other material disclosures regarding swaps can be found at: [Swap Disclosures](http://www.wellsfargo.com/swapdisclosures).

**LIBOR Discontinuation Risk**

Due to uncertainty surrounding the sustainability of the London Interbank Offered Rate (“LIBOR”), central banks and global regulators have called for financial market participants to prepare for the discontinuation of LIBOR by the end of 2021. The continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. While global regulators and financial services industry market participants, including the Alternative Reference Rates Committee in the United States, have been working on developing alternative reference rates (“ARR”) for LIBOR and other interbank offered rates, there is no guarantee that ARR will be widely used by market participants by the end of 2021, that any ARR developed will be suitable for each transaction as a substitute or successor for LIBOR, that the composition or characteristics of ARR will be similar to those of LIBOR, or that ARR will be the economic equivalent of the rate used in your LIBOR-based swap, SBS, or financing transactions. Therefore, if LIBOR is discontinued during the term of your swap or SBS, your payments would be calculated differently and could be higher or more volatile than expected. These risks and others are discussed in greater detail at the IBOR Alternative Reference Rates disclosure at: [Swap Disclosures](http://www.wellsfargo.com/com/focus/libor/). Other information is available at: <https://www.wellsfargo.com/com/focus/libor/>.

**Negative Interest Rates (including disclosures regarding benchmark rate floors)**

Even if your financing includes a LIBOR floor, such as a floor set at 0%, express wording in swap transactions is required to place a floor on LIBOR or other floating benchmark rate of a swap transaction. No such 0% floor or other floor is included in an interest rate swap or other swap transaction unless mutually agreed between the parties as reflected in the swap confirmation. Absent such floor in an interest rate swap, if a Floating Amount is negative under the swap, the Floating Rate Payer does not make such payment. Instead, the Fixed Rate Payer pays the absolute value of the negative Floating Amount in addition to the Fixed Amount. See §6.4 of the 2006 ISDA Definitions, as amended. If you wish to acquire a swap with a 0% floor or other floor, this may increase the price of your swap as reflected in a higher Fixed Rate. For further information on negative interest rates, including their effect on swaps and the loans they are hedging, see the Negative Interest Rates Disclosure (including disclosures regarding benchmark rate floors) at: [Swap Disclosures](http://www.wellsfargo.com/swapdisclosures).

**Risks to Consider**

While transactions described in the Materials may be used for hedging purposes to reduce certain risks associated with your assets or liabilities, the effectiveness of hedging may depend upon holding these transactions to maturity and not reducing or disposing of all or any portion of the asset or liability during the term of the hedge. If a transaction is terminated early, or if you reduce or dispose of all or a portion of the underlying asset or liability before the transaction matures (such as prepaying a floating rate loan you hedge with a swap or disposing an FX or commodity liability or asset you have hedged), depending on the nature of the transaction, you may incur a substantial loss or you may receive little or no hedging benefit from any upfront premium payment or any other costs incurred in purchasing the transaction. You may also incur a substantial loss if you enter into a transaction in anticipation of hedging an asset or liability that does not materialize. You should understand that significant potential amounts could become payable by you for modifying a transaction, terminating it early or transferring your position in the transaction to another person or entity, depending upon then existing market conditions and the terms of your transaction. You should also consider that prepaying your loan or disposing of an asset or other liability, including a foreign currency denominated or commodity liability or asset, does not relieve you of your obligations under a hedge transaction, which may be terminated early only in accordance with the terms of the swap trading relationship documentation, other transaction documents, or otherwise by mutual agreement. Such termination may require payment by you of an early termination amount, which may be substantial. Whether you use a transaction for hedging or another purpose, you should satisfy yourself that you understand these and other risks discussed in greater detail in disclosures provided to you at: [Swap Disclosures](#).

#### **Independent Obligation**

To the extent any transaction described in the Materials may be used to hedge against FX risks, commodity risks, or interest rate risks, the transaction would be a separate and independent obligation and would not be contingent on whether or not any financing closes, is outstanding or is repaid, in whole or in part, at any time, subject to any contractual requirement to terminate and settle the transaction early upon prepayment of any financing or for other financing-related events. In addition, if you provide any existing or future collateral or other credit support to secure the transaction and any financing, then you would be entitled to the release of such collateral or credit support only if certain conditions contained in the related collateral agreement or credit support document are completely satisfied for both the transaction and any such financing, or we otherwise reach agreement with you on alternative collateral, credit support or other arrangements.

#### **Unmatched Terms & Conventions**

If the principal amount or duration of a financing, FX, or commodity asset or liability differs from that of a transaction used to hedge such financing, asset or liability (e.g., a different notional amount), you may be exposed to risk of loss from such over-hedging or under-hedging. If any other economic terms or characteristics of a financing, asset or liability differ from those of the related hedge, then in addition to any losses that you could incur from such differences, the hedge may create unanticipated accounting exposure or tax liability for you. To the extent fair value accounting applies to the hedge, you may have to reflect unrealized gains and losses (i.e., the so-called “mark-to-market” value of the hedge) over the life of the hedge on your balance sheet and/or income statement. If hedge accounting applies, any ineffectiveness in the hedge resulting from such differences may likewise need to be taken into account and reflected in your financial results. These hedge valuation considerations may also be important to you for tax purposes, including any tax laws that may require unrealized gains or losses on hedges to be taken into account in determining your income tax liability.

Conventions used in the underlying market for the financing, assets or liabilities and the conventions used in the derivatives and FX markets may differ, and we are under no obligation to ensure that any transaction we offer is a perfect hedge even if we provide you with the underlying financing, asset or liability. For example, if the method for determining a loan’s floating rate differs from that for a hedge’s floating rate, the loan floating rate payments could diverge from those of the hedge. As another example, if the method for determining the applicable exchange rate for a foreign currency denominated liability differs from that for the exchange rate of the hedge, the payments associated with the underlying liability could diverge from the hedge. Such divergence may occur by convention or as the result of contractual differences, such as in the definition of or the reset timing of the exchange rate or for a referenced floating rate benchmark, the dates or times at which the benchmark is set, the number of days in the payment periods, divergent fallback rates upon the temporary or permanent discontinuation of the benchmark (e.g., LIBOR) or the benchmark rate’s rounding convention.

#### **Disclaimer Regarding Projections, Forecasts & Other Data**

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#### **Wells Fargo as Counterparty**

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If you have any questions or concerns about the disclosures presented herein, you should make those questions or concerns known immediately to Wells Fargo.

2Q21



# **Response to Request for Proposals Bond Underwriting Services**

**June 8, 2021**

## **ZIEGLER PUBLIC FINANCE**

**JOE CROWLEY**  
Director  
2205 Mar Vista Ave.  
Altadena, CA 91001  
Phone: 213 700 2757  
jcrowley@ziegler.com



June 8, 2021

Ms. Nikki Winslow  
District Director  
Altadena Library District  
600 E. Mariposa Street  
Altadena, CA 91001

Dear Ms. Winslow:

On behalf of Ziegler Investment Banking (“Ziegler”), we would like to thank the Altadena Library District (“District”) for the opportunity to submit our response to the District’s Request for Proposals. My name is Joe Crowley and I am an Altadena resident, Measure Z supporter, District taxpayer, and experienced public finance investment banker. I live on Mar Vista Avenue in Altadena and moved here in 2010. I have over 20 years of experience providing investment banking services on California real-estate backed tax-exempt municipal bond issues across sectors, including Community Facilities Districts.

My family and I rely on the Altadena Library District extensively for books, periodicals, and movies. Furthermore, in 2019 when I studied to pass an important industry licensing exam, I spent many hours over the course of 3 months studying at the Main Library. It was the perfect environment to focus my attention, and I passed the test! My experience includes significant Community District (“CFD”) Financings at my prior firms, with specific expertise with inaugural credits. I currently lead Ziegler’s engagement with the City of Palm Desert as a member of its bond underwriting pool where CFD underwriting capability was of primary importance to the Board, staff and its financial advisor.

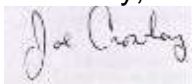
Of further note, the District’s nearby neighbor (Monte Cedro Continuing Care Retirement Community, located on El Molino Street, approximately three blocks away from the Main Library) was a Ziegler financed project (co-senior manager) on a \$140.3 million financing in 2014. We summarize that case study in our response.

Ziegler’s experience makes us uniquely qualified to provide the District with the comprehensive skills identified in the Scope of Work. These skills and capabilities include:

- Lead banker’s significant California public special district, not-for-profit, and real estate-backed bond underwriting experience, and who is located in Altadena;
- Altadena focused bond underwriting expertise (Monte Cedro Continuing Care Retirement Community),
- Specialized firm specifically focused on underwriting credit-focused, real-estate backed transactions.

Thank you for this opportunity. We look forward to discussing our Response with you in greater detail at your earliest convenience.

Sincerely,



Joe Crowley  
(213) 700-2757

[jcrowley@ziegler.com](mailto:jcrowley@ziegler.com)

## TABLE OF CONTENTS

SECTION I – EXPERIENCE	Page 4
SECTION II – PERSONNEL	Page 9
SECTION III – QUALIFICATIONS	Page 11
COST SHEET	Page 13

## 6.4 PROPOSAL CONTENT

Ziegler has prepared our response according to the requirements noted in the Request for Proposal (“RFP”). Furthermore Ziegler meets all of the bond underwriter requirements noted in the RFP, including all licenses, regulatory compliance, and insurance coverage.

### SECTION I – EXPERIENCE

- 1) **Company Name:** Ziegler  
**Address:** 2205 Mar Vista Ave.  
Altadena, CA  
**Phone Number:** (213) 700-2757  
**Authorized Representative:** Joe Crowley, Director  
**Conflicts of Interest:** Ziegler is not aware of any potential conflicts of interest

2) Ziegler has over 119 years of municipal bond underwriting experience, as we discuss later in our response, with its origins dating back to 1902. As the following tables and discussion demonstrates, the firm has an extensive history in California, primarily focused on inaugural credits, unique credits and real estate-backed credits. The table on the following page provides Ziegler’s California municipal debt experience over the past five years (2016 to date). It shows 55 transactions with a total par amount of \$2.9 billion in par amount. The list includes real-estate and credit-focused financings for special districts, non-profit education, non-profit health care, and senior living, as well as for California local governments.

Ziegler’s successful 100+ year business model was built primarily upon leading credit-focused financings (high yield, non-rated and BBB-category credits, as well as A-category credits that we anticipate for the District). We are a perennial national leader in developing, executing, pricing and closing successful financings for municipal and non-profit issuers requiring sophisticated credit-driven solutions to successful tax-exempt and taxable transactions. Ziegler possesses specific defining characteristics that will enable us to successfully serve the District on its upcoming municipal bond financing

Dated	Series	Issuer	Issue Description	Rating	Ziegler Role	Par Value
02/24/15	Series 2015A	California Statewide Communities Devel Auth	Revenue Refunding Bonds	BBB+	Sole Manager	6,360,000
02/24/15	Series 2015B	California Statewide Communities Devel Auth	Revenue Refunding Bonds	BBB+	Sole Manager	275,000
05/28/15	Series 2015	California Statewide Communities Development Authority	Revenue & Revenue Refunding Bonds,	BBB+	Sole Manager	52,080,000
06/30/15	Series 2015A	California Statewide Communities Development Auth	Revenue Bonds	A	Senior Manager	187,500,000
09/24/15	Series 2015	California Municipal Finance Authority	Charter School Lease Revenue Bonds	BB	Sole Manager	10,420,000
03/30/16	Series 2016A	Successor Agency to the Commerce RDA	Tax Allocation Refunding Bonds, Series 2016	A	Sole Manager	15,745,000
03/30/16	Series 2016B	Successor Agency to the Commerce RDA	Tax Allocation Refunding Bonds, Series 2016	A	Sole Manager	25,880,000
05/06/16	Series 2016	California Public Finance Authority	Revenue Bonds, Series 2016	NR	Sole Manager	5,900,000
05/17/16	Series 2016A	California Municipal Finance Authority	Education Revenue Bonds, Series 2016A & 2016B	BBB-	Sole Manager	33,120,000
05/17/16	Series 2016B	California Municipal Finance Authority	Education Revenue Bonds, Series 2016A & 2016B	BBB-	Sole Manager	310,000
06/09/16	Series A	City of Reedley, California	Insured Revenue Certificates of Participation	AA-	Co-Manager	9,750,000
06/09/16	Series B	City of Reedley, California	Insured Revenue Certificates of Participation	AA-	Co-Manager	2,560,000
09/08/16	Series 2016A	California Statewide Communities Development Authority	Refunding Revenue Bonds Series 2016A	A	Senior Manager	280,010,000
09/08/16	Series 2016 BC	Pomona Public Finance Authority	2016 Lease Revenue Refunding Bonds, Series BC	A+	Sole Manager	26,645,000
11/02/16	Series BB	Pomona Public Finance Authority	2016 Revenue Refunding Bonds	AA-	Sole Manager	8,425,000
11/02/16	Series BD	Pomona Public Finance Authority	2016 Revenue Refunding Bonds	AA-	Sole Manager	4,185,000
11/04/16	Series 2016	City of Alhambra, California	Insured Refunding Revenue Bonds, Series 2016	AA-	Sole Manager	31,390,000
11/30/16	Series 2016	California Municipal Finance Authority	Insured Revenue Bonds	AA-	Sole Manager	22,080,000
12/15/16	Series 2016A	California Statewide Communities Development Authority	School Facility Revenue Bonds, Series 2016A & 2016B	NR	Sole Manager	6,100,000
12/15/16	Series 2016B	California Statewide Communities Development Authority	School Facility Revenue Bonds, Series 2016A & 2016B	NR	Sole Manager	750,000
02/02/17	Series 2017	California Public Finance Authority	Revenue Bonds, Series 2017	BBB-	Sole Manager	109,625,000
04/18/17	Series 2017	California Municipal Finance Authority	Insured Revenue Refunding Bonds	AA-	Sole Manager	54,045,000
05/17/17	Series 2017 BE	City of Pomona	Refunding Revenue Bonds 2017 Series BE & BF	AA-	Sole Manager	32,355,000
05/17/17	Series 2017 BF	City of Pomona	Refunding Revenue Bonds 2017 Series BE & BF	AA-	Sole Manager	55,555,000
05/31/17	Series 2017	California Municipal Finance Authority	Insured Revenue Refunding Bonds, Series 2017	AA-	Sole Manager	34,355,000
06/29/17	Series 2017 BG	Pomona Public Finance Authority	2017 Lease Revenue Refunding Bonds, Series BG	A+	Sole Manager	50,475,000
09/01/17	Series 2017A	California Municipal Finance Authority	Revenue Bonds, Series 2017A	NR	Sole Manager	25,620,000
09/01/17	Series 2017C	CA Retirement Housing Foundation Obligated Group	Taxable bonds	NR	Sole Manager	9,086,000
09/01/17	Series 2017D	CA Retirement Housing Foundation Obligated Group	Taxable bonds	NR	Sole Manager	12,734,000
10/25/17	Series 2017B	California Municipal Finance Authority	Insured Revenue Bonds, Series 2017B	AA-	Sole Manager	44,120,000
12/20/17	Series 2017	McFarland Improvement Authority	Lease Revenue Bonds, Bank Qualified, Series 2017	AA	Sole Manager	4,450,000
02/14/18	Series BH	City of Pomona	2018 Taxable Refunding Revenue Bonds, Series BH	AA-	Sole Manager	13,390,000
03/28/18	Series 2018A	Successor Agency to the Commerce RDA	Tax Allocation Refunding Bonds, Series 2018A	AA-	Sole Manager	29,720,000
06/12/18	Series 2018	California Public Finance Authority	Revenue Bonds, Series 2018	NR	Sole Manager	5,950,000
09/27/18	Series 2018A	California Statewide Community Development Authority	Revenue Bonds Series 2018A	A	Senior Manager	245,660,000
10/11/18	Series 2018 BI	Successor Agency to the Pomona RDA	Tax Allocation Refunding Bonds, Series BI, 2018	A+	Sole Manager	128,885,000
11/20/18	Series 2018	California Municipal Finance Authority	Insured Revenue Bonds, Series 2018	AA-	Sole Manager	24,660,000
03/07/19	Series 2019A	California Municipal Finance Authority	Insured Revenue Bonds, Series 2019A ,B-1 &B-2	AA-	Sole Manager	66,585,000
03/07/19	Series 2019B	California Municipal Finance Authority	Insured Revenue Bonds, Series 2019A ,B-1 &B-2	AA-	Sole Manager	12,100,000
03/07/19	Series 2019C	California Municipal Finance Authority	Insured Revenue Bonds, Series 2019A ,B-1 &B-2	AA-	Sole Manager	17,000,000
06/27/19	Series 2019A	California Public Finance Authority	Educational Facilities Revenue Bonds, Series 2019A & 2019B	NR	Sole Manager	15,420,000
06/27/19	Series 2019B	California Public Finance Authority	Educational Facilities Revenue Bonds, Series 2019A & 2019B	NR	Sole Manager	765,000
07/10/19	Series 2019	California Municipal Finance Authority	Senior Living Revenue Bonds, Series 2019	BBB	Sole Manager	31,610,000
08/21/19	Series 2019A	California Municipal Finance Authority	Revenue and Refunding Bonds, Series 2019A	A-	Senior Manager	141,705,000
08/21/19	Series 2019B	HumanGood-California Obligated Group	Taxable Bonds, Series 2019B	A-	Senior Manager	25,610,000
09/24/19	Series 2019	California School Finance Authority	School Facility Revenue Bonds, Series 2019	BBB-	Sole Manager	47,845,000
10/31/19	Series 2019	Adventist Health System/West	Taxable Bonds, Series 2019	A	Co-Manager	751,850,000
11/07/19	Series 2019A	California Municipal Finance Authority	Education Revenue Bonds, Series 2019A	BBB-	Sole Manager	7,450,000
11/07/19	Series 2019B	California Municipal Finance Authority	Education Revenue Bonds, Series 2019A	BBB-	Sole Manager	3,180,000
12/08/20	Series 2020	California Public Finance Authority	Educational Facilities Revenue Bonds, Series 2020	NR	Sole Manager	20,530,000
12/17/20	Series 2020A	California Municipal Finance Authority	Revenue Bonds, Series 2020	NR	Sole Manager	29,500,000
12/17/20	Series 2020B	California Municipal Finance Authority	Revenue Bonds, Series 2020	NR	Sole Manager	375,000
03/10/21	Series 2021A	California Public Finance Authority	Revenue Bonds, Series 2021 AB&C	BBB-	Sole Manager	30,310,000
03/10/21	Series 2021B	California Public Finance Authority	Revenue Bonds, Series 2021 AB&C	BBB-	Sole Manager	5,490,000
03/10/21	Series 2021C	California Public Finance Authority	Revenue Bonds, Series 2021 AB&C	BBB-	Sole Manager	73,890,000

Ziegler has not served as an underwriter on a California Community Facilities District (“CFD”) financing over the past 24 months. However, Joe Crowley, the lead banker assigned to the District, has served on financing teams for numerous California District, school district and special district CFD financings at his prior firms. Furthermore, Ziegler is currently a member of the City of Palm Desert’s bond underwriting pool where CFD underwriting capabilities were a primary qualification criteria.

As noted in our response, Ziegler is a credit-focused investment bank with specific banking and underwriting expertise for real-estate backed and inaugural credits. To illustrate that expertise, and to

provide a spread to MMD analysis, we've provided the pricing summary for two recent California charter school financings rated BBB- that highlight our capabilities for credit-focused, real-estate backed credits, similar to the District's upcoming 2021 financing.

Charter School	Literacy First Charter Schools	Granada Hills Charter School
State	CA	CA
Date of Completion	11/7/2019	9/24/2019
Dollar Size (mm)	\$10.630	\$47.845
Structure	Fixed Rate Bonds	Fixed Rate Bonds
Term (Yrs)	30	35
30 Yr Yield	3.11%	2.68%
30 Yr MMD	2.06%	1.97%
Spread to MMD	+105	+71
Credit Rating	BBB-	BBB-
Par Call	10 Year	7 Year
Purpose of Financing	Refunding + Acquisition	New Construction
Issuer	California Municipal Finance Authority	California School Finance Authority
# of Investors	7	12

With regard to inaugural credits, Ziegler and Joe Crowley structured, priced and closed an \$18.6 million financing for the Spokane International Charter (WA) School in March 2021. The financing was the first charter school financing in the State of Washington and Ziegler's credit-focused investment banking team led the effort in achieving a strong Ba2 / Stable rating from Moody's.

Consistent with our position as one of the nation's leading underwriters of credit-focused municipal bond financings, Ziegler possesses all of the necessary technical tools and programs required to provide the District with the most advanced service possible. The firm uses the DBC bond structuring program and Joe Crowley will conduct and manage all of the bond runs on a District bond financing.

### Relevant Financing

In addition to having an Altadena office location, the firm has significant experience in our community, having served as co-senior book running manager on the \$140.3 million municipal bond financing in 2014 issued through the Los Angeles County Regional Finance Authority that financed the Monte Cedro Continuing Care Retirement Community (case study provided below).

### ***\$140.3 million Monte Cedro Continuing Care Retirement Community (Altadena, CA) Los Angeles County Regional Finance Authority***

### ***Financing Highlights***

The proceeds of the Series 2014 Bonds were used to finance the cost of the construction and equipping of the community, to repay a taxable loan to the Corporation from Bank of America, N.A., (the proceeds of which were used to construct a portion of the project), to pay interest on the Series 2014 Bonds during construction of the project (approximately 25 months), to fund Debt Service Reserve Accounts, and to pay certain expenses incurred in connection with the issuance of the Bonds.

The Series 2014 Bonds are rated “A” by both S&P and Fitch based on credit enhancement provided by Cal-Mortgage. The Bonds were issued as fixed-rate bonds, with a combination of permanent and temporary debt, the latter to be redeemed with resident entrance fee proceeds. The temporary debt was issued in three series: 2014B-3 Entrance Fee Redemption Series (EFRS)-45, 2014B-2 EFRS-65 and 2014B-1 EFRS-85, which are expected to be repaid at 45%, 65% and 85% occupancy of the project, respectively. The Series 2014A Bonds comprise the long-term portion of the financing with a final maturity of 2044. The resulting overall arbitrage yield on the issue (including temporary debt) was 4.031% and the arbitrage yield on the permanent debt alone was 4.269%.

The Monte Cedro financing, and the firm’s Altadena office location, are testimony to Ziegler’s strong ongoing commitment to Altadena.

### 3) Marketing & Selling the Bonds

The entire Ziegler Team has been purpose-built to serve unique, community-based, municipal and not-for-profit clients, and land-secured issuers similar to the District. This stands in stark contrast to the public finance groups at most investment banks that are structured to facilitate the standardized, high-volume state & local government transactions that dominate the municipal bond market. Despite being a boutique investment bank with a focus on high-yield, credit-focused municipal and nonprofit clients and transactions, Ziegler ranked in the top 20 Municipal Underwriters in 2020. We leverage our position for each of our clients, marketing to a broad range of investors—not just the top municipal and high-yield investors. Additionally, we bring our market expertise to every financing we underwrite, helping to ensure that credit is properly structured and presented.

Ziegler currently has account relationships with well over 100 mutual fund companies, including short-term money market funds, intermediate funds (duration three to ten years), state specialty funds, long-term funds, high-yield funds, and closed-end bond funds. It is important to note that the 25 largest tax-exempt “holders” control approximately 85% of the long-term net assets under management. Rather than deal exclusively with this group of buyers, Ziegler makes a concerted effort to search out and work with second, third and fourth tier purchasers, many of whom are often overlooked by our competitors but who have an appetite for bonds at a slightly lower yield. Ziegler’s wide range of institutional relationships allows us flexibility to execute on a range of structures. Our institutional sales team is unmatched by any other firm that is involved in the municipal marketplace for small-to-medium sized tax-exempt and taxable financings of any underlying credit quality (municipal and non-profit).

Ziegler’s relationships with our investor base reaches beyond individual financing transactions and into research and analytical support and industry-specific expertise. Ziegler provides our investors with access to Ziegler Research, our proprietary website for aggregating credit-specific research and disclosure materials. Managed by a dedicated research team led by the former head of Fitch Ratings, Ziegler Research provides Investors with a valuable tool for tracking every Ziegler financing—Investors know that bonds underwritten by Ziegler will be supported with strong ongoing disclosure, which aids in aggressive primary market pricing and secondary market liquidity for institutional buyers. The Ziegler Research team also works with our clients, hosting and scheduling annual continuing disclosure calls with investors.

Our sales process for the District will start before an offering document hits the street, with proper credit and deal structuring upfront. Ziegler works closely with every client to ensure that they understand



what investors will demand, including annual and quarterly financial and academic reporting as necessary, as well as factors that could help strengthen a deal, including intercept/lockbox agreements and setting appropriate operating and financial covenants. Once an offering document is published, Ziegler will work closely with the District to create a presentation for investors and will host a call to give management the opportunity to present the financing and school to investors. We will also help coordinate and lead site visits to allow interested investors to see the facilities and meet management face-to-face.

Ziegler's experience with municipal credit-focused finance shows the benefits of actively marketing the underlying credit. In many cases, investors have more District and land-secured experience than the rating agency analysts, and in most cases investors would say they understand the credits better than the rating agencies. As a result, marketing for these type of credits is a much more hands-on process than in other sectors. Investors typically ask detailed questions, digging into factors as diverse as continuing disclosure, developer capital, assessment appeals and real estate market projections. Ziegler bankers will work closely with the District, Ziegler's Sales and Trading team, and investors to ensure prompt responses to investor inquiries, helping to ensure that every deal receives investor focus and resulting in the best execution and lowest possible TIC.

Throughout the financing process, Ziegler believes in full transparency to our clients. This ranges from detailed discussion of financing requirements—from covenants to disclosure—to providing routine updates on the market and other comparable bond issues in the market. As for pricing itself, Ziegler will provide the District and its Financial Advisor updates on communications with individual investors as discussions progress and provide full transparency as to levels of interest across bond maturities as we move to price.

Ziegler maintains a 30-person institutional sales force to lead our underwriting engagements. Our sales effort originates from the firm's Chicago headquarters. The firm also operates regional sales and distribution efforts from regional offices in New York, Milwaukee, Florida and Arizona. The firm would employ these institutional resources that includes extensive penetration into the universe of California institutional investors on our City of Palm Desert engagements. Our historical presence and success in the tax-exempt markets nationwide and in California testifies to the strength of our marketing and sales team.

#### **4) REFERENCES**

References for Ziegler and our bankers assigned to the District, representing issuers where Ziegler led California city financings in the last three years, are provided below. Ziegler has served additional California public agencies as senior or sole-managing underwriter in the prior three years. For the purpose of responding specifically to the District's RFQ requirements, however, we suggest that the following list of references below provides the most comprehensive confirmation of our firm's and bankers' skills and capabilities.



<p><b>Blake Fowlet</b>  <b>Assistant to State Treasurer</b>          State of California          915 Capitol Mall          Sacramento, CA 95814          (916) 653-3451  <a href="mailto:Blake.fowler@treasurer.ca.gov">Blake.fowler@treasurer.ca.gov</a>  <b>State Bond Underwriting</b>  <b>Pool</b></p>	<p><b>Dan Wiles</b>  <b>Director of Public Finance</b>          County of Los Angeles          225 N. Hill Street          Los Angeles, CA 90012          (213) 974-2111  <a href="mailto:dwiles@ttc.lacounty.gov">dwiles@ttc.lacounty.gov</a>  <b>County Bond Underwriting</b>  <b>Pool</b></p>	<p><b>James Rothrock</b>  <b>Chief Financial Officer</b>          Monte Cedro          1111 S. Arroyo Parkway          Pasadena, CA 91105          (626) 403-1944  <a href="mailto:jrothrock@ecsforseniors.org">jrothrock@ecsforseniors.org</a>  <b>2014 Los Angeles County</b>  <b>PFA Rev. Bonds</b></p>
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<p><b>Rocio Mosqueda</b>  <b>Accounting Manager</b>          City of Shafter          336 Pacific Ave.          Shafter, CA 93263          (661) 746-5001  <a href="mailto:rmosqueda@shafter.com">rmosqueda@shafter.com</a>  <b>2018 City of McFarland</b>  <b>Bond</b></p>	<p><b>Veronica Tapia</b>  <b>Senior Management Analyst</b>          City of Palm Desert          73-510 Fred Waring Dr.          Palm Desert, CA 95356          (760) 346-0611  <a href="mailto:vtapia@cityofpalmdesert.org">vtapia@cityofpalmdesert.org</a>  <b>Bond Pool + 2004,2006 &amp;</b>  <b>2008 Bonds</b></p>
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**SECTION II -- PERSONNEL**

Ziegler’s financing team to the District is comprised of a veteran California-based investment banker with extensive experience serving California tax-exempt bond issuers. **Joe Crowley** will be the District’s lead banker, and he will also provide all of the quantitative analyses. Joe and his analytical team will be supported by our sales, trading and underwriting team. **Kevin Strom**, Senior Managing Director and head of the firm’s capital markets desk will play an instrumental role in our marketing of the District’s bonds to investors nationally. **Adam Buchanan**, Ziegler’s underwriter, who previously worked for a California-based CFD-focused firm, will lead our firm’s engagement with regard to pricing the District’s Bonds. All of the relevant resumes are provided below.

**JOE CROWLEY | Director**



Joe is a 20+ year California public finance investment banker with extensive experience leading financings for California special districts, non-profit education organizations including the Riverside County-Palm Desert Financing Authority and for the cities of Los Angeles, Long Beach, Desert Hot Springs, Palm Desert, and McFarland in addition to the other public agencies, non-profits, special tax districts, and enterprise revenue bond issuers. His background includes experience as municipal bond analyst for a large California mutual fund as well as at a boutique investment bank. Joe also worked as analyst with the California Legislative Analyst’s Office. He joined Ziegler’s Investment Banking team in 2017. Joe has a BA from the University of Washington and a MPP from the University of Southern California.

## ZIEGLER TRADING DESK TEAM

### KEVIN L. STROM | Senior Managing Director, Head of Capital Markets



Kevin Strom is a senior managing director and head of Ziegler Capital Markets (ZCM). In his roll, Kevin is responsible for all aspects of institutional sales, trading, underwriting and operations of ZCM. In addition, he manages a staff of traders that service the fixed income trading needs of Ziegler Wealth Management (ZWM). Kevin also serves on Ziegler's Executive Committee and was asked to join Ziegler's Board of Directors in 2015.

Kevin joined Ziegler's sales team in 2007 and rapidly became the national sales manager. At the direction of the Ziegler Board of Directors and Ziegler senior management, he was tasked with building out a more robust fixed income capital markets presence for Ziegler. Through market crisis and its aftermath, ZCM has grown to a team of well over 30 fixed income professionals. Kevin has spent the last 30 years developing, growing and managing fixed income trading and sales teams in Chicago. Prior to joining Ziegler, he held institutional sales and overall department management roles at Griffin, Kubik, Stephens & Thompson, Inc., LaSalle/ABN AMRO and Dain Rauscher, Inc./RBC Capital Markets. Kevin received his Bachelor of Science degree in 1981 from Wheaton College with a degree in political science. Kevin holds the Series 7, 53, 63 and 99 licenses.

### ADAM BUCHANAN, Underwriter



Adam Buchanan joined Ziegler in 2005 and specializes in covering high yield municipal funds as well as distressed municipal buyers. In this capacity, Adam creates complex credit analyses, provides valuation opinions for distressed municipal bonds and is a market maker in illiquid securities.

Prior to joining the institutional sales team, Adam specialized in quantitative analysis and transaction execution for Ziegler's investment banking healthcare team. He has been involved in financings with a total par volume in excess of \$10 billion. Adam has executed numerous replacement hospital financings, refunding and new money transactions. His investment banking experience also includes structuring insured and uninsured fixed-rate bonds, synthetic fixed and floating rate structures and credit presentations for a variety of hospitals and health systems.

In 2015, Adam was named to Ziegler's Corporate Development Committee, a team of selected associates responsible for creating, developing and executing critical strategic, operational aspects of the firm.

Prior to joining Ziegler, Adam was an analyst in the public finance group of Stone & Youngberg LLC. While there, he provided technical and banking support for a variety of municipal credit types, including general obligation, revenue and community facilities bonds.

Adam holds security license designation of the Series 7 and 52. He received a B.A. in History from Brown University.

## SECTION 3 – QUALIFICATIONS

### **Firm Description**

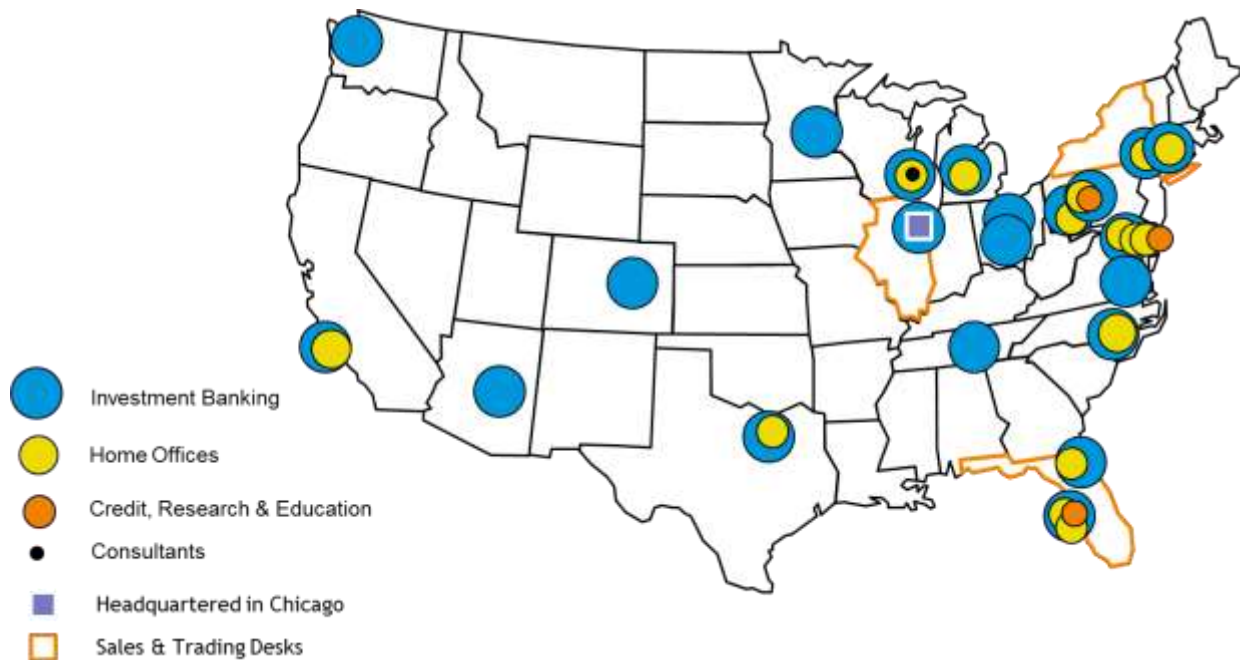
Founded in West Bend, Wisconsin in 1902, Ziegler began building its reputation for financing not-for-profit organizations. Ziegler has a national presence, demonstrated execution expertise and broad-based experience to go along with strong underwriting, sales and trading capabilities. Our professionals and support staff are dedicated to providing Ziegler clients with the highest level of service possible. Ziegler is headquartered in Chicago, Illinois and has offices throughout the United States, including two California based employees (Joe Crowley and John Solarczyk).

The vast majority of the resources at Ziegler and the focus of its 171 employees nationwide are primarily and fundamentally focused on serving clients and issuers in the municipal and non-profit financing sector. All of the professional and financial resources of Ziegler are committed to the municipal and not-for-profit industries. This specialization not only includes our investment banking and technical support group, but also all of our marketing personnel who sell and trade almost exclusively not-for-profit securities. Our experience and ability to develop and implement innovative financing alternatives for our clients is unmatched in the industry.

Over the past century, Ziegler has grown into a national multi-faceted investment firm while keeping true to its boutique nature. Ziegler provides investment banking, asset management, wealth management and alternative investments for institutional investors. As Ziegler continues to expand and innovate, its core strategy stays the same – advancing health, wealth and well-being through tailored financial solutions. Our clients benefit from our national experience, market knowledge, depth of resources and commitment to the municipal and non-profit sectors. Ziegler provides unparalleled service, pricing, experience, and resources to each and every one of our clients.

In early 2015, Ziegler realized a long-term goal and became a privately-owned company. Many of Ziegler's associates and all of its Director-level employees and above are owners of the firm. We feel that employee ownership further aligns our company's interests with those of our clients.

Today, the firm remains one of the oldest and largest investment banking firms with specific expertise in credit-focused transactions in municipal and non-profit finance. Over the past century, Ziegler has grown into a national multi-faceted investment firm while keeping true to its boutique nature. Please see the map below for Ziegler's offices:



Ziegler is a classic boutique investment bank with nationally recognized expertise assisting not-for-profit organizations with their capital needs. Ziegler has approximately 171 full-time professionals assigned to our municipal and not-for-profit practice.

In addition to our investment banking professionals, a strong support staff is in place to assist in the sale and distribution of our underwritten product, with operations out of the following geographic locations: Chicago, Illinois (Headquarters); New York, New York; Milwaukee, Wisconsin; St. Petersburg, Florida and Scottsdale, Arizona. The firm does not possess a rating from a credit rating agency.

As previously noted, Ziegler employs 171 people nationwide and two public finance investment bankers in California in two separate offices (including Joe Crowley in Altadena).

**Character, Reputation, Integrity, Judgment, Experience & Efficiency**

As discussed throughout our response, the vast majority of the firm’s resources are dedicated to the public finance market and serving municipalities, non-profits and institutional investors with the highest quality of service possible, as we’ve successfully demonstrated over the last 100+ years. The municipal and non-profit sectors represent the bulk of our mission. There is no other product, service of business line within the firm of higher importance. The District would have the entire firm behind it on a Ziegler led financing. Furthermore, the firm’s staffing in public finance has remained stable and consistent.

Finally, on a Ziegler led financing, the District would have a community-based patron and taxpayer at its service to provide accomplish all of its financing objectives.

## SECTION VII COST SHEET

### 7.0 **INTRODUCTION**

Proposer shall complete cost sheet to include all costs, in accordance with the Scope of Work defined in Section IV.

### 7.1 **COST FOR SCOPE OF WORK, SECTION IV**

#### **a. Fee Schedule For Bond Underwriting Services For Term Of Contract**

Takedown (\$/bond)	Expenses (\$/bond)	Mgmt. Fee (\$/bond)	Total Gross Spread (\$bond)
\$4.50	\$0.50 (does not include Disclosure / Underwriter's Counsel)	\$0.00	\$5.00

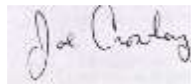
This proposal submitted by: Ziegler  
Company Name

Address: 2205 Mar Vista Ave. Altadena CA 91001

Telephone Number: (213) 700-2757

Fax Number: (414) 978-6575

Contact Name: Joe Crowley



Authorized Signature: \_\_\_\_\_



**BOARD OF LIBRARY TRUSTEES – CFD COMMITTEE  
AGENDA ITEM V.B. REPORT - JUNE 2021**

**REPORT:** Agenda Item V.b.

**MEETING DATE:** June 15, 2021

**PREPARED BY:** Nikki Winslow

**LOCATION:** Virtual Zoom Meeting

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**TITLE:** Community Facilities District (CFD) Administration Services Recommendation

**BACKGROUND:**

The Altadena Library District is assembling a team of experts to drive the bond issuance process. This includes a firm to perform CFD Administration Services. The Board of Trustees approved a Request for Proposals (RFPs) to hire CFD Administration Services at their meeting on May 24, 2021. The RFP was posted on May 25, 2021 and closed on June 8, 2021.

ALD staff organized a working group to review the proposals received for this RFP. The working group included District Director Nikki Winslow, Trustee Terry Andrues, Municipal Advisor Doug Anderson and Administrative Services Manager Nicole Fabry. Director Winslow worked with Doug Anderson to develop the scoring criteria that was approved by the CFD Committee at their May 25 Special Meeting and came to consensus on what considerations would be applied for each of the criteria.

Director Winslow emailed the five proposals that were received after the June 8 deadline for review and scoring. The five firms that submitted proposals were:

- Cooperative Strategies
- DTA Municipal Solutions
- NBS
- Webb Municipal Finance
- Willdan Financial Services

The working group met on June 11 to share their scoring of the proposals and discuss which firm they felt was most qualified to perform this work for ALD. All five firms presented strong proposals and it was a competitive scoring process. Based on the scoring of the proposals, NBS received the overall highest score (see scoring table following this report). Their proposal demonstrated their in-depth familiarity with ALD, both in terms of scope of work and community engagement and dynamics. They are our current Special Tax Assessment Firm to oversee the funding we receive from Measure A and we are very happy with the work we have done with them on this each year. They were also integral to the CFD Formation process last year, providing expert advice and information. Their cost was also the second lowest presented and also included the optional services we will need to carry out, including mailers to the community about the CFD funding that will be part of their tax bill next fiscal year.

**FISCAL IMPACT:**

**NBS** provided a Cost Section on page 13 of their proposal for review. The Not-to-Exceed (NTE) amount for the Bond Issuance is \$12,500. The NTE amount for the Annual Administration of the CFD is \$12,500. They also included an optional one-time service to do required mailing as NTE \$9,500 as well.

**RECOMMENDATION:**

Staff recommends that CFD Committee vote to recommend to the Board that they approve and allow the District Director to hire **NBS** to provide CFD Administration Services for the District.



**CFD ADMINISTRATION SERVICES RFP PROPOSAL SCORING**

For this round, please score each proposal out of the total possible points.			Firm: Cooperative	Firm: DTA	Firm: NBS	Firm: Webb	Firm: Willdan
CRITERIA	TOTAL POINTS POSSIBLE	SCORING CONSIDERATIONS	TOTAL POINTS AWARDED	TOTAL POINTS AWARDED	TOTAL POINTS AWARDED	TOTAL POINTS AWARDED	TOTAL POINTS AWARDED
Complete proposal package	Yes No	A no disqualifies	Yes	Yes	Yes	Yes	Yes
Provided list of other governmental agencies with whom firm is presently under contract.	20	Experience with local agencies; also with mid-to-large agencies	20	20	20	20	20
Described tools for research and analysis for the Special Tax Bond Issuance.	40	What resources and strategies they would approach the bond issuance process	33	35	37	36	34
Pricing schedule is transparent, responsive, and reasonable	40	Who will be the assigned point person and what is their hourly rate or flat fee that is proposed.	33	24	36	30	36
Proposer has completed five (5) similar CFD Administration contracts within the last five (5) years, especially a special district and/or library system contracts.	40	Property tax focused special districts would be more relevant.	33	33	33	34	34
Does the proposal present a grasp of District priorities, project scope, intent, and timeline?	80	Mention of ALD Strategic Plan, ARG reports w/cost estimating, understands our needs and will be able to represent the District in a knowledgeable and professional manner. Emphasis on fiscal responsibility to the taxpayers.	57	54	73	59	63
Demonstrates process for annual assessment preparation, delinquency research and analysis, and annual disclosure requirements.	60	Should recognize they are independent of the District, act as a fiduciary to the District. Should not be tied to the Bond Counsel. Independent in totality.	45	49	58	56	55
Ability and capacity to perform the work (including key personnel committed to project and local presence)	60	Who will be the point person that we will work directly to lead the process as the expert. Sufficient experience to provide necessary guidance and leadership; availability to staff; local office preferable	43	53	60	55	56
Proposal has demonstrated a likelihood of success as District's Special Tax Consultant	60	Attention to detail throughout the proposal	43	43	57	48	51
<b>TOTAL POINTS</b>	<b>400</b>	<b>0</b>	<b>221</b>	<b>232</b>	<b>281</b>	<b>252</b>	<b>259</b>
	<b>FINAL RANKINGS</b>		<b>5</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>2</b>

Aerial view of Altadena Library  
via Google Earth



**Altadena  
Libraries**  
Bringing PEOPLE + IDEAS Together

# ALTADENA LIBRARY DISTRICT

*Proposal for:*

**CFD Administration Services**

June 8, 2021



[nbsgov.com](http://nbsgov.com)



32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: 800.676.7516

[nbsgov.com](http://nbsgov.com)

## COVER LETTER

June 8, 2021

Nikki Winslow  
District Director  
Altadena Library District  
**Electronic Submittal via BidNetDirect**

### RE: Proposal for CFD Administration Services

Dear Ms. Winslow and Review Committee,

We studied your RFP and two addenda for Community Facilities District (CFD) Administration, and we fully understand the needs that the Altadena Library District has for this effort. A CFD is a viable and flexible tool for special districts and other public agencies, but that flexibility means proactive care and diligence are needed for bond issuance and annual administration. A long list of one-time and annual tasks are required. Moreover, the approving voters and community at large demand that the funds are well managed, taxes are correctly calculated and collected, and the commensurate tasks are efficiently managed.

Our team at NBS has 25 years of this specific experience. This includes CFDs, bond issuances, ongoing continuing disclosure and, importantly, the annual tax roll management. We have proactively administered such tasks for hundreds of bond issues and millions of parcels. We know LA County systems, data, and the relevant resources. We live and breathe this. Our many references, including CFDs for libraries (such as for the City of Belmont, the Belvedere-Tiburon Library Agency, and the recent successful implementation of Altadena's Measure A) and a wide-range of other public infrastructure and services will attest to that.

We understand the services as listed in the RFP. We intend on contracting in good faith, if we are awarded this work. NBS accepts the terms, conditions and general form of the Altadena Library District standard Consultant Services Agreement, with acknowledgement that we need to add standard Municipal Advisor disclosures and with the understanding that the Errors and Omissions Liability listed in Section 1.2 of the RFP will be used at time of contracting.

We hope this proposal demonstrates that we have the personnel, systems, experience and qualifications to provide these services, at a fair, reasonable and commensurate cost structure.

Please contact me at 800.676.7516 or via email at [smares@nbsgov.com](mailto:smares@nbsgov.com) if you have any questions or would like to discuss our professional qualifications further. We would genuinely like to work on this project and help the District move forward successfully.

Sincerely,

Sara Mares  
Director

Michael Rentner  
President

helping communities fund tomorrow



# TABLE OF CONTENTS

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I   EXPERIENCE .....	1
II   PERSONNEL.....	6
III   QUALIFICATIONS/SCOPE OF WORK.....	9
IV   COST SECTION.....	13
APPENDICES .....	16
APPENDIX A   PROJECT TEAM RESUMES .....	17
APPENDIX B   MUNICIPAL ADVISOR DISCLOSURE.....	25





## AT-A-GLANCE: HELPING COMMUNITIES FUND TOMORROW

**25**  
YEARS

In  
Business

**100%**  
ESOP

NBS is a 100%  
employee-owned  
S-Corporation

---

**NBS HEADQUARTERS**  
32605 Temecula Pkwy | Suite 100  
Temecula, CA 92592

**SAN FRANCISCO REGIONAL OFFICE**  
870 Market Street | Suite 1223  
San Francisco, CA 94102

**CONTACT**  
Sara Mares | 800.676.7516  
smares@nbsgov.com

Since 1996, NBS has supported California municipalities with the implementation and ongoing administration of local funding tools.

While the firm originally focused on Special Financing Districts (SFDs), specifically the formation and administration of special assessments and taxes, we have evolved with our clients' needs and now provide a full range of revenue consulting services. We focus on sustainable water and wastewater utility rate programs, cost allocation plans, cost recovery, and legally-justified fee design. Across all practice areas, we have worked with more than **500 public agencies** to date, including cities, counties, school districts, utilities, and special districts.

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**LEGAL NAME**  
NBS Government  
Finance Group

**DBA**  
NBS

**50**  
EMPLOYEES

---

**INDIVIDUAL AUTHORIZED TO NEGOTIATE AGREEMENT**  
Michael Rentner, President

## District Consulting Group

**The NBS District Consulting Group ensures your Special Financing Districts (SFD) and related revenue tools are well-developed from their inception, and then administered robustly over their lifetime.**



We act as strong advocates for our public agency clients to ensure that any SFD or other revenue tool is appropriate and well-crafted for the need. Throughout our engagement, we provide sage guidance and recommendations. We are often called upon to present complex issues to councils, boards and interested parties.



We have supported thousands of SFDs including millions of parcels, and have worked through virtually every conceivable challenge in their use. Our experience is with all manners of special assessments, special taxes – including Community Facilities Districts (CFDs) – and other fees.



Whether the need is identifying and funding negative fiscal impacts, financing needed infrastructure, or providing community-desired services, our expert consultants have deep experience and help navigate the challenges.

## Firm Experience

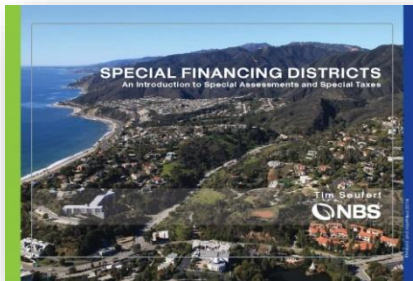
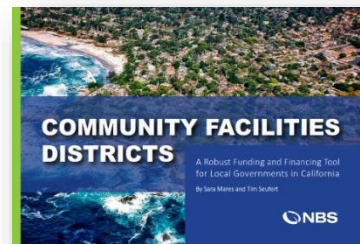
Specifically, for the last three years on average NBS has provided Special Tax Setting and Assessment Levy services to more than 1,000 districts across 180 agencies in 45 counties in 4 states for a total of more than \$2 billion in levies, charged on more than 6.3 million parcels each year.

NBS staff have been leaders in this area for decades. As a firm, NBS has been a sought-after consultant for these tasks for all 25 years of the firm's existence. We have been hired when other cities or agencies were not pleased with their consultant or in-house staffing.

NBS is a 100% employee-owned company whose member-owners are wholly invested in the reputation and longevity of the company. Three groups comprise NBS: our District Consulting Group, our Financial Consulting Group, and our Utility Rate Group. Our District Consulting Group has more than 25 employees dedicated to providing special district formation and administration services to local agencies throughout California. As industry leaders, we have a unique set of qualifications and experience in the work we perform. In that regard, we have published four booklets on related industry topics that can be downloaded at no charge at [www.nbsgov.com/publications](http://www.nbsgov.com/publications).

For a hard copy, please call 800.676.7516 or email [contactnbs@nbsgov.com](mailto:contactnbs@nbsgov.com)

- **Community Facilities Districts (CFDs) (2018)** explains this robust funding and financing tool for local governments in California. In 2019 NBS produced a video titled **An Introduction to Community Facilities Districts in California**, available at <https://www.youtube.com/watch?v=WWzYFAAG5wE&feature=youtu.be>
- **Special Financing Districts (SFDs) (2015)** has been credited as the best publication on SFDs in a decade by prominent industry professionals.
- **Rates, Fees and Charges Compendium (2015)** has received high regard and interest from industry professionals.
- **Stormwater: A Ten-Step Funding Plan (2018)** addresses the spectrum of stormwater needs in California.



## References

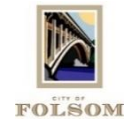
Below is a sampling of five projects and references similar in scope and magnitude to the District’s needs, as noted in the RFP. We can also provide additional references, such as for the City of Belmont and the Belvedere-Tiburon Library Agency CFDs, as desired.

**CITY OF ALAMEDA**  
**SPECIAL FINANCING DISTRICT FORMATION AND ADMINISTRATION**  
*Service Dates: 1997 – Ongoing*



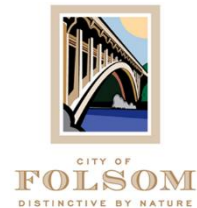
<p><b>Contact Information</b>          Liz Acord          Public Works Coordinator          950 West Mall Square          Alameda, CA 94501          P: 510.747.7957          E: lacord@alamedaca.gov</p>	<p>NBS administers the City’s Special Financing Districts (SFDs), which include Assessment Districts (ADs), Community Facilities Districts (CFDs), and a Citywide Sewer Charge. NBS has formed both Bonded and Non-Bonded CFDs for the City. NBS has also provided assessment engineering services for several zones of the Landscaping and Lighting District, which allowed for significant increases in revenue and the addition of inflationary factors.</p>
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**CITY OF FOLSOM, CA**  
**CFD AND ASSESSMENT DISTRICT FORMATION AND ANNUAL ADMINISTRATION**  
*Service Dates: 2001 – Present*



<p><b>Contact Information</b>          John Donoghue          Deputy Treasurer          50 Natoma Street          Folsom, CA 95630          P: 916.355.7334          E: jdonoghue@folsom.ca.us</p>	<p>Since 2001, NBS has been performing Special Financing District (SFD) annual administration and formation/annexation services for the City of Folsom, which includes CFD and AD administration. NBS formed eight (8) CFDs for the City, one of which has six (6) improvement areas. NBS has also provided bond issuance disclosure services for numerous new and refunding bond issues. We currently administer seventeen (17) CFDs (fifteen of which are bonded CFDs) on behalf of the City, in addition to 1915 Act Assessment Districts and Property and Business Improvement Districts. The City has also trusted NBS to form new districts as well as provide ongoing SFD Formation and Consulting work related to the City’s continued development. For FY 2020-2021, NBS levied \$17.6MM on 11,800 parcels within the City’s CFDs.</p>
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*“Quality is paramount in the services NBS provides, and we have faith in your professional abilities, accuracy, timelines and overall integrity.” – John Donoghue, Deputy Treasurer*



**SFD FORMATION & ANNUAL ADMINISTRATION | 2001 - PRESENT**



## CITY OF LONG BEACH

### SPECIAL TAX AND SPECIAL FINANCING DISTRICT ADMINISTRATION

Service Dates: 1995 – Ongoing



#### Contact Information

David Nakamoto  
Treasurer  
333 W. Ocean Blvd., Sixth Floor  
Long Beach, CA 90802  
P: 562.570.6845  
E: david.nakamoto@longbeach.gov

NBS has been providing annual administration services for the City of Long Beach since 1995. These comprehensive services cover the City's Community Facilities Districts, 1915 Act Assessment Districts, and Property and Business Improvement Districts. The City has also turned to our consultants for the formation of new Special Financing Districts.

## CITY OF PALMDALE

### ANNUAL ADMINISTRATION, CFD FORMATION AND BOND ISSUE DISCLOSURE SERVICES

Service Dates: May 2004 – Ongoing



#### Contact Information

Keith Kang  
Finance Manager/City Treasurer  
38300 North Sierra Highway  
Palmdale, CA 93550  
P: 661.267.5429  
E: kkang@cityofpalmdale.org

The City of Palmdale has numerous assessment and special tax Community Facilities Districts (CFD), some of which have had significant delinquency-associated challenges. NBS has been working with the City for over fifteen years handling the day-to-day administration, including responding to payoff calculation and other informational requests, monitoring and following up on delinquencies, and submitting the correct levy information to the County. NBS has also been the consultant and provider for the Annual Disclosure process, as required for the bonds issued.

In addition to the ongoing administration, NBS has worked with Palmdale on the formation of several CFDs, including some complicated work out financings that helped to resolve some of the delinquency issues mentioned. Along with the CFD formation, NBS has provided bond issuance disclosure services both for new bond issues and bond refundings. Data provided includes special tax levy data, value to lien tables, delinquency data, assessed value history and top owner tables.

## CITY OF RIO VISTA

### CFD FORMATION, BOND ISSUANCE DISCLOSURE AND ADMINISTRATION

Project Dates: 2004 – Present



#### Contact Information

Robert Hickey  
City Manager  
One Main Street  
Rio Vista, CA 94571  
P: 707.374.6451  
E: rhicky@ci.rio-vista.ca.us

NBS is a long term partner with the City, having acted as special tax consultant for many CFD formations and handling the ongoing CFD administration for all of the City's CFDs. Specifically, the City contracted with NBS to provide CFD formation services to fund additional services for their Liberty Community. The significant burden already on the project property by the two existing bonded CFDs quickly made adding the intended services costs too great for the property to bear. NBS recommended changing course slightly to include a bond refunding and restructuring that would allow the Liberty Community to not only fund the additional services, but reduce and reconfigure the bond obligation. The neighboring project, which was also a part of the existing bonded CFDs, saw substantial savings from the bond refunding. NBS played a key role in the restructuring and wrote the rate and method of apportionment for the newly formed Liberty CFD. Following the formation, NBS provided bond issuance disclosure services for the new CFD bonds as well as the refunding bonds of the two existing CFDs. The ongoing administration of the CFDs has been handled by NBS since 2004.

#### Stability of Firm

NBS is in a strong financial position with little to no debt and is not involved in any bankruptcy proceedings, pending litigation, planned office closures, impending merger or any other situation that would impede our ability to perform the CFD Administration Services for the District.

#### Registered Municipal Advisor

**NBS is registered with the Municipal Securities Rulemaking Board (MSRB) and the U.S. Securities Exchange Commission (SEC) as a Municipal Advisor (MA).**

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, firms providing advice with respect to municipal financial products or the issuance of municipal securities shall be registered as an MA with the MSRB and the SEC.

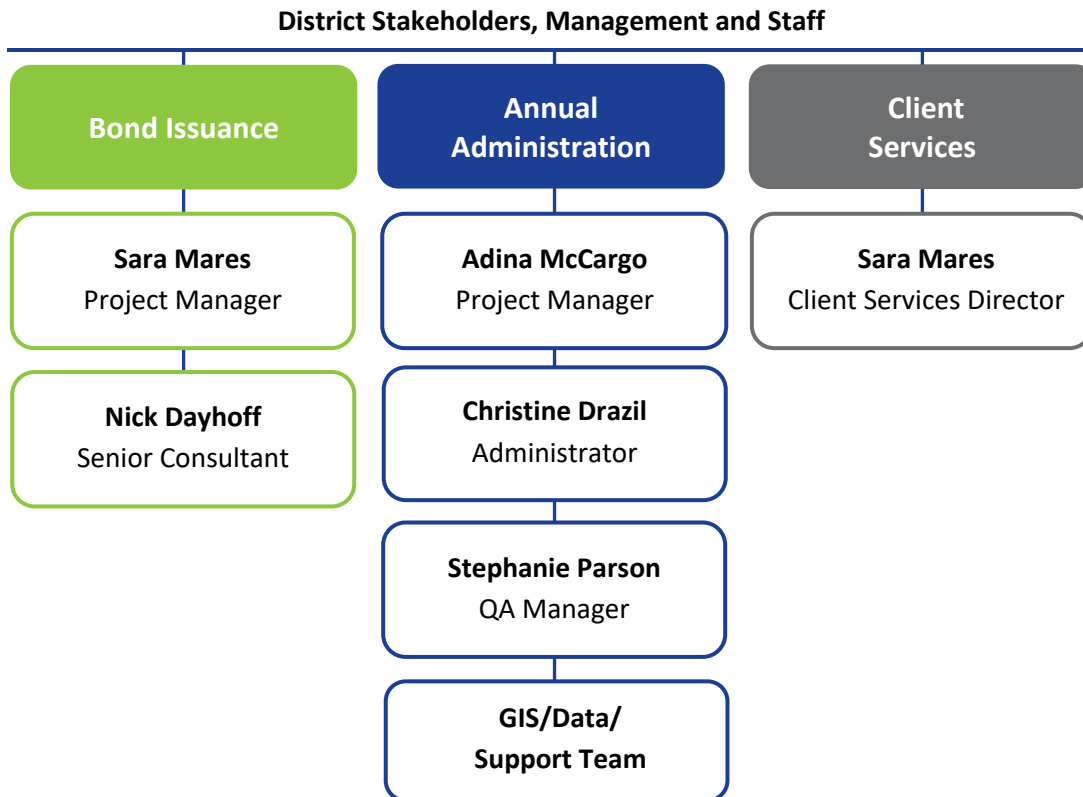
## II | PERSONNEL

### Key Personnel

NBS’ staff of 50 professionals have extensive experience in the fields of finance, management, engineering, and local governance and combine their knowledge to produce a synergy that results in maximum success and minimum risk. We work with our clients as partners by developing an intricate knowledge of their needs and responding with strategic and timely solutions.

The following is a brief overview of the NBS consulting team proposed to manage and complete the work noted for this engagement.

### Project Organizational Chart



*All work will be performed in-house by the above employee-owners of NBS. As requested in the RFP, Sara Mares and Nick Dayhoff will provide the data tables and analysis for the Bond issuance and Official Statement efforts, while Adina McCargo, Christine Drazil and Stephanie Parson will focus on the annual budgets, tax calculations, delinquencies, and so forth as discussed further below.*

## **ADINA MCCARGO, PROJECT MANAGER | ANNUAL ADMINISTRATION**

**Role and Responsibilities:** Adina McCargo will be the primary day-to-day contact for the annual administration of the CFD. She will work closely with District staff and the team, and be in regular communication with the District and all others involved in the process.

**Work Experience:** Adina is a Director with NBS and has 20 years of experience working with all aspects of SFD formation, annexation and administration including project management, budget analysis, levy calculation and submittal, continuing disclosure reporting and delinquency management as well as development of special assessment/tax formulas, and presentations.

## **SARA MARES, PROJECT MANAGER AND CLIENT SERVICES DIRECTOR | BOND ISSUANCE**

**Roles and Responsibilities:** Sara Mares will be the primary contact for the bond issuance functions of this project. She will work closely with staff and be in regular communication with the District, the financing team, and all others involved in the process. As Client Services Director, Sara will act as a representative of our corporate commitment to providing the highest level of service. She will ensure that the District's fundamental objectives are being met at all times.

**Work Experience:** Sara Mares is a Director with more than 20 years of experience at NBS. She forms Special Financing Districts (SFDs), specializing in Community Facilities Districts and related bond issuance. She also has significant background in forming various types of Benefit Assessment Districts. Sara has experience working with all aspects of the formation and bond issuance process, including planning, project management, budget analysis, rate modeling, financial analyses, formulation of rate and methods of apportionment, and public presentations. She spent many years involved in ongoing special district administration, including working with troubled districts, and brings that experience and perspective to every formation project she works on. She is a registered Municipal Advisor.

## **NICK DAYHOFF, SENIOR CONSULTANT | BOND ISSUANCE**

**Role and Responsibilities:** Under the direction of the project manager, Nick Dayhoff will be actively involved in the daily management of bond issuance operations.

**Work Experience:** Nick Dayhoff has been with NBS for more than 15 years. As a Senior Consultant, he forms and administers Special Financing Districts (SFDs), and is actively involved with new district formations and bond issuance/refunding analysis, feasibility studies, as well as daily management of district administration operations. Nick is a registered Municipal Advisor.

## **CHRISTINE DRAZIL, FINANCIAL ANALYST | ANNUAL ADMINISTRATION**

**Roles and Responsibilities:** Under the direction of the project manager, Christine Drazil will support the completion of the annual administration. She will be directly involved in facilitating data collection and reminders to District staff in order to keep efforts moving along the agreed upon timeline for the completion of each task. She will provide behind the scenes support in NBS' D-FAST software to be sure all records are updated regularly.

**Work Experience:** Christine has more than a decade of experience in finance, accounting and budget management. As a Financial Analyst with NBS, she administers Special Financing Districts (SFDs) and is actively involved with the daily management of district administration operations. She is knowledgeable in

data analysis, fund analysis, preparation of engineer's reports, preparation of annual reports, as well as continuing disclosure reporting for municipal bond issues.

### **STEPHANIE PARSON, QUALITY CONTROL/QUALITY ASSURANCE**

**Role and Responsibilities:** Stephanie Parson has extensive experience in database management and will be in charge of the project approach and quality control analysis for the District's needs. As quality control manager, Stephanie's main focus is the accuracy and quality of work produced by NBS with an emphasis on the underlying data.

**Work Experience:** Stephanie Parson is a Director with NBS where she works with a wide range of annual charges including many for Special Financing Districts, including CFDs, Property and Business Improvement Districts, Landscape and Lighting Districts, Benefit Assessment Districts, 1913 Act Assessment Districts, Water/Sewer charges, and Parcel Taxes. She has 18 years of experience with NBS and is a registered Municipal Advisor.

### **JEREMY JUNG, GIS DATA ANALYST | ADMINISTRATION SUPPORT TEAM**

**Role and Responsibilities:** Jeremy Jung will provide as needed GIS support services to confirm boundaries and/or map District improvements.

**Work Experience:** Jeremy has extensive experience as a GIS technician. He creates and analyzes maps and data associated with County Assessor's Parcels, District Boundaries, and custom images utilizing the latest GIS technology. In addition, Jeremy is able to display GIS maps over satellite imagery in order to view properties and maps with a high degree of detail as well as extract GIS parcel data to compare to other data sources, such as county-secured property tax rolls.

### **MARK PLANAS, DATA ANALYST | ADMINISTRATION SUPPORT TEAM/DATABASE DEVELOPMENT**

**Role and Responsibilities:** Mark Planas provides as needed data analytics support services. He will assist with the initial importing and setup of the property characteristics and billing factors for the parcels subject to the District's charges.

**Work Experience:** Mark's expertise as a Data Analyst includes the collecting, organizing, and rigorous testing of data. He works very closely with the D-FAST development team and develops logic scripts to automate the creation and updating of data items and billings. He has a strong understanding of databases and data analysis procedures. Mark possesses excellent troubleshooting skills and is skilled at data collection & management, scripting in multiple programming languages, automating workflows, and monitoring data systems performance.

### **CUSTOMER CARE TEAM | ADMINISTRATION SUPPORT TEAM**

**Role and Responsibilities:** Under the direction of NBS lead staff, our Customer Care team will be readily available to answer all inquiries from third parties related to the District's administration. Customer Care consists of tenured staff members (with decades of combined experience), fully trained and experienced in customer service support to answer all inquiries via toll free phone number and via email. NBS also offers bilingual staff to answer in Spanish.

*Full resumes are provided in Appendix A and include project descriptions for similar work performed.*

# III | QUALIFICATIONS/SCOPE OF WORK

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## Qualifications Statement

The District requires support and expertise from a firm to provide Administration, Bond Issuance and other services. These projects have many intricacies that require diligent and stable support, as well as an efficient tracking system. Note that we have extensive experience in this arena which can provide for maximum efficiency in the management of these efforts.

Our project team will approach this project as a problem solver. Our aim is to make the District look good in front of its constituents - property owners, Board of Directors and other interested parties. To that end, we are extremely sensitive to the public needs of this project, the timeline, and the issues of data accuracy: On the latter, we have well-tested redundant processes to achieve the best work product possible.

At the inception of the work, our project team will schedule an all-hands meeting and develop a timeline to achieve the goals and deadlines, as needed. Our methodology will be to meet upfront and agree to best practices and appropriate milestones.

The nature and requirements of the District's services are clearly understood by NBS. To ensure full compliance with the District's requirements, we have provided the Scope of Services as noted within the RFP. We have annotated these Scopes below *in italics* for clarity in our response.

### A. RESEARCH AND ANALYSIS / SPECIAL TAX CONSULTANT FOR BOND ISSUE

- Gather and research data necessary for the comprehensive administration services of the CFD.
- Prepare related data tables for inclusion in the Preliminary and Final Official Statements for CFD Bond Issue, including (but not limited to) District assessed valuation, value to lien ratio, and special tax delinquency information. *Provide analysis to bond team, as needed.*
- Generate audit maps that will depict the current year's levied properties within the CFD. Confirm accuracy in levy and identifying any parcel changes.

### B. ANNUAL ASSESSMENT (*SPECIAL TAX*) PREPARATION

- Update and maintain current assessor's maps for all special district parcels. Ensure all building permit information is accurate and updated.
- Review current debt service schedule, request and analyze fund balances and administrative costs, determine budget increases/decreases/CPI adjustments and prepare annual budgets for District review and approval.
- Generate assessment (*special tax*) rolls that are to be attached to the levy resolutions and ordinances for Board approval.
- Submit special tax levy to the Los Angeles County Auditor-Controller's office prior to statutory deadline for inclusion on the consolidated property tax bills.
- Monitor any changes to the secured tax roll which necessitate new or adjusted property tax bills and prepare requests to County to prepare such bills.

### **C. DELINQUENCY RESEARCH, ANALYSIS AND ADMINISTRATION**

- Review the collection of delinquent special taxes with respect to the foreclosure covenant and/or with the requirements of the bond issue for the CFD.
- Update delinquency history of the parcels located in the CFD based on payment information obtained from the County property tax system.
- Determine payment status of parcels with each CFD, following December 10 and April 10 property tax installment delinquency dates.
- Prepare correspondence to be forwarded by the CFD to the Auditor Controller's office for removal of special taxes.
- Record notices to remove delinquent installments with exhibits. Prepare strip request for Auditor-Controller's office after recordation. Submit parcel information to foreclosure attorney.
- *NBS will develop a comprehensive delinquency management program which includes a discussion and interpretation of the issuer's foreclosure covenant together with a review of the existing policies and procedures of the District.*

### **D. ANNUAL DISCLOSURE REQUIREMENTS**

- Determine continuing disclosure requirements for each CFD. Prepare updates that comply with SEC rules and report to the California Debt and Investment Advisory Commission (CDIAC).
- Prepare annual and semi-annual continuing disclosure reports in accordance with the Continuing Disclosure Agreement. Transmit to District for review and submission to DAC and/or EMMA.

### **E. OTHER ITEMS AS REQUIRED**

- Collect data required to calculate prepayment, verify paid/unpaid status, generate prepayment quote, determine use of proceeds, and initiate a recording of a revised Notice of Special Tax Lien.
- Respond to property owner calls regarding the CFD.

### **F. OTHER ITEMS INCLUDED IN OUR SCOPE OF SERVICES**

- *Annual Special Tax Levy reporting to include a parcel listing with levy amounts and other parcel information, the details of the annual Special Tax Requirement, current delinquency information, fund analysis, administrative expenses to be recovered, and status of the project and current issues affecting the district.*
- *Bond calls. NBS will prepare the spread of principal to be called within maturities for all bond calls and coordinate the call with the Paying Agent/Trustee.*
- *Prepare the required reporting to the California State Controller's Office California Government Code, Section 12463.2, enacted as part of AB 2109, and provide to District for inclusion in the annual financial transaction report.*
- *Assist in the filing of the SB 165 report to the Board each year to comply with legislation that enforces additional reporting requirements. California Government Code, Sections 50075.3 or 53411.*



- NBS will provide Notice of Special Tax Disclosure notices to requesting parties as required by §53340.2 and §53341.5 of the Government Code of the State of California. The fee of any Notice of Special Tax shall be billed to the requesting party.

## **AB 2476 Compliance Mailing Project – Notice of New Special Tax | Optional One-Time Service**

The goal of this mailing project (“Project”) is to help the District meet the requirements of Government Code 54930 (“Code”), which was added to the Government Code by Assembly Bill 2476 in September of 2016.

### **DATA ANALYSIS**

- NBS will review the most recent County Assessor’s secured roll data to identify parcels that should receive notice of the new Special Tax. The Code requires notice be sent to *“an owner of a parcel affected by the tax, if that owner does not reside within the [District’s] jurisdictional boundaries.”* Such parcels will be identified by comparing the property owner’s mailing address to addresses within the District’s jurisdiction.

### **OWNER LIST**

- NBS will compile the owner name and mailing address information for the parcels identified in the Data Analysis.

### **NOTICE**

- NBS will prepare a Notice in accordance with the Code. NBS may suggest additional wording for the Notice in order to answer common questions typically asked by property owners. The Notice may be in the form of a letter or a postcard as requested by the District.

### **MAILING**

- NBS will coordinate the mailing of the Notice. Actual printing and postage costs will be invoiced directly to the District.

## **Additional Postcard Mailing Project | Optional One-Time Service**

This scope of services pertains to an additional postcard mailing project for the Special Tax. The goal of this mailing project is to help the District provide additional information to property owners.

### **DATA ANALYSIS**

- NBS will review the most recent County Assessor’s secured roll data and create a database that includes the name and mailing address information for the parcels identified.

### **POSTCARD**

- NBS will prepare, with additional input from the District, a Postcard to include information about the Special Tax.

## MAILING

- NBS will coordinate the mailing of Postcard. Actual printing and postage costs will be invoiced directly to the District.

## D-FAST Online Software | Optional Service



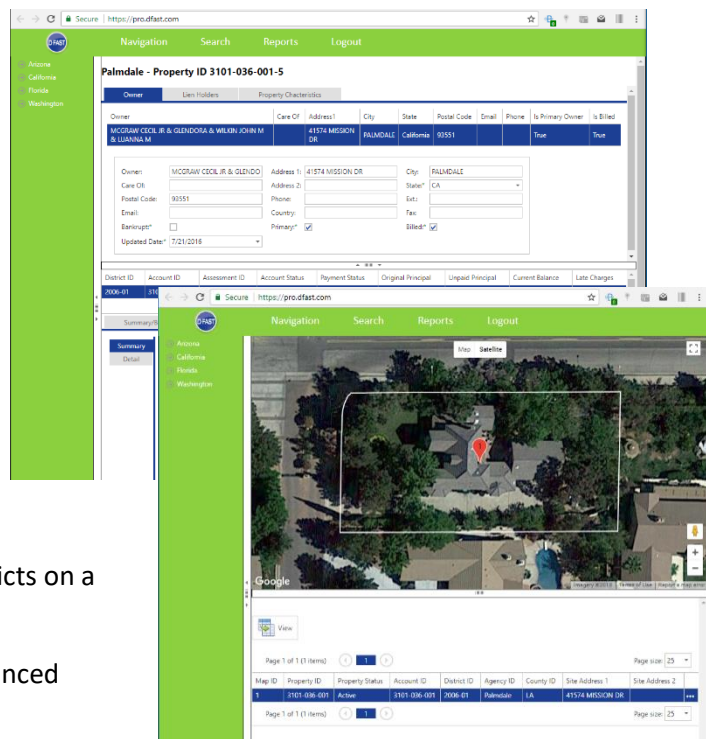
D-FAST® Software

NBS has developed premium, industry-leading software, called D-FAST® (for District Fees, Assessments, and Special Taxes). We use this powerful administrative tool in-house to administer a wide range of special taxes, special assessments, and other parcel charges for our clients. It is also licensed to public agencies across the United States for their internal use.

Our D-FAST® web portal, called **D-FAST® Online Pro**, is available to our clients (small annual subscription fee) and uniquely combines real-time D-FAST data with County parcel boundaries and Google Maps. It provides “real-time” access to districts and underlying parcel data, allowing the District to:

- Gain enhanced insight with integrated Google Map’s satellite imagery, street maps, and 360° street view
- View ownership, property information, and boundaries for each parcel
- See detailed billing & payment history for each account
- Understand a particular parcel’s background and status
- Confirm if there are overlapping districts on a single parcel

With **D-FAST® Online Pro**, District staff have enhanced access to the data while NBS still provides the full administration and toll-free phone support.



## IV | COST SECTION

NBS has provided the following proposed costs based on the information provided and our understanding of the overall level of effort required. Should NBS be selected as the most qualified firm to work with the District, we will endeavor to set up a final fee and billing schedule in a contract that is commensurate with the tasks required that meets the needs of the District and NBS.

In summary, we propose these fees, as detailed further below:

- I) One-time Bond Issuance Effort (Portion of Scope item A): Not-to-exceed \$12,500 fee plus expenses up to \$2,000 at actual cost (such expenses could be for data purchases, maps, copies, etc.)
- II) One-time Optional Service: The AB 2476 mailing and additional postcard mailing effort fee is not-to-exceed \$9,500 plus actual printing and mailing expenses which can be billed directly to the District.
- III) Annual Administration of CFD (All other scopes): Not-to-exceed \$12,500 per year including full administration scope (\$11,000), bond continuing disclosure (one bond issuance, \$1,475, plus \$25 Dissemination) and SB 1029 reporting. Additional efforts for Arbitrage Rebate services or Delinquency Management services (and optional D-FAST<sup>®</sup> online) are unknown at this time, so no total annual estimate can be provided. (For any contract, we can calculate a not-to-exceed total in discussions with the District.)

### Fee Schedule for CFD Administration Services for Term of Contract

As requested in the RFP and for transparency, we have provided the following fully-loaded hourly rate schedule for the NBS team. However, as discussed, we have provided the proposed annual detailed costs for CFD Administration below the following table.

Position	Hourly Rate *				
	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Director	\$225	\$225	\$225	\$225	\$225
Associate Director	\$210	\$210	\$210	\$210	\$210
Senior Consultant/ Engineer/Manager	\$175	\$175	\$175	\$175	\$175
Consultant	\$155	\$155	\$155	\$155	\$155
Analyst	\$130	\$130	\$130	\$130	\$130
Clerical/Support	\$105	\$105	\$105	\$105	\$105

\* Hourly Rates for the 2<sup>nd</sup> through 5<sup>th</sup> year are subject to annual increases as noted in the Annual Fee Increases section below.

### Bond Issuance

One-time Consulting/Analysis Fee ..... \$12,500  
 Expenses ..... NTE \$2,000

**AB 2476 Compliance Mailing Project and Additional Postcard Mailing Project | Optional**

Consulting Fee ..... \$9,500  
 Estimated Printing and Mailing Expenses ..... Billed Directly to District

**Bonded Community Facilities District Administration**

Annual Fee ..... \$11,000

**Delinquency Management (Optional, as needed)**

Reminder Letters <sup>(1)</sup> ..... \$15  
 Demand Letters <sup>(1)</sup> ..... \$30  
 Lienholder Letters <sup>(1, 2)</sup> ..... \$40  
 Lienholder Research (Notice of Default Not Filed)..... Hourly  
 Foreclosure Letters ..... \$50  
 Payment Plan Administration..... \$300  
 Tax Roll Removal <sup>(3, 4)</sup> ..... \$75  
 Removal of the Notice of Intent to Remove Delinquent Installments <sup>(4)</sup> ..... \$25  
 Subsequent Foreclosure Fees <sup>(4)</sup> ..... \$100

*All fees are based on a per-parcel/per-district basis, except as noted below.*

1. This fee will be recovered as part of the next levy.
2. Letter is sent to lienholders where public Notice of Default has been filed. Fee reduced to \$20 when sent jointly with Foreclosure Letter to same parcel.
3. This fee includes filing of the “Notice of Intent to Remove Delinquent Installments” but does not include County fees for removal from the tax roll.
4. This fee is per parcel/per district/per year from the initiation of the foreclosure.

**Continuing Disclosure**

**ANNUAL REPORT FEE**

Report Fee, First Bond Issue ..... \$1,475  
 Significant Event Notification (as needed) ..... Hourly or \$250 per event

**DISSEMINATION SERVICES**

Report Dissemination ..... \$25  
 Significant Event Dissemination (per recipient) ..... \$25

**Senate Bill 1029 CDIAC Reporting**

Annual Reporting Fee ..... included

**Arbitrage Rebate Reporting**

The following fees are for typical bond issues and analysis required. If there are unusual issues or commingled funds, there could be additional fees. We will recommend strategies to minimize the effort and fees for this work.

**BASE FEES**

Commitment Fee: ..... \$Waived  
Report Fee (per report): ..... \$2,250

**ADDITIONAL SERVICE FEES**

Computation Periods in Excess of 18 Months (per year): ..... \$500  
Commingled Funds Analysis (as appropriate) ..... \$500  
Transferred Proceeds Analysis (as appropriate) ..... \$500  
Variable Rate Issues..... \$500

**D-FAST Online Pro Web Portal | Optional**

Setup Fee ..... Waived  
Annual Fee ..... \$950

**Annual Fee Increases**

We proposed that cost of living increases be applied to the annual Administration services and/or hourly rates as listed above in October each year, beginning with October 2022, should the District extend for additional year(s). The increase would be the actual cost of living increase based on the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI) for all urban consumers for the District’s area.

**Expenses**

Customary out-of-pocket expenses will be billed to the District at actual cost to NBS. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

This proposal submitted by: NBS Government Finance Group, DBA: NBS  
Company Name

Address: 32605 Temecula Parkway, Suite 100  
Temecula, CA 92592

Telephone Number: 800.676.7516

Fax Number: 951.296.1998

Business License Number: Not applicable

Contact Name: Michael Rentner, President and CEO

Authorized Signature: 

# APPENDICES

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The appendices contain:

- Appendix A: Full resumes for our proposed project team
- Appendix B: Municipal Advisor Disclosure

# APPENDIX A | PROJECT TEAM RESUMES

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**EDUCATION**

- Master of Public Administration, Public Sector Management and Leadership, California State University Northridge
- Bachelor of Science, Accounting, DeVry University

**HIGHLIGHTS**

- Seasoned professional and project manager for Special Financing District (SFD) consulting projects
- Nearly two decades of experience actively managing formations, annexations and ongoing administration
- District Formation
- District Administration
- Proposition 218
- Financial Projects
- Continuing Disclosure
- Special District Refunding

**AFFILIATIONS**

- CSMFO
- Served for seven years on CSMFO’s Annual Conference Planning Committee
- Featured speaker at several CSMFO chapter luncheons



*“Adina went above and beyond as a consultant with assisting the City through a difficult Proposition 218 process. She was always available to provide valuable insight, analysis, and technical information to the City and at Community meetings, whenever and wherever called upon. We greatly appreciate the level of expertise NBS provided.”*

*Shandy Dittman, Senior Management Analyst, Pomona*

**BIOGRAPHY**

Adina McCargo is a Director with NBS where she oversees the District Administration practice area for NBS. Her team administers over 1,100 different Fees, Charges and Special Financing Districts (SFDs) including Property and Business Improvement Districts (BIDs), Landscape Maintenance Districts (LMDs), 1913/1915 Act Assessment Districts, and Community Facilities Districts (CFDs).

Adina has extensive experience with district formations and bond issuance/refunding analysis, as well as the ongoing management of district administration operations. She has also performed feasibility studies and related audits and financial projects. She has worked directly with more than 100 agencies administering over 500 districts.

**RECENT PROJECT EXPERIENCE**

- **City of San Jacinto SFD Formation and Administration.** The City of San Jacinto utilizes a number of Special Financing Districts (SFDs) to support infrastructure and services. NBS provides formation, administration, Proposition 218 compliance and support services to the City for numerous assessment and Community Facilities Districts (CFDs). NBS administers the City’s 1972 Act Landscape & Lighting Districts and 1982 Act Benefit Assessment District, including more than 65 zones used mainly for maintenance of the City’s many neighborhood parks as well as other landscape and lighting and street improvements throughout the City. In addition to administration services, NBS also assists the City in the formation and annexation services for various SFDs.
- **City of Alameda SFD Financing Formation and Administration.** NBS administers the City’s Special Financing Districts (SFDs), which include Assessment Districts, Community Facilities Districts, and a Citywide Sewer Charge. NBS has formed both Bonded and Non-Bonded CFDs for the City. NBS has also provided assessment engineering services for several zones of the Landscaping and Lighting District, which allowed for significant increases in revenue and the addition of inflationary factors.
- **City of Eastvale SFD Formation and Annual SFD Administration.** The City of Eastvale in Riverside County utilizes Special Financing Districts (SFDs) including Landscape Maintenance Districts, Benefit Assessment Districts and Community Facilities Districts to support infrastructure and services. NBS provides a full range of annual administration and support services for the City and is an integral part of this function. The eighteen SFDs represent approximately 6,000 parcels and \$325,000 in revenue. In addition, NBS has formed several SFDs for the City.

## EDUCATION

- Bachelor of Arts, with honors, Economics, Mills College
- Continuing education from UC Davis, UCLA, CDIAC, etc.

## HIGHLIGHTS

- Registered Municipal Advisor Representative
- 20 years of experience
- Expert Special Tax Consultant
- District Formations
- Reassessment Consulting
- Proposition 218

## AFFILIATIONS

- California Society of Municipal Finance Officers (CSMFO)
- California Special Districts Association (CSDA)
- Committee on Special Assessments, Taxes and Other Financing Facilities (CASTOFF)
- Women in Public Finance (WPF)

## SPEAKING / MEDIA

- Financing New Projects with New Revenues: CFD and Assessment District Planning, Implementation and Compliance. 2019 CSDA Annual Conference
- Special Financing District Update, 2018 CSACA Property Tax Managers Meeting
- "Community Facilities Districts, A Robust Funding and Financing Tool for Local Governments in California." Published by NBS, 2018
- "An Introduction to Community Facilities Districts." NBS video 2019

## BIOGRAPHY

Sara Mares is a Director with NBS. She forms Special Financing Districts (SFDs), including Community Facilities Districts, Property and Business Improvement Districts, 1913 Act Assessment Districts, Landscape and Lighting Districts, Benefit Assessment Districts and Fire Assessments. Sara has experience working with all aspects of the formation process, including planning and feasibility, project management, budget analysis, development of Rate and Method of Apportionment and Engineer's Reports and presentations. She also has significant experience with ongoing SFD administration including levy submittal, delinquency management and continuing disclosure.

## RELEVANT PROJECT EXPERIENCE

- **City of Palmdale Bond Issuance Disclosure.** In 2021, there was an opportunity to refund existing bonds to realize future savings for property owners. NBS prepared the data tables that were provided to the bond investor as they performed their due diligence related to the investment. Data provided included special taxes, delinquency data, ownership information and value to lien data.
- **City of Rio Vista CFD Formation, Complex Workout** including refinancing existing CFD debt, formation of a new CFD to restructure a portion of the existing CFD debt and funding of additional services. CFD Formation and Bond Issuance completed in 2018.
- **City of Patterson CFD Formation.** Formation of services CFD with Future Annexation Area, Subsequent Annexations. CFD funds maintenance and operation of streetlights, landscaping storm drainage, etc., for residential property in the City. Formation completed in 2018, subsequent annexations through 2020.
- **City of Lincoln CFD 2019-1 (Independence).** Formation of facilities CFD that transitions to a services CFD. CFD finances transportation, water system, recycled water system, drainage, wastewater, and park improvements and will transition to fund park maintenance and capital replacement. Formation completed in 2019.
- **Other Projects. Desert Recreation District,** City of Alameda, City of Elk Grove, City of Hesperia, City of Vacaville, City of Carson, East Bay Regional Park District



*"You sure made the job easier and more pleasant over the past few years. Throughout this project, you provided huge input and guidance, and helped us through those unknown waters."*

*John Stewart, Los Carneros Water District*

**EDUCATION**

- Bachelor of Arts, Finance, California State University, San Diego

**HIGHLIGHTS**

- Registered Municipal Advisor Representative
- 15 years with NBS
- Seasoned Professional in District Administration
- District Formations, including PBIDs/CBDs and CFDs
- Sewer Charge Administration
- Continuing Disclosure
- Proposition 218 Compliance and Notification



*“I really appreciated the touch-base meeting we had recently, and look forward to working with you in the coming fiscal year.”*

*Felicia Newhouse, Assistant General Manager, Ross Valley Sanitary District*

**BIOGRAPHY**

Nick Dayhoff is a Senior Consultant with NBS where he forms and administers Special Financing Districts (SFDs). He is actively involved with a broad range of new district formations, bond issuance/refunding analysis, and feasibility studies, as well as the daily administration of various types of SFDs over seven agencies, 22 SFDs, and approximately 1.15 million parcels.

**RELEVANT PROJECT EXPERIENCE**

- **East Bay Regional Park District, CFD No. AC-3:** Formation of CFD, subject to voter approval on November 6, 2018. CFD funds maintenance of parks, trails, open space, public safety services, recreation and open space program services, flood and storm protection services, etc. Formation completed in 2018.
- **Valley-Wide Recreation and Park District:** Multiple ongoing CFD Formations. CFDs fund park and landscape maintenance. Formations completed 2015-2020.
- **Uptown Long Beach PBID.** Renewal of existing PBID. Assessment funds sidewalk maintenance, security, and marketing. Formation completed in 2018.
- **San Diego County Citrus Pest Control District:** Formation of a citrus pest control assessment district. Formation completed in 2018.
- **Union Square CBD.** Renewal of existing CBD. Assessment funds sidewalk maintenance, security, and marketing. Formation completed in 2019.
- **City of Culver City:** Formation of a benefit assessment district, completed in 2019.
- **Additional CFD Formations in Progress:** Valley-Wide Recreation and Park District, City of Carson and City of Belmont.
- **Additional AD Formation in Progress:** Castro Community Benefit District (San Francisco).

**EDUCATION**

- Bachelor of Science, Business Administration, Finance, Ione College, New Rochelle, New York

**HIGHLIGHTS**

- Experienced Financial Analyst providing support to NBS' District Consulting Group
- Extensive experience in accounting, budget management and financial reporting
- District Administration for more than 200 different SFDs
- Continuing Disclosure



*“Thank you NBS team for finalizing our revised assessments so quickly. I was glad to have your support for our team on this one.”*

*Simon Bertrang, Tenderloin Community Benefit District*

**BIOGRAPHY**

Christine Drazil is a Financial Analyst with NBS where she administers Special Financing Districts (SFDs) and is actively involved with district formations, bond issuance/refunding analysis, data analysis, as well as daily administration of various SFDs. Christine is experienced in the administration of multiple types of SFDs which include 1913/1915 Act Assessment Districts (ADs), Benefit Assessment Districts (BADs), Business Improvement Districts (BIDs), Landscape and Lighting Districts (LLDs), and Mello-Roos Community Facilities Districts (CFDs) and other parcel-based charges.

**RELEVANT PROJECT EXPERIENCE**

- **Hesperia Recreation and Park District:** Annual preparation of Resolutions, Engineer’s Reports, and other documentation in relation to two (2) Lighting and Landscape districts with more than fifty (50) zones. Conducts in-depth analysis of funds and makes recommendations for annual levy rates. Annual database preparation includes over 36,000 parcels.
- **City of Calabasas:** Annual levy preparation and administration services for two (2) Community Facilities Districts. Administrative work includes annual reports, continuing disclosure reporting, delinquency management, and annual submittal of levy files to the County.
- **Olivenhain Municipal Water District:** Annual preparation and ongoing administration services for a 1915 Act Assessment District to fund a portion of the Olivenhain Water Storage Project, which encompasses approximately 24,000 parcels. Full administration services provided include levy calculation, apportionments, direct billing of assessments not on the County Tax Roll, delinquency management, and annual continuing disclosure.
- **City of Carlsbad:** Annual administration of special assessments associated with three (3) 1915 Act Assessment Districts, as well as special taxes associated with two (2) Community Facilities Districts. Ongoing administration services, including assessment apportionments, delinquency management, and continuing disclosure.
- **City of Fontana:** Annual preparation of the levy submittal of approximately one hundred (100) districts, including Community Facilities Districts, bonded and non-bonded, as well as Lighting and Landscaping Districts. Additional services include delinquency management and support for foreclosure proceedings.

**EDUCATION**

- Certified Downtown Professional, California State University San Bernardino
- Master of Business Administration/Accounting, University of Phoenix
- Bachelor of Science, Business Administration/Finance, Montana State University

**HIGHLIGHTS**

- District Formation and Annexation Consulting
- Fiscal Impact Analysis and mitigation of negative fiscal impacts
- Formation, refunding and annexation of a variety of Special Financing Districts
- Proposition 218 compliance
- Bond Issuance Consulting
- Ongoing District administration services
- More than 18 years of experience
- Extensive quality control and auditing experience utilizing GIS and database management skills for analysis and presentation.



*I'm confident the City has made the correct choice with NBS moving forward. I have to add, the level of service we have received from the NBS team in just the last several months has completely outclassed the service I had previously experienced.*

*Tim Carney, Collection System Superintendent, City of Palmdale*

**BIOGRAPHY**

Stephanie Parson is a Director with NBS where she oversees quality control for administration efforts, and works on a variety of revenue-focused projects including the data analysis, evaluation, feasibility, formation, and refunding for many types of special tax and special assessment districts.

**RELEVANT PROJECT EXPERIENCE**

- **City of Folsom – Folsom Plan Area.** Ongoing consulting services, including the feasibility, formation, bond issuance disclosure, and administration related to the use of Community Facilities Districts as part of the \$877 million backbone infrastructure and public facilities plan needed to serve the Folsom Plan area at buildout. The Folsom Plan Area is a 3,500 acre development that will include over 10,000 residential dwelling units and more than 5 million building square feet of non-residential space.
- **Town of Mammoth Lakes Consulting Services.** Formed a variety of Assessments Districts to fund ongoing services related to landscape maintenance and snow removal services. Provide formation and annexation consulting services for several Community Facilities Districts to fund public infrastructure, ongoing landscape maintenance, snow removal services, and transit services.
- **Business Improvement Districts/Community Benefit Districts within the City of San Francisco.** Provided consulting and analysis for many BIDs within San Francisco, including Union Square BID, Civic Center CBD and Mid-Market CBD.
- **City of Manteca CFD Formation and Annexations.** Completion of multiple Community Facilities District formations and annexations to fund the ongoing maintenance of streetscapes, streetlights, parks and other open space improvements needed to serve future development within the City.
- **City of Livermore Fiscal Impact and Community Facilities District Feasibility of Proposed Downtown Development.** Evaluated the fiscal impact of several mixed-use development alternatives and provided Community Facilities District feasibility findings. Completed in early 2018, updated in 2019, and Community Facilities District formation in progress.
- **Other Special Financing District Consulting Engagements,** including the City of Carlsbad, City of Oxnard, County of Placer, and the City of San Leandro.

## EDUCATION

- Bachelor of Science, Political Science, California Polytechnic State University, Pomona
- Certificate, Geospatial Technician, Victor Valley College
- Certificate, Geographic Information Systems, San Bernardino Valley College

## HIGHLIGHTS / TECHNICAL

- Configure and maintain ESRI ArcGIS applications (web maps, Dashboards, StoryMaps, Survey123, Collector, QuickCapture)
- Prepare numerous boundary maps, diagrams, and 1915 Act lien apportionments
- ArcDesktop, ArcSDE, ArcGIS Server, ArcGIS Online, Survey 123, Collector
- Python Software experience
- SQL for data manipulation and analysis
- Autodesk AutoCAD



*Our staff appreciates the expertise, guidance and experience that the NBS teams bring to our special assessments.”*

*Mike Gow, General Manager / Chief Engineer, Lake Hemet Municipal Water District*

## BIOGRAPHY

Jeremy Jung is a Geographic Information Systems (GIS) Data Analyst for NBS. He has more than five years of experience in the design and maintenance of GIS Geodatabases in a SDE environment, including reconciling/posting and QA/QC. He has developed new workflows and utilized Model Builder for processing parcel data that removed the need to purchase the data on a quarterly basis. Jeremy has performed spatial analysis to identify restricted areas for Cannabis Delivery Services, and utilized basic Python scripts to edit and automate GIS workflows. He has updated and maintained numerous map services for GIS applications (Cityworks, CRW Trakit, Granite XP, Internal Geoviewer, Public Viewer).

As a GIS Data Analyst, Jeremy creates maps and analyzes data associated with county assessor’s parcels, district boundaries, public facilities and improvements as well as captures custom images utilizing the latest in GIS technology. In addition, he is able to create custom web-based GIS applications for internal and external use by NBS clients.

## RELEVANT PROJECT EXPERIENCES

- **CivicMic** – Successfully completed a variety of projects for CivicMic including the creation of surveys, web maps, web apps, and testing ESRI Hubs. The web applications assist with facilitating community outreach and public engagement opportunities to determine the level of public support.
- **Los Angeles County Metropolitan Transportation Authority** – Accomplished creating a quarter mile and half mile buffers around approximately 60 stations to help identify assessed values for each parcel within the buffer zones.
- **East Contra Costa Fire Protection District** – Calculated fire stations distance drive times and half mile buffer distances within ECCFPD boundary to determine best response times for each parcel. Utilizing network analysis was instrumental in determining the calculation of special general benefit and proportionality for ECCFPD.



## EDUCATION

- Bachelor of Science  
Business Administration  
California State University  
East Bay
- Master of Science  
Business Analytics  
University of California, Irvine

## HIGHLIGHTS

- Supports NBS' Special Financing District Annual Administration Group
- Responsible for collecting, organizing and rigorously testing data
- Well versed in data visualization methods and techniques
- Supplements the development and upkeep NBS' proprietary software, D-FAST®

## CERTIFICATION

- Tableau Desktop Certified Associate

## BIOGRAPHY

Mark Planas is a Data Analyst at NBS where he is actively involved with developing and maintaining accurate databases, writing robust scripts to automate the creation and updating of data, performing rigorous logic-oriented testing, and creating high quality documentation. With more than 14 years as an information technology solutions professional, Mark is capable of communicating data into consumable information and actionable points.

## RELEVANT PROJECT EXPERTISE

- **Data Ingestion and Processing.** Responsible for maintaining county property data pipeline. Coordinated with external data sources to obtain, verify, and process county data and standardize disparate data sources for use within D-FAST® SFD administration software.
- **Levy Classification by Property.** Developed a data classification process for county property records. Wrote scripts using SQL to classify individual property data based on standard characteristics to apply levies appropriately. Translated special district legislation into abstract and tangible criteria for categorization purposes.
- **External Reporting Efficiencies.** Researched and automated report submissions to state agencies on behalf of NBS' clients. This included data capture and aggregation to assist clients in submitting California Debt and Investment Advisory Commission (CDIAC) reports, reducing overall effort by 80%.
- **Data Mining.** Implemented data mining techniques to provide insights into property and assessment data. Explored historical data to reveal how parcel data has changed and aggregated it by special district, demonstrating changes over time.



# APPENDIX B | MUNICIPAL ADVISOR DISCLOSURE

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## **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 NBS and its associated persons.

### **CONFLICTS OF INTEREST**

#### **Compensation**

NBS represents that in connection with the issuance of municipal securities, NBS may receive compensation from an Issuer or Obligated Person for services rendered. Any such compensation may be 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, NBS hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding NBS’ ability to provide unbiased advice to enter into such transaction. This conflict of interest does not impair NBS’ 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 NBS’ ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair NBS’ ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

#### **Other Municipal Advisor Relationships**

NBS serves a wide variety of other clients who may have interests that could have a direct or indirect impact on the interests of another NBS client. For example, NBS 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 your agency. 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, NBS could potentially face a conflict of interest arising from these competing client interests. NBS fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with your agency.

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

### **LEGAL OR DISCIPLINARY EVENTS**

NBS does not have any legal events or disciplinary history on NBS’ 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 NBS’ 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](http://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 NBS, NBS will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate NBS, its management and personnel.



# **COMMUNITY FACILITIES DISTRICT (CFD) ADMINISTRATION SERVICES**

**ALTADENA LIBRARY DISTRICT**

**JUNE 8, 2021**



**COOPERATIVE  
STRATEGIES**  
ASSESS • PLAN • FUND • BUILD

# COVER LETTER

**Nikki Winslow**  
**District Director**

Altadena Library District  
600 E Mariposa Street  
Altadena, CA 91001

6/8/2021

**Re: Request for Proposal ("RFP") Community Facilities District (CFD) Administration Services**

Dear Ms. Winslow:

Cooperative Strategies is pleased to submit the enclosed proposal ("Proposal") to provide community facilities district ("CFD") administration services to Altadena Library District ("District").

Over the past 25+ years, Cooperative Strategies has been helped plan and finance school facilities for more than 2,000 public agencies across the nation. Our philosophy is to provide relationship-based consulting services primarily to public agencies. We believe it is important to thoroughly understand our clients' specific needs, and we pride ourselves on building lasting partnerships that help our clients achieve their long-term goals and objectives.

Our CFD Administration and Special Tax Consulting Services are comprehensive and we assist public agencies with these services since the 1990's. We have reviewed the scope of work provided within this RFP and no exceptions are taken.

Thank you again for the opportunity to submit the enclosed proposal. Should you have any questions, please do not hesitate to contact me. We look forward to working with District!

Sincerely,



LARRY FERCHAW, PARTNER  
Executive Director, Western Region



DAVID LOPEZ  
Senior Director

# TABLE OF CONTENTS

<b>SECTION</b>	<b>PAGE</b>
<b>I. EXPERIENCE .....</b>	<b>1</b>
<b>II. PERSONNEL.....</b>	<b>4</b>
<b>III. QUALIFICATIONS .....</b>	<b>10</b>
<b>IV. COST SECTION .....</b>	<b>17</b>

## APPENDICES

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### APPENDIX A



A photograph of children in a classroom, with a white text overlay. The children are sitting at a table, and one child in the foreground is looking at a piece of paper. The text is centered and reads: SECTION I EXPERIENCE OUR ABILITY TO SERVE YOU.

# SECTION I EXPERIENCE

OUR ABILITY TO SERVE YOU

# EXPERIENCE

## Our History

Our firm has been providing Special Tax Administration, Community Facilities Districts ("CFD") Formation services, demographic, and financial services to our clients since 1998. Formerly Dolinka Group, LLC, Cooperative Strategies was renamed in 2016 as the result of newly defined company values, a transition from an individually owned company to a partner-owned organization, and expansion to provide services nationwide.

On January 1, 2017, we welcomed DeJONG-RICHTER of Ohio to the team as the result of a merge to create one firm focused on planning and financing nationwide. This allows us to expand our resources and offer fresh approaches to our clients with improved scale and capabilities. In just the past few years we've grown from a California-based company to a nationwide firm, with 50 professionals seated in 4 locations in California, Colorado, Ohio, and Texas.

## Our Experience

We pride ourselves on focused expertise while maintaining the ability to offer a broad spectrum of customized services tailored to meet our clients' needs. This ensures we can provide our clients with the most thorough and accurate solutions available. This commitment gives our firm deep-seated knowledge of the political and financial issues that our clients face. Our approach is not about gaining business; it's about building lasting relationships.

Cooperative Strategies actively administers over 200 CFDs totaling over \$101 million in special taxes that are annually applied to County tax rolls throughout the State of California ("State"). From the formation process and issuance of bonds, to the long-term Special Tax Administration, we partner with our clients to facilitate every phase of the CFD process. This experience providing both Special Tax Administration for CFDs across the State and Special Tax Consulting services when initial CFD debt issuances or bond refunding's are required, has provided us the ability to maintain a depth of wide-ranging experience and expertise. Such levels of experience and

Legal Name:  
Cooperative Strategies, LLC

Type of Firm:  
Limited Liability Company

Address:  
2855 Michelle Dr.  
Irvine, CA

Phone Number:  
949.250.8300

Fax Number:  
949.250.8301

Website:  
[www.coopstrategies.com](http://www.coopstrategies.com)

Company Email:  
[info@coopstrategies.com](mailto:info@coopstrategies.com)

CA Business License:  
802369

Tax ID Number:  
20-8903972

SEC File No:  
867-01220



expertise are necessary to serve the District with the Mello-Roos Special Tax Administration Financial Consulting Services requested within this RFP.

**Commitments**

As we are committed to providing the highest level of service and quality, we only pursue projects that we have the means to staff and manage. We also do not operate in any fashion that would be construed as a conflict of interest. Cooperative Strategies does not have any current or potential commitments that would impact our ability to perform the District’s contract, if awarded.

**REFERENCES**

<b>Name of Agency</b>	<b>Contact Name/Address</b>	<b>Phone Number</b>	<b>Dates services provided (from/through*)</b>
City of Beverly Hills	Tatiana Szerwinski Assistant Director of Finance 455 N. Rexford Dr. Beverly Hills, CA 90210	310.285.2416	2002 to Present
City of Glendale	Shea Eccleston-Banwer City of Glendale Public Works Department 633 East Broadway Glendale, CA 91206	818. 548.3900	1999 to Present MRAD 99-2014 LMD 2015 to Present
Corona-Norco Unified School District	Alan P. Giles Assistant Superintendent 2820 Clark Avenue Norco, CA 92860	951.736.5020	2018 to Present
Lake Elsinore Unified School District	Arleen Sanchez Fiscal Support Services 545 Chaney Street Lake Elsinore, CA 92530	951.253.7000	1999 to Present
Victor Elementary School District	Jan Gonzales Superintendent 12219 2 <sup>nd</sup> Avenue Victorville, CA 92395	760.245.1691	2003 to Present



An aerial photograph of a residential neighborhood, showing a grid of streets, numerous houses with red and brown roofs, and green trees. The image is overlaid with a dark, semi-transparent layer. The text is centered in the upper half of the image.

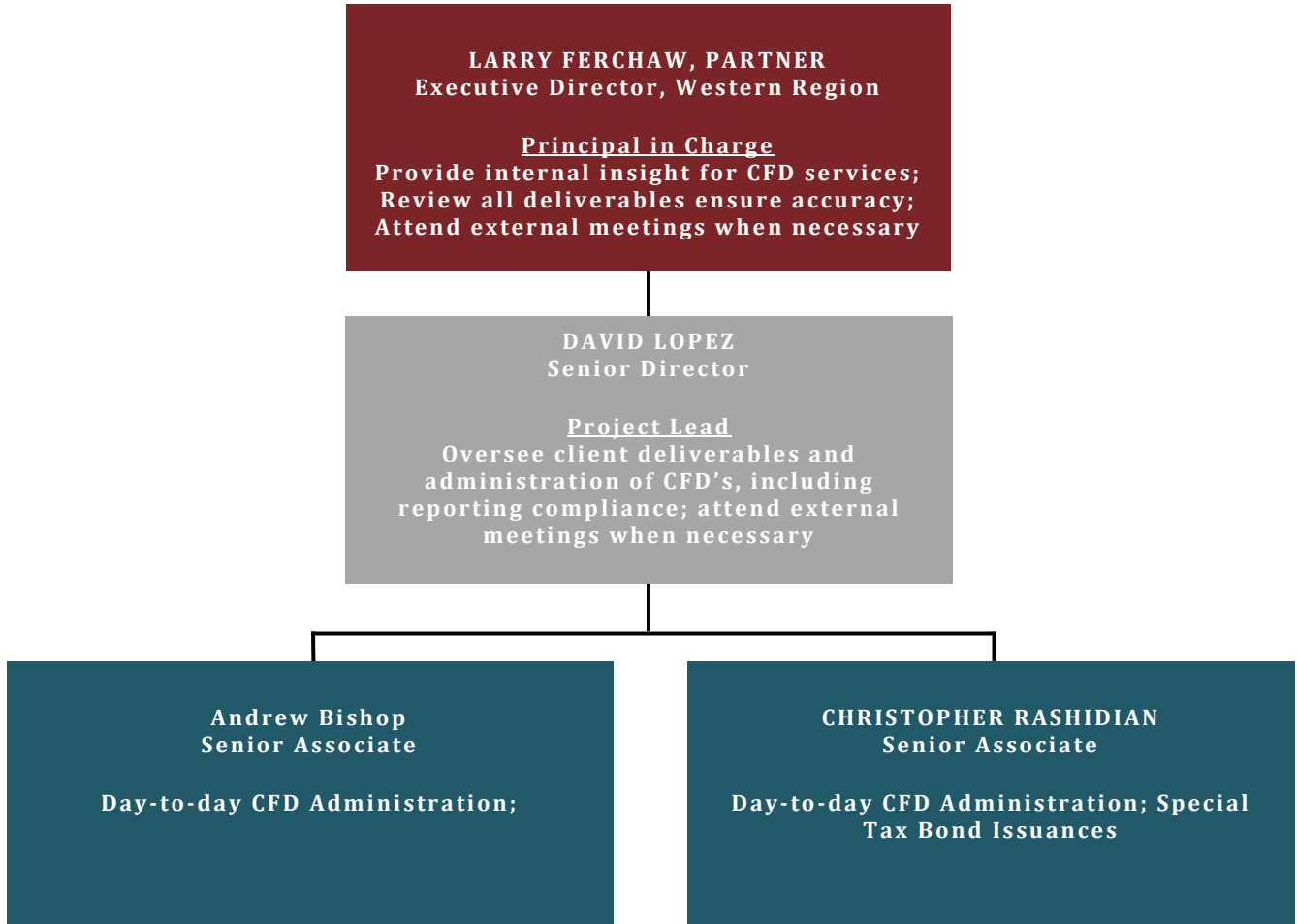
# SECTION II PERSONNEL

YOUR TEAM OF INDUSTRY EXPERTS



# PERSONNEL

Please see below for the Cooperative Strategies team members we are proposing for the District's project. Resumes for these individuals, including qualifications, education, and project experience, can be found on the following pages.



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*Our proposed project team has a combined 47 years with Cooperative Strategies.*

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**LARRY FERCHAW,  
EXECUTIVE DIRECTOR, WESTERN  
REGION**

Larry Ferchaw has helped a wide range of Public Agencies identify the impact of new development, levy fees against such development, and plan for future school facilities. Since joining Cooperative Strategies in 2003, he has prepared various demographic and financial analyses and has assisted clients that range in size from small, rural elementary public agencies to some of the largest urban and suburban public agencies in the country.

Larry specializes in projecting enrollment and analyzing capacities to determine future student impact on school facilities. He also helps clients identify new construction and modernization needs while navigating the financial implications of such projects.

**Education**

- M.S., Journalism, Columbia University
- B.A., History, University of California, Los Angeles

**Areas of Expertise**

- Boundary Planning
- Community Engagement
- Trustee/Voting Areas
- Facilities Master Planning

**Notable Accomplishments**

- Helped correct 2016 Level I developer fee rates resulting in higher fees school districts in California can impose on new construction
- Board Member, Coalition for Adequate School Housing

**Sample Experience**

**Anaheim Elementary School District, CA**  
*Developer Fee Justification Studies; Mapping Services*

**Anaheim Union High School District, CA**  
*Facilities Master Plan*

**Beaumont Unified School District, CA**  
*Facilities Master Plan*

**Byron Union School District, CA**  
*Enrollment Projections*

**Coachella Unified School District, CA**  
*Enrollment Projections*

**Desert Sands Unified School District, CA**  
*Enrollment Projections*

**Dublin Unified School District, CA**  
*Trustee/Voting Areas*

**East Side Union High School District, CA**  
*Enrollment Projections*

**Fremont Unified School District, CA**  
*Developer Fee Justification Studies; Enrollment Projections*

**Moreland School District, CA**  
*Boundary Planning; Developer Fee Justification Studies*

**Norris School District, CA**  
*Facilities Master Plan*

**Palm Springs Unified School District, CA**  
*Enrollment Projections; Boundary Planning*

**Redondo Beach Unified School District, CA**  
*Developer Fee Justification Studies; Enrollment Projections*

**Rialto Unified School District, CA**  
*Boundary Planning*

**San Mateo County Community College District, CA**  
*Trustee/Voting Areas*

**Santa Clara Unified School District, CA**  
*Developer Fee Justification Studies*

**Val Verde Unified School District, CA**  
*Developer Fee Justification Studies; Facilities Action Plan*



**DAVID LOPEZ**  
**SENIOR DIRECTOR**

David Lopez brings over 20 years of experience in managing project teams within the client service industry. He assists Public Agencies with utilization of Community Facilities Districts (CFDs) as facilities funding options, Master Planning efforts, specialized demographic needs, clean energy options, and redevelopment services. His CFD experience ranges from the developer mitigation negotiation stage, to formation, to related debt issuances and annual administration of CFDs over a 12-year span with our firm.

In addition to being actively involved with client relations and outreach endeavors nationwide, David presents training topics at COE-sponsored meetings and various regional events hosted by and for public agencies.

**Education**

- B.A., American History, University of California, Berkeley

**Areas of Expertise**

- CFD Administration
- CFD Formation
- Developer Negotiations
- Enrollment Projection
- Redevelopment
- Facilities Master Planning

**Notable Accomplishments**

- Currently serves 58 Public Agencies clients throughout 16 CA counties
- Directly administered 55 individual CFDs annually from 2007-2013
- Involved in the formation of more than 30 CFDs from 2013 to present

**Sample Experience**

**Apple Valley Unified School District, CA**  
*Capacity Analysis, Developer Fee Justification Studies, Facilities Usage Fee Studies*

**Buellton Union School District, CA**  
*Developer Fee Justification Studies*

**City of Beverly Hills, CA**  
*CFD Administration*

**City of Glendale, CA**  
*MRAD Administration*

**Conejo Valley Unified School District, CA**  
*Developer Fee Justification Studies, Enrollment Projections, myschoolLOCATION*

**Escondido Union School District, CA**  
*Developer Fee Justification Studies, Redevelopment*

**Geyserville Unified School District, CA**  
*Developer Fee Justification Studies*

**Lodi Unified School District, CA**  
*Developer Fee Justification Studies; Enrollment Projections; Facilities Master Planning; Facilities Usage Fees; myschoolLOCATION*

**Menifee Union School District, CA**  
*CFD Administration; CFD Formation; Demographic Analysis; Developer Negotiations; Enrollment Projections; Funding Programs*

**Pittsburgh Unified School District, CA**  
*Developer Fee Justification Studies; Redevelopment Services*

**Richland School District, CA**  
*CFD Administration; Developer Fee Justification Studies; Enrollment Projections*

**San Gabriel Unified School District, CA**  
*Developer Fee Justification Studies, Enrollment Projections*

**Santa Ynez Valley UHSD, CA**  
*Developer Fee Justification Studies*

**Simi Valley Unified School District, CA**  
*Developer Fee Justification Studies, Facilities Usage Fee Studies*

**Temple City Unified School District, CA**  
*Developer Fee Justification Studies, Facilities Usage Fee Studies*

**Victor Elementary School District, CA**  
*CFD Administration; Continuing Disclosure; Enrollment Projections*



## **CHRISTOPHER RASHIDIAN, ASSOCIATE DIRECTOR**

A driven analyst with demonstrated experience in legal and regulatory compliance, Christopher Rashidian has been assisting school districts across the state of California with CFD administration since 2018. His expertise in data analytics and real property allows him to assist clients efficiently with both day-to-day and long-term CFD administration.

Prior to joining Cooperative Strategies, Christopher worked in the real estate mortgage industry serving as a project manager on a multitude of state and federal audits, regulatory compliance reviews, product rollout, and examining and updating policies and procedures.

### **Education**

- M.S., Information Technology, Southern New Hampshire University (with Distinction)
  - Concentration in Data Analytics
- B.A., Sociology, National University (Cum Laude)

### **Areas of Expertise**

- Special Tax Consulting
- CFD Administration
- Project Management
- Data Analysis
- Risk Management

### **Notable Accomplishments**

- Member, Out in Science, Technology, Engineering, and Mathematics
- Member, The National Society of Leadership and Success
- Member, Toastmasters

### **Sample Experience**

#### **Alvord Unified School District**

*Annual CFD Administration*

#### **Corona-Norco Unified School District**

*Annual CFD Administration*

#### **East Merced County Public Facilities Financing Authority**

*Annual CFD Administration*

#### **Merced Union High School District**

*Annual CFD Administration*

#### **Perris Elementary School District**

*Annual CFD Administration*

#### **Richland School District**

*Annual CFD Administration*

#### **San Marcos Unified School District**

*Annual CFD Administration*

#### **Saugus/Hart School Facilities Financing Authority**

*Annual CFD Administration*

#### **Valley Center-Pauma Unified School District**

*Annual CFD Administration*

#### **Victor Elementary School District**

*Annual CFD Administration*

#### **William S. Hart Union High School District**

*Annual CFD Administration*

#### **Yucaipa-Calimesa Joint Unified School District**

*Annual CFD Administration*



**ANDREW BISHOP**  
**SENIOR ASSOCIATE DIRECTOR**

Andrew Bishop has provided financial, demographic, and cartographic services to a wide variety of Public Agencies since 2005. His expertise with Geographic Information Systems has helped illustrate a variety of demographic and facilities planning services for hundreds of Public Agencies.

Andrew also has extensive experience in calculating student generation rates to determine future student enrollment and the resulting impact on school facilities.

**Education**

B.A., Geography, University of California, Los Angeles

**Areas of Expertise**

- Assessment District Administration
- Developer Fee Justification Studies
- School Facilities Needs Analyses
- Enrollment Projections
- Capacity Analyses
- Geographic Information Systems
- Trustee/Voting Areas

**Notable Accomplishments**

- Finalist, NYC Department of Education Call for Innovations, Enhancing School Zoning Efforts by Predicting Population change

**Sample Experience**

**Alum Rock Union Elementary School District, CA**

*Enrollment Projections*

**Anaheim Elementary School District, CA**

*Trustee/Voting Areas*

**Beverly Hills Unified School District, CA**

*Developer Fee Justification Studies*

**Bonita Unified District, CA**

*Developer Fee Justification Studies; RIMD Administration*

**Byron Union School District, CA**

*Developer Fee Justification Studies; Enrollment Projections*

**Capistrano Unified School District, CA**

*Annual & Five-Year Reports; Developer Fee Justification Studies*

**City of Glendale, CA**

*LMD Administration*

**Fremont Unified School District, CA**

*Developer Fee Justification Studies; Enrollment Projections; School Facilities Needs Analyses*

**Hesperia Unified School District, CA**

*Annual & Five-Year Reports; Developer Fee Justification Studies; Enrollment Projections; School Facilities Needs Analyses*

**Irvine Unified School District, CA**

*Annual & Five-Year Reports; Developer Fee Justification Studies; RIMD Administration; School Facilities Needs Analyses*

**Menifee Union School District, CA**

*Annual & Five-Year Reports; Developer Fee Justification Studies; School Facilities Needs Analyses*

**Palm Springs Unified School District, CA**

*Developer Fee Justification Studies*

**Redondo Beach Unified School District, CA**

*Boundary Planning; Developer Fee Justification Studies; Enrollment Projections*



A photograph of a classroom scene. A male teacher with short dark hair, wearing a light-colored button-down shirt and grey jeans, is sitting on the edge of a desk. He is holding a tablet and looking towards a group of students. The students are sitting at desks, and one boy in the foreground is smiling at the teacher. The classroom has a green bulletin board with various papers and a clock on the wall. The entire image is overlaid with a semi-transparent dark grey filter.

# SECTION III QUALIFICATIONS

## QUALIFICATIONS

The Altadena Library District is seeking a qualified firm(s) to provide Community Facilities District Administration services for the purpose of:

- Maintaining existing Community Facilities Districts
- Bond Issuance
- Refinancing of Bonds

With over 25 years of experience providing CFD Formation, Special Tax Administration for CFDs, and Special Tax Consulting services to various agencies across the State, our staff has the knowledge, capabilities and expertise needed to professionally and proficiently serve the District.

Additionally, we are familiar with the lead agencies who maintain CFDs within Los Angeles County as well as developers, the developers' consultants, property owners and the various communities located within the San Gabriel Valley. We currently provide Special Tax Administration for CFDs, CFD Formation services and Special Tax Consulting services for several clients within Los Angeles County including many which we have assisted for decades.

Additionally, having taken over many CFD programs in the past from the originating administrator and more recently, taking over from an original administrator's duties for an agency with a very large and robust CFD program, we understand the importance of auditing past work, thoroughly and quickly obtaining all files and data from local and county agencies and/or the prior administrator and prioritizing the set-up of all internal files in order to seamlessly transition Special Tax Administration services. Moreover, being ultra-responsive to the lead agency and not impacting the property owners within the CFD during a change of administrators are also paramount considerations which we will be focused on throughout any transition of CFD administrators.

From the CFD formation process to the issuance of bonds and the long-term Special Tax Administration, we partner with our clients to facilitate every phase of the CFD process and we pride ourselves in meeting and exceeding the needs and expectations of our clients.

***Cooperative Strategies  
actively administers over 200  
CFDs totaling over \$101  
million in annual special  
taxes for agencies we  
represent. We are a leading  
Special Tax Administrator for  
CFDs within the State of  
California.***

### **Assessment District Formation**

We aid agencies in the creation of special taxing districts to finance facilities improvements. These districts impose taxes on specific areas to fund their various improvements and facilities needs. As part of these services we:

- Create and record boundary maps to illustrate properties to be included in the district
- Determine tax levy and assist with and record legal documents as needed
- Presentations to Boards or Advisory Committees of the lead agencies

### **Annual Assessment District Administration**

We also provide annual administration of these special taxing districts, including preparing and submitting necessary documents for assessments to be levied on County tax rolls. As part of these services, we:

- Ensure taxpayer inquiries are returned within 24 hours
- Create customized taxpayer websites to house pertinent documents and information to promote transparency
- Provide continuing disclosure support

### **Related Experience**

The following statistics represent how we have assisted with CFD services over our 25-year history:

- Parcels taxed = More than 2 million
- Taxes Levied: More than 3 billion-dollars
- Taxpayer phone calls = More than 88,000
- CFDs Formed = More than 200
- CFD Bonds Issued = More than 250

## OUR APPROACH

With a multitude of experience in the formation and balloting of CFDs across the State, we are intimately familiar with the requirements of all types of CFDs, the various methods for determining special tax rate classifications, and the classification of specific properties within a city, county, fire district, school district or water district – the five categories of governmental agencies which are most likely to be the entity acting as a lead agency of a CFD.



As it relates to CFD Administration, our work assisting agencies with their CFDs began in the early 1990s. Having a long history of experience in the formation and election process of CFDs, we understand the requirements and needs a lead agency with CFDs would face on a day-to-day basis. This includes the various methods for determining special tax rate classifications and the appropriate classification of specific properties within CFD boundaries. Furthermore, we field

and reply to thousands of CFD related calls each year and efficiently and effectively address the concerns of property owners, realtors, title companies and investors among many other inquiries. We are able to resolve the vast majority of issues without complaints about the CFDs being raised to our clients.

We have also invested heavily in establishing a multifaceted internal quality control process. Our procedures involve constant cross-checking of existing parcel information against data sources obtained throughout the year. Specifically, CFD parcel information is collected, analyzed, and thoroughly reviewed in the manner described below.

### **Creating Transparency**

In light of increased scrutiny of public spending, it has become even more important for lead agencies of CFDs to be strong fiscal stewards and manage taxpayer dollars responsibly. Our philosophy is to promote transparency and be proactive with taxpayers to foster open lines of communication between a CFD's lead agency and its community.

We place a high level of emphasis on technological resources and customer service for both CFD Administration and Special Tax Consulting services. Our ability to go above and beyond the typical scope of work for these services is what sets us apart from the industry standard. For example:

- We create customized websites for the CFDs where taxpayers can find resources related to their special taxes and responding to any inquiries made to our toll-free number within 24 hours.
- We have an extended delinquency notification process that includes making no fewer than three attempts to resolve missed payments prior to beginning foreclosure proceedings.



### Taxpayer Website

As stated previously, creating and hosting a customized CFD website is included within our CFD Administration services. The website allows taxpayers to immediately access information about the CFDs they reside in as well as review the documents and reports related to their taxes. The main benefit to the website is the transparency it provides to the community regarding the use of public funds. Many of our clients choose to provide a link to the taxpayer website directly from their own website. More detailed inquiries are directed to our office. The example provided here is linked to the website of a School District that is the lead agency for 15 CFDs with 6 of those bonded and developed.

**Depth of Experience**  
*We have seven highly skilled CFD Administrators in our California office, as well as two CFD Formation advisors. We can leverage each of these team members' expertise in our consulting services for the Altadena Library District.*

### Data Verification

We utilize multiple data sources to confirm special tax classifications throughout the levy calculation and application process. We have compiled over 20 years of historical data for parcels in the County of Los Angeles. We collect and compare this data to ensure accuracy of property tax classifications.



## RESOURCES AND STAFF CAPACITY

Cooperative Strategies is committed to providing outstanding customer service in terms of timeliness, cost efficiency, innovation, solutions, and support. We assign multiple individuals to every project so there is always a consultant available to assist our clients. Employees are placed into departments based on their particular specialties. This allows us to adequately staff each project we attain with consultants who are specifically trained in the relevant service. We also cross-train individuals who can consult on projects outside of their assigned department to provide quality assistance when project volume is high.



We have the time and capacity needed to provide CFD Administration services for the District and have already incorporated the time commitments and deadlines into our annual strategic plan. We are committed to ensuring the District receives the best service possible.

It is our belief that the best customer service comes from a highly skilled staff; therefore, we are dedicated to the continued professional/educational development of our employees through webinars, training sessions and conferences. Our staff is ready to address the customer needs of today as well as develop leading edge solutions to meet the problems of tomorrow.

### Differentiators

Cooperative Strategies strives to always go above and beyond the typical scope of work. We try to stand out from the industry standard by never settling on doing the bare minimum. Below are specific differentiators that we would perform for the District:

- 24/7 Toll Free Number: All taxpayer inquiries receive a call back within 24-hours and three attempts are made to reach the party
- Customized Websites: Customized taxpayer websites are created for each Agency's CFDs
- Detailed Annual Reports: Annual Special Tax Reports include a financial analysis, explanation of methodology, and Use of Funds Report required by Senate Bill 165

- Continuing Disclosure Monitoring: Our staff monitors and disseminates any involuntary Specific Events required to be reported under Securities and Exchange Commission ("SEC") Rule 15c2-12
- Continuing Disclosure Reporting: We complete and submit the annual continuing disclosure report on behalf of the County
- CDIAC Report: We prepare and disseminate the annual report required by the California Debt Investment Advisory Committee
- Advanced Delinquency Monitoring: Delinquent taxpayers are monitored throughout the year and are notified three (3) times prior to initiating foreclosure proceedings and are offered a direct pay option; detailed delinquency reports are provided to clients
- Educational Training: Workshop trainings are offered to staff, County Officers and other interested parties
- Accounts Management: We monitor the flow of special tax funds through all CFD accounts and facilitate any withdrawals/transfers and provide surplus special tax options
- Customer Relations: Our highly trained staff efficiently and effectively handles hundreds of taxpayer inquiries every year





SECTION IV  
COST SECTION

# COST SHEET

Executive Dir.	\$250	\$250	\$250	\$250	\$250
Senior Dir.	\$225	\$225	\$225	\$225	\$225
Associate Dir.	\$175	\$175	\$175	\$175	\$175
Senior Associate	\$150	\$150	\$150	\$150	\$150

CFD Administration Services will not exceed \$16,000 per year. 100 hours at \$160 weighted average. Cost will be capped at \$500 per year for County recording

Cooperative Strategies, LLC

2855 Michelle Drive, Irvine, CA 92618

949.250.8300

949.250.8301

8022369

Larry Ferchaw



# **COST SHEET**

Direct cost includes county recordation/ filing fees not to exceed \$500 annually.

Special Tax Consultant for Bond issuance services will be capped at % 12,000 per insurance inclusive of expenses. (75 hours at \$160 weighted average per hour.

## APPENDIX A

Following this page, please find a comprehensive list of CFD Issuances that Cooperative Strategies has participated in since 2018 and Deal Analysis.

Dated Date	Client Name	Issuance Description	Issuance Type	Par Amount	Bond Length
3/22/2018	Lake Elsinore USD	CFD No. 2006-2 IA B	Special Tax Bonds	\$4,640,000.00	31 Years
5/10/2018	Menifee Union SD	CFD No. 2011-1 IA 3	Special Tax Bonds	\$17,580,000.00	30 Years
5/30/2018	Menifee Union SD	CFD No. 2003-2	Special Tax Bonds	\$3,095,000.00	30 Years
6/28/2018	Alvord USD	CFD No. 2006-1	Special Tax Bonds	\$7,430,000.00	19 Years
7/24/2018	Eastside Union SD	CFD No. 2006-1	Special Tax Bonds	\$3,495,000.00	30 Years
7/31/2018	Victor ESD	CFD No. 2005-1	Special Tax Bonds	\$14,250,000.00	28 Years
8/30/2018	Menifee Union SD	CFD No. 2016-1 IA A	Special Tax Bonds	\$5,750,000.00	30 Years
9/20/2018	Menifee Union SD	Public Financing Authority	Lease Revenue Bonds	\$19,680,000.00	30 Years
10/4/2018	Val Verde USD	CFD No. 2014-1	Special Tax Bonds	\$6,900,000.00	30 Years
10/18/2018	San Marcos RDA	PA 3	Pass-Through Tax Revenue Bonds	\$39,815,000.00	21 Years
12/13/2018	Menifee Union SD	CFD No. 2017-1	Special Tax Bonds	\$5,265,000.00	31 Years
12/18/2018	Corona-Norco USD	CFD No. 16-1	Special Tax Bonds	\$13,765,000.00	30 Years
2/7/2019	San Marcos USD	CFD No. 7	Special Tax Bonds	\$7,040,000.00	30 Years
2/28/2019	Victor ESD	CFD No. 2005-2	Special Tax Bonds	\$2,820,000.00	18 Years
5/7/2019	Lake Elsinore USD	Public Financing Authority	Revenue Bonds	\$25,175,000.00	19 Years
6/13/2019	Menifee Union SD	CFD No. 2011-1 IA 4	Special Tax Bonds	\$18,800,000.00	30 Years
7/25/2019	Victor ESD	CFD No. 2004-1	Special Tax Bonds	\$9,075,000.00	15 Years
10/3/2019	Lake Elsinore USD	CFD No. 2006-2 IA B	Special Tax Bonds	\$5,715,000.00	30 Years
10/10/2019	Menifee Union SD	CFD No. 2018-2	Special Tax Bonds	\$7,585,000.00	30 Years
11/7/2019	Menifee Union SD	CFD No. 2014-3	Special Tax Bonds	\$12,635,000.00	30 Years
11/21/2019	San Marcos USD	CFD No. 11	Special Tax Bonds	\$3,415,000.00	30 Years
12/20/2019	Lake Elsinore USD	CFD No. 2017-1 IA A	Special Tax Bonds	\$3,137,249.00	30 Years
3/24/2020	Lake Elsinore USD	CFD No. 2004-1	Special Tax Bonds	\$2,765,000.00	22 Years
3/24/2020	Lake Elsinore USD	CFD No. 2004-3	Special Tax Bonds	\$10,241,000.00	16 Years
3/24/2020	Lake Elsinore USD	CFD No. 2005-1 IA A	Special Tax Bonds	\$9,004,000.00	23 Years
3/24/2020	Lake Elsinore USD	CFD No. 2005-1 IA B	Special Tax Bonds	\$8,943,000.00	23 Years
3/24/2020	Lake Elsinore USD	CFD No. 2005-3	Special Tax Bonds	\$5,239,000.00	16 Years
5/7/2020	Corona-Norco USD	CFD No. 05-1	Special Tax Bonds	\$865,000.00	17 Years
5/7/2020	Corona-Norco USD	CFD No. 04-1	Special Tax Bonds	\$10,830,000.00	17 Years
7/30/2020	Menifee Union SD	CFD No. 2016-1 IA B	Special Tax Bonds	\$2,820,000.00	30 Years

Dated Date	Client Name	Issuance Description	Issuance Type	Par Amount	Bond Length
8/18/2020	Corona-Norco USD	CFD No. 17-1	Special Tax Bonds	\$3,500,000.00	30 Years
10/14/2020	Lake Elsinore USD	CFD No. 2006-2 IA C	Special Tax Bonds	\$12,800,000.00	30 Years
12/3/2020	Menifee Union SD	CFD No. 2006-2	Special Tax Bonds	\$6,805,000.00	24 Years
5/13/2021	Corona-Norco USD	Public Financing Authority	Revenue Bonds	\$35,835,000.00	15 Years
5/13/2021	Corona-Norco USD	CFD No. 98-1	Special Tax Bonds	\$33,975,000.00	13 Years



**dta**  
**Municipal**  
**Solutions**

[www.FinanceDTA.com](http://www.FinanceDTA.com)

**RESPONSE TO REQUEST FOR  
PROPOSALS (RFP)**

**ALTADENA LIBRARY DISTRICT**

**COMMUNITY FACILITIES DISTRICT  
ADMINISTRATION SERVICES**

**PROPOSAL SUBMISSION DEADLINE:**

June 8, 2021, at 5:00 p.m.

Public Finance  
Public-Private Partnerships  
Development Economics  
Clean Energy Bonds

*Newport Beach | San Jose | San Francisco | Riverside  
Dallas | Houston | Raleigh | Tampa*

**ALTADENA LIBRARY DISTRICT**



**COMMUNITY FACILITIES DISTRICT ADMINISTRATION  
SERVICES**

**PROPOSAL SUBMISSION DEADLINE:**

**JUNE 8, 2021, AT 5:00 P.M.**

**Prepared for:**

**Altadena Library District**

**600 East Mariposa Street**

**Altadena, CA 91001**

**Attention: Nikki Winslow, District Director**



June 8, 2021

Ms. Nikki Winslow  
District Director  
Altadena Library District  
600 East Mariposa Street  
Altadena, CA 91001  
Phone: (626) 798-0833 x103  
E-mail: [NWinslow@AltadenaLibrary.org](mailto:NWinslow@AltadenaLibrary.org)

**RE: Request for Proposals ("RFP") for Community Facilities District Administration Services**

Dear Ms. Winslow:

DTA Municipal Solutions, a new California corporation and spin-off from DTA dedicated exclusively to providing public agencies with consulting services related to infrastructure and public services financing, is pleased to submit this proposal to the Altadena Library District (the "District") describing our firm and qualifications for providing Community Facilities District ("CFD") administration services. This work shall include assistance with the issuance of bonds by CFD No. 2020-1 and continuous oversight and analysis of the CFD each year. It is our understanding CFD No. 2020-1 is authorized to issue up to \$24 million in bonds.

As described in greater detail in the attached proposal, DTA Municipal Solutions is a public finance consulting firm with offices in Newport Beach, San Francisco, San Jose, and Riverside, California, as well as Dallas and Houston, Texas, Raleigh, North Carolina, and Tampa, Florida. Since its establishment in 1985, DTA has completed consulting assignments for over 3,000 clients in 10 states. During this period, the firm has been involved in the formation of over 2,000 public finance districts, with total bond authorizations exceeding \$60 billion. In addition to the planning and formation of a variety of types of special districts, DTA has provided annual administration services since its formation for more than 1,200 special districts and municipalities to levy special taxes, special assessments, and various rates and charges on property tax bills. DTA has also been involved in fiscal and economic analyses of land development impacts, project feasibility studies, and economic development studies. DTA has prepared approximately 500 fee justification studies for a variety of public improvements, including water, sewer, and flood control facilities, fire and police stations, parks, libraries, transportation, and other types of infrastructure.

Given our extensive experience in special district formation and administration, we believe our firm is well qualified to provide consulting services for this engagement. DTA's high level of experience in providing financial and administrative services related to special taxes, assessments, and fixed charges has put us in a unique position within the municipal finance industry. Having provided these services for our first special district in 1985, our assessment/special tax formulas have generated revenues to support hundreds of bond issues over the past 35 years, all of which have withstood the test of time. During this period, we have developed a number of assessment/special tax methodologies that have become the standards of our industry. **In addition, DTA is a registered Municipal Advisor with the U.S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board (MSRB ID #K0961).**

DTA's level of experience with levying fixed charges and the formation and issuance of bonds for special financing districts is unequaled as our firm is the State of California's leading Special Tax Consultant, having prepared special tax formulas on behalf of public agencies for the establishment of over 1,200 special financing districts. We take a hands on, detail-oriented approach with an emphasis on accuracy, efficiency, and reliability. Automation is a key component of our services as it aids in the elimination of errors, documentation of procedures, and development of audit trails.

These capabilities are frequently combined with our infrastructure finance consulting services to develop public infrastructure and services financing strategies and plans. Additional information on DTA is available on our website ([www.FinanceDTA.com](http://www.FinanceDTA.com)).

With the formation of DTA Municipal Solutions in 2020, DTA's heritage of expertise enters a new chapter with an even greater focus on the unique financing needs municipalities face with respect to development projects. DTA Municipal Solutions is simply the most experienced and qualified firm for the public sector.

DTA Municipal Solutions has assembled a project team with the breadth of experience required to provide special financing district administration services in a professional and timely manner. **This project would be primarily handled out of DTA Municipal Solutions' Newport Beach office.** Ms. Roess will serve as the Principal-in-Charge of DTA Municipal Solutions' project team and handle primary account responsibilities for this engagement. She would be assisted by Nehal Thumar, a Vice President, in addition to other support staff.

DTA Municipal Solutions shall perform the requested services and has reviewed and understood the elements of the RFP. The firm is willing to enter into a contract under the terms and conditions prescribed by the District's Professional Services Agreement, subject to the requested exceptions noted in Subsection E.2 of Section I.

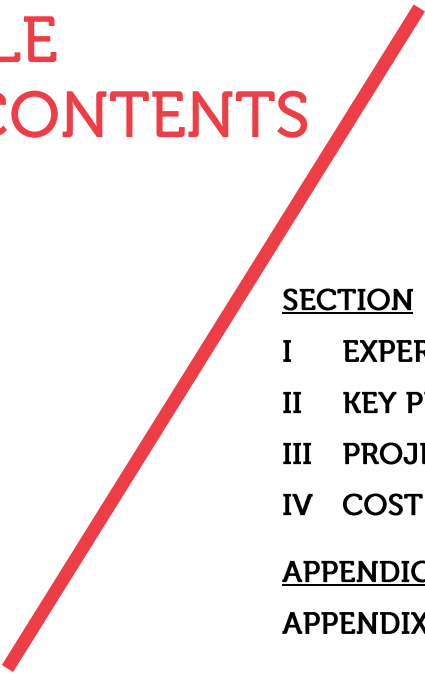
If you have any questions regarding DTA, our team members, or the enclosed proposal, please contact Andrea Roess during the proposal evaluation period at (800) 969-4DTA or by e-mail at [Andrea@FinanceDTA.com](mailto:Andrea@FinanceDTA.com). We look forward to having the opportunity to work with you on this engagement.

Best Regards,

A handwritten signature in cursive script that reads "David Taussig".

David Taussig  
President  
Phone: (800) 969-DTA  
[David@FinanceDTA.com](mailto:David@FinanceDTA.com)

# TABLE OF CONTENTS



<u>SECTION</u>	<u>PAGE</u>
I EXPERIENCE .....	1
II KEY PERSONNEL.....	14
III PROJECT UNDERSTANDING .....	17
IV COST SECTION.....	21
<u>APPENDICES</u>	
APPENDIX A	COST SHEET

## I EXPERIENCE

### A Firm Profile

DTA Municipal Solutions, a new California corporation and spin-off from DTA dedicated exclusively to providing public agencies with consulting services related to infrastructure and public services financing, is pleased to submit this proposal to the District describing our firm and qualifications for providing CFD administration services. This work shall include assistance with the issuance of bonds by CFD No. 2020-1 and continuous oversight and analysis of the CFD each year. It is our understanding CFD No. 2020-1 is authorized to issue up to \$24 million in bonds.

DTA is a public finance and urban economics consulting firm specializing in infrastructure and public services finance. Our firm, which provides public finance consulting services to both public and private sector clients, has offices in Newport Beach, San Francisco, San Jose, and Riverside, California, as well as Dallas and Houston, Texas, Raleigh, North Carolina, and Tampa, Florida. DTA was incorporated in the State of California on May 15, 1986, and has been doing business for 35 years. Since its formation in 1985, DTA has assisted over 3,000 public and private sector clients in meeting their infrastructure and public services goals. Additional information on DTA is available on our website ([www.FinanceDTA.com](http://www.FinanceDTA.com)).

DTA was incorporated in the State of California on May 15, 1986, and has been providing special tax and assessment formation and administration services for 35 years. The corporation has two officers, specifically David Taussig, President, and Cecily Burke, Vice President, both of whom are authorized to bind the firm. DTA does not hold controlling or financial interests in any other organization and is not owned or controlled by another person or organization. DTA's management personnel consists of four principals identified as David Taussig, President, Andrea Roess, Managing Director, Nathan Perez, Esq., Managing Director, and Kuda Wekwete, Managing Director.

DTA Municipal Solutions has assembled a project team with the breadth of experience needed to assist the District on this engagement. **This project would be primarily handled out of DTA Municipal Solutions' Newport Beach office located at 5000 Birch Street, Suite 3000, Newport Beach, CA 92660.** Andrea Roess, a Managing Director, will serve as the Principal-in-Charge of DTA Municipal Solutions' project team and handle primary account responsibilities for this engagement. Ms. Roess would serve as the day-to-day contact for the District and will be assisted by Nehal Thumar, a Vice President, in addition to other support staff. All staff members are available by phone at (800) 969-4DTA.

Both Ms. Roess and Mr. Thumar also hold Series 50 licenses as registered Municipal Advisors with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010. Brief resumes for each of our team members are included in Section II of this proposal. All personnel will be available full-time (100%) for the duration of the project.

DTA is particularly known for its specialized expertise in the design and annual administration of Assessment Districts ("ADs") and CFDs, levies of a variety of rates and

charges, and issuance of municipal bond issues. In addition, the firm's public finance group provides fiscal and economic impact and Development Impact Fee ("DIF") consulting services and is experienced in grant writing for Federal and state funding and tax credit programs. All these capabilities are frequently combined with our infrastructure finance consulting services to develop public infrastructure and services financing strategies and plans.

DTA currently has a staff of approximately 50 employees, all of whom are directly involved solely in public finance. Staff members come from backgrounds in a number of fields, including land development, public administration, civil engineering, investment banking, economic consulting, redevelopment, law, and land use planning. This diversity of experience and expertise allows DTA to meet a wide variety of challenges related to both the actual work product and client management. Each of DTA's staff members has considerable experience in computer-based financial analyses and modeling, which is a key component of the firm's consulting services. This fact ensures that the review and development of any computer model(s) will be in experienced hands. **In addition, DTA is a registered Municipal Advisor with the SEC/MSRB (MSRB No. 867-01160) and follows all the fiduciary requirements associated with this designation.**

Since its establishment in 1985, DTA has completed consulting assignments for more than 3,000 clients in 10 states. During this period, the firm has been involved in the formation of more than 2,000 public finance districts, with total authorized bonded indebtedness in excess of \$60 billion. Our financing programs have utilized a variety of public financing mechanisms, such as ADs, CFDs, Certificates of Participation, Tax Allocation Bonds, Sewer and Water Revenue Bonds, Marks-Roos Bond Pools, Lighting and Landscape Districts ("LLDs"), Integrated Financing Districts, and various types of fee programs. DTA has served as the Special Tax Consultant and/or Assessment Engineer for numerous cities, counties, water districts, and school districts. For your reference, DTA levied special taxes, assessments, and other charges on more than 3,010,000 Assessor parcels in over 400 districts in fiscal year 2019-20. In addition, we prepared and/or disseminated over 300 Continuing Disclosure Reports in the last 12 months.

DTA's consulting services include:

- Annual administration of special districts;
- Special tax and assessment engineering;
- Public infrastructure and public services financing strategies;
- Property Assessed Clean Energy ("PACE") financing;
- Fiscal and economic impact analyses;
- Proposition ("Prop") 218 and Assembly Bill ("AB") 1600 compliance studies;
- Federal and state grant and loan applications;
- Economic development and revitalization studies; and
- Public improvement construction management services.

On a national basis, DTA has planned and implemented Public Facilities Financing Plans ("PFFPs") that have ranged from the quantitative analysis of a single financing mechanism for an individual facility to the preparation of a comprehensive public financing plan covering multiple facilities and public services through a series of financing mechanisms. We at DTA feel strongly that our financial analyses provide public officials, landowners, and other interested parties with the level of information necessary to make fully informed decisions regarding land use, infrastructure, and public services financing issues. Furthermore, DTA staff has extensive experience working with various stakeholder groups, including public agencies, local residents and businesses, property owner associations, land developers, public finance professionals, local Chambers of Commerce, and other interested parties.

DTA's special tax and assessment formulas, some of which have been in use since 1985, are based on a variety of methodologies that have withstood the test of time and legal scrutiny. Our firm's objective has been to take a balanced approach and utilize innovative and state-of-the-art techniques that enable all parties to receive the maximum benefit from public financing. DTA is aware of and has contributed to the most innovative and creative concepts in land-secured public financing. Our knowledge and experience have enabled us to maximize the capacity of land-secured financing programs while minimizing burdens on homebuyers and other property owners.

DTA has provided public finance consulting services to virtually every major city and urban county in the State of California.

DTA has provided public finance consulting services to virtually every major city and urban county in the State of California. Our city clients are too numerous to list individually but include the Cities of Anaheim, Fresno, Long Beach, Los Angeles, Oceanside, Sacramento, San Diego, San Francisco, and San Jose. Our county clients have included the Counties of Alameda, Butte, Contra Costa, Fresno, Imperial, Los Angeles, Madera, Marin, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, Santa Barbara, Shasta, Sutter, Stanislaus, and Yuba. DTA has also provided public finance consulting services to over 325 school districts, water districts, and fire protection districts throughout California.

## **B CFD Formation/Bond Issuance Qualifications**

DTA is particularly known for our specialized expertise in the design and administration of CFDs and ADs. DTA's level of experience with CFD formations vastly exceeds that of any other consultant. **Our firm was the State's pioneer in the formation of CFDs and is currently the State of California's leading Special Tax Consultant.** DTA's CFD special tax formulas have been utilized in the formation of over 1,200 CFDs and provided debt service coverage for the sale of land-secured bond issues by most of these districts.

Typically, municipalities seek out the services of a Special Tax Consultant to utilize the consultant's specialized qualifications to advise and provide technical assistance to ensure numerical and technical accuracy in the special taxes being charged, develop a legally defensible and equitable distribution of public improvement and/or services costs, and otherwise assist with the structuring and implementation of each special district in a manner consistent with the municipality's stated goals and policy objectives. DTA has the necessary expertise to provide these consulting services by virtue of its professional staff's many years of experience specializing in the formation and administration of special districts. DTA's special district experience takes many forms, as illustrated in the discussion below.

DTA is the State's pioneer in the formation of CFDs and our special tax formulas have been utilized in the formation of over 1,200 CFDs.

- **Broad-Based Experience:** DTA has considerable experience with virtually every CFD/AD scenario imaginable. We have participated in districts with single and multiple property owners, improvement areas or zones, single and multiple series of bonds, escrowed bonds, fixed and variable rate and capital appreciation bonds, and residential and non-residential land uses. DTA has developed apportionment methodologies for the financing of Master Plan capital improvements, local subdivision improvements, public services, and even the undergrounding of existing overhead utilities. We have participated in the formation of land-secured districts containing fewer than 20 dwelling units and those with more than 38,000 dwelling units. Our staff has participated in numerous refundings and restructurings as well. This experience gives us the ability to analyze our clients' needs and match those needs with the financing mechanism that will maximize the capacity of the financing program while minimizing burdens on homebuyers and other property owners. Furthermore, the variety of financing structures for which we have provided these services have given us a perspective and level of skill that is unmatched. DTA's financial consulting services and work products reflect the scrutiny and refinement that can only come through such extensive experience. This experience can be crucial in identifying and resolving issues and helping our clients avoid the pitfalls that we have seen cause problems for other municipalities.

DTA's assessment apportionment methodologies and special tax formulas have been utilized for the sale of hundreds of bond issues and provided the firm with considerable experience working with property owners, public agencies, underwriters, bond counsels, and financial advisors to provide benefit apportionment methods satisfactory to all parties. In the process, DTA has also worked frequently with institutional bond purchasers, all of whom are familiar with the firm and its expertise in the field of assessment engineering and special tax consulting.



- **Legal Knowledge:** Our senior professional staff is not only intimately familiar with the Mello-Roos Community Facilities Act of 1982, Municipal Improvement Act of 1911, Municipal Improvement Act of 1913, Improvement Bond Act of 1915, Landscaping and Lighting Act of 1972, Benefit Assessment Act of 1982, and Prop 218, but also has extensive real-world experience with each of their respective applications. This means that our advice and consulting services are grounded in a true understanding of each law and not merely restatements of industry practices.

DTA has in-house General Counsel to monitor changes to provisions of the Mello-Roos Act and Prop 218 (and related case law).

DTA is committed to providing independent, objective, and unbiased work product. DTA's General Counsel regularly reviews legal opinions, regulations, and statutes that impact or modify the provisions of Prop 218 (and related case law). As such, DTA is committed to providing unbiased

deliverables that reflect the most current developments in public finance and real property law.

- **Innovation:** Having been involved with Mello-Roos consulting since its infancy, DTA has pioneered many of the industry's techniques and standards. In fact, many of our competitors simply copy our work product rather than develop their own. DTA's special assessment and special tax formulas, some of which have been in use since 1985, are based on a variety of methodologies that have withstood the test of time. Our firm's objective has been to take a balanced approach and utilize innovative and state-of-the-art techniques that enable all parties to receive the maximum benefit from public financing. DTA is aware of and has contributed to the most innovative and creative concepts in special district financing. Our knowledge and experience have allowed us to maximize the capacity of land-secured financing programs while minimizing burdens on homebuyers and other property owners. Today, DTA continues to seek innovative solutions and refine our work product to better serve and protect our clients.
- **Adaptability:** Each member of DTA's professional staff has considerable experience in computer-based financial analyses and modeling. This experience gives DTA the ability to adapt and create new models to meet any of the District's changing needs.
- **High-Level Support:** DTA's clients receive high levels of personal attention from senior staff, with a Principal, Senior Vice President, or Vice President always available to meet with public agency staff and other groups. Due to the loyalty of DTA's senior staff, many of whom have worked with us for 20 years or more, DTA is able to offer a level of management expertise that is unequalled throughout the field of assessment/special tax consulting.

## C CFD Administration Qualifications

In addition to being the State of California's leading Special Tax Consultant for the formation of various public financing districts, DTA has also been a State leader in the enrollment and collection of special taxes and assessments for 35 years. Therefore, unlike many consulting firms, we bring a depth of experience that is only achieved by providing consulting services on both the formation and administration of special districts. Furthermore, DTA's ability to retain the vast majority of its senior employees enables our firm to provide management expertise that is without peer in the special tax consulting field. The fact that DTA, unlike other firms, encourages its employees to work on both the formation and administration of special financing districts has provided our staff with a much more comprehensive understanding of the details involved in implementing a successful special financing district.

DTA has been a leader in the enrollment and collection of special taxes for 35 years.

Our staff is extremely knowledgeable with respect to the relevant law governing the enrollment of special taxes and assessments and has helped establish the industry's practices through our participation in various trade groups, such as the California Society of Municipal Finance Officers ("CSMFO"), CASTOFF, and CASH. We are also intimately familiar with County Auditor-Controller, Assessor, Treasurer-Tax Collector, and Recorder practices, which is critical for the successful administration of special districts. DTA fully utilizes all internet resources and our staff regularly accesses Assessor and title company files, as necessary, to establish overlapping debt information and perform other due diligence functions related to special district formation and annual administration.

DTA has been singularly responsible for a majority of the technical innovations that have occurred in the special tax consulting field and many of these innovations are now considered standards in the industry.

Special district administration consulting services provided by DTA include the following:

- **Data Collection:** DTA would meet with District staff to establish and/or review procedures for capturing data (e.g., approved tentative maps, recorded final maps, building permits, and the status of district-funded improvements). District information would be maintained in a relational database with the Assessor's Parcel Number ("APN") as the key field. Changes to the district database would be recorded independently, with actual updates made programmatically to increase accuracy, preserve history, and leave an audit trail. In other words, parcel deletions and additions and building permit information would be recorded in separate files and then programmatically linked to the district database in order to reflect changes.
- **Bond Fund Accountability Analysis:** DTA maintains its own bond account database that allows us to produce management-level Account Activity Reports. This facilitates indenture compliance review and the reconciliation of disbursements, special tax receipts, and investment earnings. In our experience, trust account statements are virtually useless for management purposes. There is simply too much

paper with a 5 to 10-page statement produced for each account each month. DTA rekeys the statement data into a database and is able to run consolidated reports for any time period that show all accounts on a single page. Inconsistencies with the indenture would be communicated to the trustee.

- **Calculation and Enrollment of Special Taxes:** Using the data compiled in the bond fund accountability analysis, DTA would prepare a year-end analysis of the sources and uses of funds. Budgeted revenues and expenditures would be compared to actuals and year-end balances would be estimated. DTA would determine the coming year's CFD expenditures, calculate the special tax rates, and enroll the special taxes with the County of Los Angeles (the "County").
- **Public Information:** DTA would serve as the point of contact for taxpayers and other interested parties. Our professionals can be reached using a toll free "800" number and would respond to telephone inquiries directly and/or in writing, as requested. DTA, upon request, would also visit builder sales offices to verify the accuracy of information provided by sales staff. DTA professional staff is available to conduct training sessions with builder sales staff and realtors to facilitate the disclosure of accurate information.
- **Delinquency Management:** DTA would meet with District staff to review existing and/or establish delinquency management guidelines to ensure appropriate procedures are in place in the event foreclosure action is required and to guarantee compliance with appropriate bond covenants. DTA would review property tax payment data and prepare a report that lists each delinquent parcel and the corresponding amount of delinquent special taxes. Delinquency data would be reviewed after each tax installment due date, at the end of the District's fiscal year, and prior to the initiation of foreclosure proceedings. Delinquency Notices would be mailed in accordance with the established delinquency management procedures.
- **Municipal Disclosure:** DTA would prepare and file the various Disclosure Reports required in connection with CFDs and coordinate with the District's Financial Advisor on an overall municipal bond disclosure program. Disclosure Reports would include the Mello-Roos Yearly Fiscal Status Report that's filed with the California Debt and Investment Advisory Commission ("CDIAC") required pursuant to Section 53359.5 of the Government Code; the Annual Report of Revenues, Expenditures, and Status of Improvements as specified in Government Code Section 50075.3; Periodic Continuing Disclosure Reports required in connection with the issuance of bonds; and the Notice of Special Tax for resale properties pursuant to Section 1102.6b of the Civil Code and Section 53340.2 of the Government Code.
- **Automation Software:** DTA utilizes MuniAnalytics, a proprietary software developed in-house as the most advanced cloud-based software available, for its special tax/assessment administration. This software allows DTA to easily automate the management of district data, including parcels and property ownership, and

calculation of special tax/assessment rates. MuniAnalytics is capable of managing large, complex districts, year after year, while maintaining historical data for audit and compliance purposes. MuniAnalytics leverages a rule-based approach, allowing DTA to model each district's special tax/assessment formula in order to consistently automate the assignment of property classifications and calculation of special tax/assessment rates for individual parcels. In addition to system validations, DTA is able to visually verify the results using detailed summarization screens to show the allocation of tax classifications and combined totals for each class. Extensive reporting and dashboards provide even further visualization of the resulting data that can be easily shared among the team.

With MuniAnalytics, DTA can enforce governance over each phase of the district administration lifecycle. This allows DTA staff to focus on quality and consistency while leveraging technology to ensure process and data compliance.

- **Program Management:** DTA's engineering staff can help to smooth the transition from the design and finance stage to actual construction. DTA's program management services include critical path scheduling, cash flow reporting, value engineering, status reporting, funding assistance, bid solicitation and analyses, contract administration, contract change management, claim resolution, constructability review, utility coordination, schedule analyses, and project coordination.

## D References

DTA has provided annual administration services across the State of California and nationally to hundreds of cities, counties, school districts, and other special districts. For the purposes of this proposal, listed below are five (5) references for municipalities in California to whom we have provided similar annual administration consulting services. These references encompass projects for which we have administered a library charge, and National Pollutant Discharge Elimination System ("NPDES") charge, and other fixed charges, either on a district-wide basis or for individual smaller CFDs. **Notably, we have experience with administering districts of all sizes and unique circumstances.** We encourage you to contact our references to learn firsthand how well DTA staff meets the needs of its clients.

## D.1 County of Orange, CA

Table 1: Reference Information

Location	County of Orange, CA
Client Contact	Suzanne Luster
Title	Deputy Chief Executive Officer/CFO
Address	10 Civic Center Plaza, 3rd Floor, Santa Ana, CA 92701
Phone Number	(714) 834-3362
E-mail Address	<a href="mailto:Suzanne.Luster@OCGov.com">Suzanne.Luster@OCGov.com</a>
Project Dates	1986-Present

DTA assisted the County of Orange with the formation of all the County's special districts since 1994. DTA is currently the Administrator for nine of the County's CFDs, one AD (AD No. 01-1), and one Reassessment District ("RAD" No. 17-1R). There were 15 CFDs for which there was no levy in fiscal year 2019-20 and each year thereafter since bonds recently matured for such CFDs.

The AD and RAD encompass approximately 907 acres of land located in the central coastal portion of the County in an area that was annexed to the City of Newport Beach. The RAD is further broken into four zones. Multiple bond issues have been sold for the ADs, including AD No. 88-1 and AD No. 92-1, since 2003. In addition, fiscal year 2017-18 was the last year of the levy for AD No. 88-1 and AD No. 92-1 since bonds recently matured.

DTA prepares and disseminates Annual Disclosure Reports for the County's CFDs and ADs. In addition, DTA was the Special Tax Consultant to the County in 2014 for the refunding of special tax bonds for three County CFDs in the Ladera Ranch area, totaling \$172,465,000 in special tax refunding bonds. DTA also assisted the County with the sale of refunding bonds for three CFDs in Ladera Ranch, which was completed in January 2018. In addition, DTA worked with the County to facilitate the sale of bonds for three CFDs in the Village of Esencia, including \$90,845,000 for CFD No. 2015-1 in 2015, \$93,110,000 for CFD No. 2016-1 in 2016, and \$76,950,000 for CFD No. 2017-1 in February 2018. DTA assisted with the recent sale of bonds for Improvement Area No. 2 of CFD No. 2017 1, which were issued in August 2020. DTA is also currently assisting the County with the formation of a new CFD for the project known as the Village of Rienda, which will fund both capital facilities and annual services.

DTA has been involved in all CFD bond issues sold by the County since 1986 and retained continuously through a series of extensive RFPs for the past 26 years. For fiscal year 2020-21, DTA enrolled over \$32.7 million in taxes on over 9,300 parcels for the County's CFDs and ADs.

## D.2 Riverside County Flood Control and Water Conservation District, CA

Table 2: Reference Information

Location	Riverside, CA
Client Contact	Richard Boon
Title	Chief of Watershed Protection Division
Address	1995 Market Street, Riverside, CA 92501
Phone Number	(951) 955-1200
E-mail Address	<a href="mailto:RBoon@RivCo.org">RBoon@RivCo.org</a>
Project Dates	February 2020-Present

DTA currently provides annual assessment engineering services related to the Riverside County Flood Control and Water Conservation District's three watershed areas, specifically Santa Ana, Santa Margarita, and Whitewater. As part of our role, DTA performs annual parcel change and land use research. DTA also calculates the annual assessment each year for the three areas. In addition, DTA coordinates the posting of the Final Annual Engineer's Reports at the applicable public agency sites following the approval of the reports by the District Board of Supervisors.

For fiscal year 2020-21, DTA expects to enroll over \$3.5 million in assessments on over 538,000 parcels for the District's ADs.

## D.3 Borrego Water District, CA

Table 3: Reference Information

Location	Borrego Water District, CA
Client Contact	Jessica Clabaugh
Title	Finance Officer
Address	P.O. Box 1870, Borrego Springs, CA 92004
Phone Number	(760) 767-5806
E-mail Address	<a href="mailto:Jessica@BorregoWD.org">Jessica@BorregoWD.org</a>
Project Dates	1995-Present

DTA has served as the Special Tax Consultant to the Borrego Water District since 1995. DTA currently assists the District with the annual administration of CFD No. 2007-1 and four other fixed charges, including a water availability standby charge; a water, sewer, and flood control charge for the area known as ID No. 1; a pest control standby charge; and a water standby charge for the area known as ID No. 3.

For fiscal year 2020-21, DTA enrolled over \$356,000 in taxes for the District's special taxes and charges on the San Diego County tax roll and over \$734,000 in direct bills.

DTA assisted with the formation and sale of bonds for CFD No. 95-1, which was subsequently restructured in 2007 as CFD No. 2007-1. DTA also assisted with the sale of bonds for CFD No. 2007-1, which refunded the prior bonds issued by CFD



No. 95-1. CFD No. 2007-1 includes a majority of the property that was in CFD No. 95-1 and is anticipated to contain 802 residential units and 349 acres of golf course property at build-out. In 2017, DTA assisted with an additional restructuring of the CFD that resulted in a new CFD called CFD No. 2017-1. The existing CFD No. 2007-1 also still remains in place.

**D.4 County of Santa Barbara, CA**

**Table 4: Reference Information**

<b>Location</b>	Santa Barbara, CA
<b>Client Contact</b>	Ryder Bailey
<b>Title</b>	Chief Financial Officer
<b>Address</b>	105 East Anapamu Street, 4th Floor, Santa Barbara, CA 93101
<b>Phone Number</b>	(805) 328-8211
<b>E-mail Address</b>	<a href="mailto:RBailey@Co.Santa-Barbara.CA.US">RBailey@Co.Santa-Barbara.CA.US</a>
<b>Project Dates</b>	2002-Present

DTA has served as the County’s Special Tax Consultant since 2002. DTA assists the County with the annual administration of CFD No. 2002-1 (Orcutt Community Plan), CFD No. 2004-1 (Providence Landing), and CSA No. 3 (Library Special Tax). CFD No. 2002-1 (Orcutt Community Plan) is authorized to levy an annual special tax to finance fire protection and suppression services, police protection services, maintenance of parks, parkways and open spaces, and flood and storm protection services. CFD No. 2004-1 (Providence Landing) is authorized to levy an annual special tax to finance public park maintenance and operation. CSA No. 3 (Library Special Tax) is authorized to levy an annual special tax to finance enhanced library services at the Goleta Library. For fiscal year 2020-21, DTA enrolled over \$1.05 million in special taxes for the County’s CFDs and CSA.

**D.5 County of San Bernardino, CA**

**Table 5: Reference Information**

<b>Location</b>	County of San Bernardino, CA
<b>Contact Name</b>	Donna Shiley
<b>Title</b>	Assessment Technician, Special Districts Department
<b>Address</b>	157 West Fifth Street, 2nd Floor, San Bernardino, CA 92415
<b>Phone Number</b>	(909) 386-8830
<b>E-mail Address</b>	<a href="mailto:Donna.Shiley@SDD.SBCounty.gov">Donna.Shiley@SDD.SBCounty.gov</a>
<b>Project Dates</b>	2002-Present

DTA has served as the County of San Bernardino’s Special Tax Consultant for the past 18 years. In our role as Special Tax Consultant, we have provided special tax consulting services [including the preparation of the Rates and Methods of Apportionment (“RMAs”), CFD Reports, and boundary maps, as well as assistance with annexations] for the formation of the County’s CFDs, including CFD No. 2002-1 (Kaiser Commerce Center), CFD No. 2002-2 (Central Valley FPD - Fire Protection



Services), CFD No. 2003-1 (Citrus Plaza), and CFD No. 2006-1 (Lytle Creek North).

DTA has also served as Special Tax Consultant for all of the County's CFD bond issues, including the sale of multiple special tax bonds from 2010 through September 2018 for Improvement Area Nos. 1-6 of CFD No. 2006-1 (Lytle Creek North).

We have also provided annual administration services for each of the County's CFDs since their formation, including data research and management, the preparation of annual district budgets, the calculation and enrollment of special taxes, the monitoring, reporting, and management/collection of delinquencies, all forms of statutory and continuing disclosure, the provision of public information and responses to property owners, special tax prepayment calculations, and assistance with bond refundings. For fiscal year 2020-21, DTA enrolled over \$7.1 million in CFD special taxes on over 6,900 parcels within the County's CFDs. DTA also prepares the Annual Disclosure Reports for the County's CFDs. This includes overlapping debt and value-to-lien analyses, top taxpayers' tables and debt service coverage tables, and other items as required by the Disclosure Agreements. We were recently rehired for a 5-year term through an RFP process.

## **E Required Statements**

### ***E.1 Status of Litigation***

There are no current, pending, or recent (within the last 5 years) disciplinary actions, administrative proceedings, malpractice claims, or other like proceedings against our firm or any of its personnel relating to the firm's services as a CFD Administrator, nor in the firm's history.

### ***E.2 Requested Contract Exceptions***

DTA Municipal Solutions shall perform the requested services and has reviewed and understood the elements of the RFP. The firm is willing to enter into a contract under the terms and conditions prescribed by the District's Professional Services Agreement, subject to the requested exceptions noted below.<sup>1</sup>

- Addition of the following phrase to the end of Section 11(D), "**Work Product and Intellectual Property Rights**": "Notwithstanding the above, computer software (including without limitation financial models, compilations of formulas and spreadsheet models), prepared by Consultant are Instruments of Service of Consultant and shall remain the property of Consultant. Consultant shall likewise retain all common law, statutory and other reserved rights, including the copyright thereto."

<sup>1</sup> Text with a strikethrough indicates language we are requesting be removed.

- **Section 17, "Indemnification"**

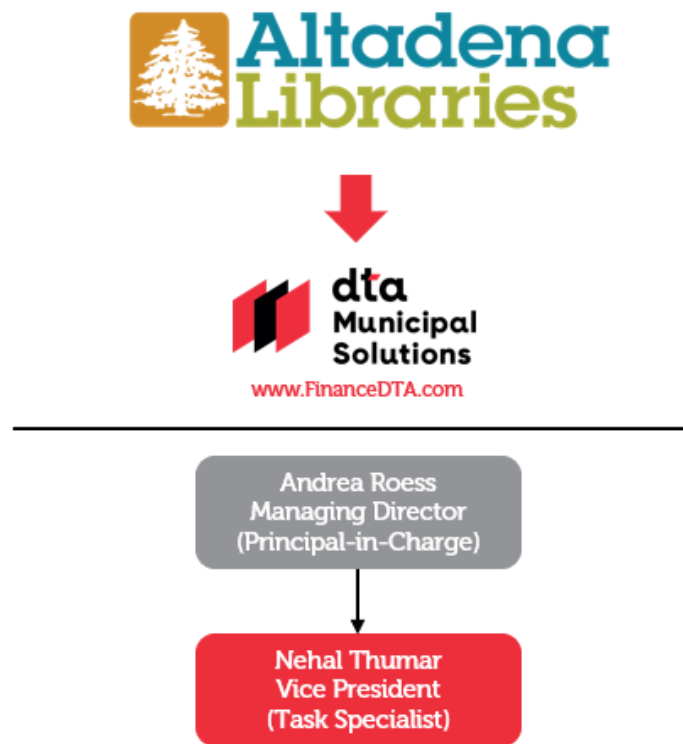
To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by the District), indemnify and hold the District, its elected and appointed officials, officers, employees, agents, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any ~~alleged~~ acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project, or this Agreement, including without limitation the payment of all damages, expert witness fees, attorneys' fees and other related costs and expenses. This indemnification clause excludes Claims arising from the sole negligence or willful misconduct of the District. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, the Board of Trustees, members of the Board of Trustees, its employees, or authorized volunteers. Consultant's indemnification obligation shall survive the expiration or earlier termination of this Agreement.

If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to the extent which the Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant in the performance of the services or this Agreement, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

## II KEY PERSONNEL

DTA Municipal Solutions has assigned personnel to this project who bring experience and technical expertise to each unique element of study. Our team organization is illustrated below. Project roles of our key team members are described below and followed by professional biographies.

Figure 1: Team Organization Chart



DTA Municipal Solutions has assembled a project team with the breadth of experience required to provide special financing district administration services in a professional and timely manner. **This project would be primarily handled out of DTA Municipal Solutions' Newport Beach office.** Ms. Roess will serve as the Principal-in-Charge of DTA Municipal Solutions' project team and handle primary account responsibilities for this engagement. She would be assisted by Nehal Thumar, a Vice President, in addition to other support staff.

Ms. Roess and Mr. Thumar, in addition to other support staff, will prepare CFD data tables for the Preliminary and Final Official Statements, analyze fund balances and prepare annual budgets, determine annual special tax payment status and calculate delinquency rates, and calculate special tax prepayment amounts, as requested.

Key personnel will be available to the extent proposed, or designated by the District, for the duration of the project and no person designated as “key” to the project shall be removed or replaced without the prior written concurrence of the District. In addition, DTA is not behind schedule or past the completion date for any active projects and has a long history of delivering projects on a timely basis and adhering to agreements.

DTA has an enviable reputation for producing high-quality work in a quick and efficient manner to correspond with even the most aggressive project schedule. DTA’s clients also receive high levels of personal attention from senior staff, with a Principal, Senior Vice President, or Vice President always available to meet with public agency staff and other groups.

According to the SEC, as of September 12, 2017 (due to a new regulatory requirement), representatives of Municipal Advisor firms must have earned the Series 50 license in order to engage in municipal advisory activities. DTA managers at the Vice President level and above are Series 50 licensed and therefore duly authorized by the SEC/MSRB to engage in municipal advisory activities.

## A Team Biographies

### Andrea Roess

Managing Director | [Andrea@FinanceDTA.com](mailto:Andrea@FinanceDTA.com)

Project Role – Principal-in-Charge



Since joining DTA in 1992, Ms. Roess has participated in all aspects of the formation and implementation of special finance districts to fund infrastructure and services. She has managed the formation and annual administration of more than 300 land-secured financing districts, including several PACE programs. In addition, Ms. Roess established and manages DTA’s water and sewer practice and is a leader in the development of PACE programs.

Ms. Roess has utilized her computer skills to develop numerous state-of-the art computer models that evaluate cash flows related to funding infrastructure and public services. This ability has enabled her to develop sophisticated bond structuring concepts for CFDs and ADs and complex fiscal impact and fee impact models. She has also prepared hundreds of RMAs for ADs and been involved in the development of escrow release formulas and bond pool financing structures. In addition, Ms. Roess has experience in the preparation of PFFPs, Water/Sewer Revenue Bond analyses, and tax increment analyses. She is also the Project Manager in charge of annual special tax administration for more than 120 financing districts throughout California, Hawaii, and Nevada.

Ms. Roess holds an M.B.A. degree with a concentration in finance from San Francisco State University and a B.A. in psychology/public policy analysis from Pomona College.

Ms. Roess is also active in industry groups, including Women in Public Finance, CSMFO, and many others. In addition, Ms. Roess serves on the Board of Directors for the Association of Women in Water, Energy, and Environment (“AWWEE”) and has participated on numerous panels and workshops related to public financing. She also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.

### **Nehal Thumar**

Vice President | [Nehal@FinanceDTA.com](mailto:Nehal@FinanceDTA.com)

Project Role – Task Specialist

Since joining DTA in 2000, Mr. Thumar has been involved in all aspects of the formation and implementation of numerous Mello-Roos CFDs located throughout California. His responsibilities related to these CFDs have included the preparation of tax spread proforma analyses, RMAs, Public Reports, and overlapping debt analyses. In addition, Mr. Thumar has managed the annual administration of over 25 CFDs in Southern California and prepared due diligence, tax projections, and Disclosure Reports related to land-secured bond issuances for numerous clients in California, Nevada, and Arizona.



Mr. Thumar has also prepared Consultant Reports and tax increment models for numerous Redevelopment Project Areas (“RPAs”) located within the City of San Diego and Fiscal Impact Reports (“FIRs”) for various public agency clients. In addition, he has worked on the preparation of DIF justification studies. His work during the impact fee justification and apportionment analysis process for each respective project has included the preparation of the capital improvement and public facilities needs list(s), fee model development, report writing, data collection, and interactions with city/county staff and key stakeholders.

Mr. Thumar attained an M.B.A. degree with a concentration in finance and a B.A. in economics from the University of Southern California. He also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.

### III PROJECT UNDERSTANDING

DTA Municipal Solutions has assembled an experienced and capable team with expertise in all the requirements of the special district administration services requested by the District. One goal for this project will be to complete all the tasks of the project within the agreed-upon budget and schedule. Time and time again, DTA has proven its ability to adhere to contract agreements and understand the importance of good project management.

Furthermore, DTA's district administration schedule is distributed throughout the year because we have a national practice with deadlines for a significant number of clients at different times of year than for our California clients. This leaves our staff available during the summer, the "crunch" time for CFDs and ADs.

DTA Municipal Solutions makes every effort to ensure that our data collection processes and models are error-free. Having said that, if the data provided to DTA Municipal Solutions from an outside source is inaccurate, then the special taxes may be inaccurate as well. In order to avoid this type of situation as best as possible, DTA Municipal Solutions performs multiple types of queries on the parcel database, including checks on square footages, acreages, Assessor improvement values, and ownership information. These types of checks have identified inaccuracies in the past and allowed us to correct data as early as possible.

In addition, our staff is very experienced in applying the special tax formulas from an RMA to the actual parcel database. We have developed sophisticated programs in which the special tax is calculated and applied in an automated fashion. Variables in our model can be adjusted in real time in order to perform sensitivity analyses at the District's request. Several cost-saving strategies employed for all of DTA's clients are listed below.

- Ensuring the applicable District staff or District Board of Trustees ("Board") has approved the methodology prior to calculating the final special taxes and writing the CFD Administrative Report, so work need not be duplicated;
- Scheduling standing conference calls (i.e., weekly or bi-weekly) with District staff to stay on track with tasks and deliverables; and
- Conducting a comprehensive review, by in-house General Counsel, to ensure compliance with applicable legal codes.

DTA Municipal Solutions utilizes the software application Vision to track project expenditures. This program is always available to DTA Municipal Solutions' employees and provides detailed project information ranging from the execution of the contract to completion of the project. To manage this contract effectively in terms of team performance, schedule compliance, and budget adherence, Ms. Roess will utilize these tools:

- Bi-weekly assignment checklists throughout the life of the contract to ensure each task remains on schedule by proper staffing assignments.
- DTA Municipal Solutions will regularly be in touch via e-mail, telephone, and in-person meetings, as needed.

- Weekly budget review to ensure no budget overruns occur. DTA Municipal Solutions' customized accounting system will enable us to track the expenditures to date each week and ensure budget compliance.
- Regular meetings with District staff to discuss progress and any issues and receive guidance.

Finally, DTA Municipal Solutions will provide independent, objective, and unbiased work product. DTA's General Counsel regularly reviews legal opinions, regulations, and statutes that impact or modify special tax-related case law. DTA Municipal Solutions is committed to providing unbiased deliverables that reflect the most current developments in public finance and real property law.

## **A Distinguishing Qualities**

DTA's client contact and interaction continue beyond the basic deliverables. DTA is a customer and community-centric firm committed to excellence, quality products, and an open and interactive communication environment. We employ these practices in the workplace, in cities, counties, and towns, and with the many clients that we have served for 35 years. DTA realizes that every client, like every person, is a distinct entity best understood and served in a direct and collaborative manner.

DTA serves clients in small towns, medium-sized cities, and larger municipalities. Our service philosophy is three-pronged: we strive to know our customers, understand the communities we're privileged to serve, and always provide the best care, advice, and products. At DTA, we also understand that every project is different, and every outcome is special to our team. Our values of accountability, integrity, and excellence underly all work performed.

### ***A.1 Trust***

DTA has earned the trust of public agencies, bond investors, and other industry participants. Our name is synonymous with quality, accuracy, and responsiveness and our clients understand there is a quantifiable difference to our consulting services that gives us a clear edge over the competition.

### ***A.2 Innovation***

DTA is committed to excellence and innovation, which allows us to attract and retain the most experienced and knowledgeable personnel in the industry. Our work product is simply better and our commitment to our clients' needs is unsurpassed. We have been providing leading-edge annual special tax setting/assessment levy services for 35 years.



### **A.3 Experience**

Since its establishment in 1985, DTA has completed consulting assignments for more than 3,000 clients in 10 states. During this period, the firm has been involved in the formation of more than 2,000 public finance districts, with total authorized bonded indebtedness in excess of \$60 billion. Our financing programs have utilized a variety of public financing mechanisms, such as CFDs, ADs, LLDs, Certificates of Participation, Tax Allocation Bonds, Sewer and Water Revenue Bonds, Marks-Roos Bond Pools, Integrated Financing Districts, and various types of fee programs. **DTA's level of experience with special district formations is unequalled as our firm is the State of California's leading special tax and assessment consultant, having prepared special tax and assessment formulas on behalf of public agencies for the establishment of over 1,200 CFDs, ADs, and LLDs.** DTA also has considerable experience establishing a variety of financing districts and property owner associations for the purpose of funding public service shortfalls created by new development.

### **A.4 Familiarity with the Region**

We administer numerous districts in the County and are intimately familiar with County Auditor-Controller, Assessor, Treasurer Tax Collector, and Recorder practices, which is critical for the successful administration of special districts. Within the Southern California region, DTA Municipal Solutions has offices in Newport Beach and Riverside. Therefore, local staff will be available to assist the District throughout the project process. These staff members are dedicated to working on fee models for a variety of public improvements. Our diverse, multidisciplinary team takes a hands-on, detail-oriented approach with an emphasis on accuracy, efficiency, and reliability. As a result, from unique deadlines to fluid, potentially changing priorities, we are ready to hit the ground running.

## **B Proposed Innovation**

DTA Municipal Solutions utilizes MuniAnalytics, a proprietary software developed in-house as the most advanced cloud-based software available, for its special tax/assessment administration. This software allows DTA Municipal Solutions to easily automate the management of district data, including parcels and property ownership, and calculation of special tax/assessment rates. MuniAnalytics is capable of managing large, complex districts, year after year, while maintaining historical data for audit and compliance purposes. MuniAnalytics leverages a rule-based approach, allowing DTA Municipal Solutions to model each district's special tax/assessment formula in order to consistently automate the assignment of property classifications and calculation of special tax/assessment rates for individual parcels. In addition to system validations, DTA Municipal Solutions is able to visually verify the results using detailed summarization screens to show the allocation of tax classifications and combined totals for each class. Extensive reporting and dashboards provide even further visualization of the resulting data that can be easily shared among the team.

With MuniAnalytics, DTA Municipal Solutions can enforce governance over each phase of a district's administration life cycle. This allows DTA Municipal Solutions staff to focus on quality and consistency while leveraging technology to ensure process and data compliance. These and other advantages are discussed below.

- **Web-Based:** MuniAnalytics is web-based and accessible using a browser anytime and anywhere. Data is encrypted using 128-bit encryption and only available to users with authorization. Authorized users have access to district data and can view district information at any point in a district's administration life cycle.
- **Data Governance:** MuniAnalytics performs data consistency and validation checks for data entered into the system. This ensures the integrity and completeness of all district data. Once a district is established in MuniAnalytics, the data is automatically versioned each fiscal year. This maintains a snapshot in time for past work completed and ensures the current fiscal year is always working with the latest version of the data. Versioning the data also eliminates the need for manual data processing, which is subject to human error and transposition.
- **Process Governance:** MuniAnalytics enforces a consistent process for administering districts. This allows DTA Municipal Solutions staff to focus on quality and customer service. The system guides administrators through a process of calculations and validation steps while providing tools to inspect and verify the quality and consistency of the resulting calculations.
- **Partitioning, Data Isolation, and Integrity:** MuniAnalytics is based on a cloud computing paradigm. Data are stored on highly redundant and encrypted disk arrays. The data for each district is partitioned and versioned. This allows MuniAnalytics to store historical data going back decades that can be searched and recalled instantly using a simple web browser. This data is also available for reporting and trend analyses.
- **Security, Authorization, and Auditing:** The district administration functions of MuniAnalytics are only accessible to authorized users. Every access attempt, whether successful or not, is audited. Once authorized, any changes to district data are also audited. In addition to the versioning capabilities of the system, it is possible to determine who changed what and when.

## C Database Development

DTA Municipal Solutions will utilize parcel data acquired from the County Assessor's office. Data provided by the County shall include APNs valid for the current tax year, land use codes, building square footage, number of units, and other applicable data. If necessary, DTA Municipal Solutions will obtain final tract maps or Assessor parcel maps.

DTA Municipal Solutions shall create an automated parcel database to include all parcels within the CFD using the data mentioned above. DTA Municipal Solutions shall assign the tax class to each parcel and calculate the maximum special tax pursuant to the RMA.

#### IV COST SECTION

The required services shall be performed for a fixed fee pursuant to Tables 6-7 below. This figure represents a maximum amount not to be exceeded, unless otherwise agreed upon by the District. This fee includes out-of-pocket expenses. Out-of-pocket expenses shall include travel, duplication, facsimile, courier, long-distance telephone, and administrative expenses not explicitly covered under the Scope of Work. Fees will be billed at the end of each month according to the professional fee schedule included below.

**Table 6: Estimated Annual Budget**

Task Description	Year One Est. Hours	Year One Fixed Fee	Est. Hours After Year One	Fixed Fee After Year One
Database Setup Fee <sup>1</sup>	45	\$10,000	N/A	N/A
Annual CFD Administration	80	\$17,500	80	\$17,500
Continuing Disclosure Services <sup>2</sup>	9	\$2,000	9	\$2,000
<b>Subtotal</b>	<b>134</b>	<b>\$29,500</b>	<b>89</b>	<b>\$19,500</b>
Out-of-Pocket Expenses <sup>3</sup>	N/A	\$1,500	N/A	\$1,500
<b>Total</b>	<b>134</b>	<b>\$31,000</b>	<b>89</b>	<b>\$21,000</b>

Notes:

1. This is a one-time fee that shall be billed to the District in order for DTA Municipal Solutions to gather and review the applicable formation documents, create the parcel database based on County Assessor data, and import the data into MuniAnalytics.
2. This cost only applies if bonds are issued and disclosure is required.
3. If bonds are to be issued, annual out-of-pocket expenses shall not exceed \$2,000. If no bonds are issued in such fiscal year, out-of-pocket expenses shall not exceed \$1,500.

**Table 7: Maximum Compensation Amounts**

First Bond Issue Size	Fixed Fee
Less than \$5,000,000	\$9,000
\$5,000,001-\$10,000,000	\$9,000 Plus .0020 of the Amount Over \$5,000,000
\$10,000,001+	\$19,000 Plus .0008 of the Amount Over \$10,000,000

DTA Municipal Solutions' professional fee schedule is included below in Table 8. Please note that our hourly rates shall remain fixed for the life of the contract.

**Table 8: Fee Schedule for CFD Administration for Term of Contract**

Labor Category	Hourly Rate				
	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
President/Managing Director	\$290/Hour	\$290/Hour	\$290/Hour	\$290/Hour	\$290/Hour
Senior Vice President	\$260/Hour	\$260/Hour	\$260/Hour	\$260/Hour	\$260/Hour
Vice President	\$240/Hour	\$240/Hour	\$240/Hour	\$240/Hour	\$240/Hour
Senior Manager	\$205/Hour	\$205/Hour	\$205/Hour	\$205/Hour	\$205/Hour
Manager	\$195/Hour	\$195/Hour	\$195/Hour	\$195/Hour	\$195/Hour
Senior Associate	\$185/Hour	\$185/Hour	\$185/Hour	\$185/Hour	\$185/Hour
Associate III	\$175/Hour	\$175/Hour	\$175/Hour	\$175/Hour	\$175/Hour
Associate II	\$165/Hour	\$165/Hour	\$165/Hour	\$165/Hour	\$165/Hour
Associate I	\$150/Hour	\$150/Hour	\$150/Hour	\$150/Hour	\$150/Hour
Research Associate II	\$140/Hour	\$140/Hour	\$140/Hour	\$140/Hour	\$140/Hour
Research Associate I	\$125/Hour	\$125/Hour	\$125/Hour	\$125/Hour	\$125/Hour

DTA Municipal Solutions shall attend coordination meetings with District staff, property owners, County Assessor staff, and other parties, as needed. This task also includes attendance at two (2) District Board meetings and a public hearing at which the levy is presented for approval for each fiscal year. In-person attendance at any meetings shall depend on State guidelines and guidance from the CDC.

DTA Municipal Solutions shall charge up to \$29,500 for CFD administration (including SEC continuing disclosure reporting) for Year One, excluding out-of-pocket expenses. The annual fee for CFD administration and consultant services will be billed in four \$7,375 installments, with invoices submitted by DTA Municipal Solutions to the District on or about the first two weeks of each quarter (a "Quarterly Invoice"). Quarterly Invoices shall be paid by the District within 30 days of the date of each invoice solely from monies on deposit in the administrative expense fund created under the indenture. A 1.2% charge may be imposed against accounts that are not paid within 30 days of the date of each invoice.

**A Limitations**

Attendance at more than two (2) in-person meetings with the District Board, detailed written responses to resolve disputes, or an audit of existing data and information (i.e., CFD boundary, special tax formula, etc.) will be classified as additional consulting services beyond those included in the Scope of Work ("Additional Work") and billed at the hourly rates identified in Table 8. DTA Municipal Solutions will notify the District if Additional Work has been requested by District staff or any other parties before proceeding with Additional Work. Additional Work will be billed at the hourly rates listed above.

DTA Municipal Solutions assumes it will receive from the County Assessor's Office all applicable parcel information related to the CFD, including the current APNs, land use codes, building square footage, number of units, and any other relevant items. If the data obtained from the County Assessor's Office is not complete and supplementary land use research is needed, additional budget may be required to set up data in MuniAnalytics.

# **APPENDIX A**

Request for Proposals (RFP)  
Altadena Library District  
Community Facilities Districts Administration Services



**COST SHEET**

**SECTION VI  
COST SHEET**

**6.0 INTRODUCTION**

Proposer shall complete cost sheet to include all costs, including travel and per diem in accordance with the Scope of Work defined in Section IV. Proposer will submit detailed cost sheets on reimbursable costs, as back up to this summary page; however, total costs must be reflected on this summary page.

**Proposer shall also include a Fee Schedule for additional services that may be requested.**

**6.1 COST FOR SCOPE OF WORK, SECTION IV**

**a. Fee Schedule For CFD Administration Services For Term Of Contract**

Position	Hourly Rate				
	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
Managing Director	\$290/Hour	\$290/Hour	\$290/Hour	\$290/Hour	\$290/Hour
Vice President	\$240/Hour	\$240/Hour	\$240/Hour	\$240/Hour	\$240/Hour

Please refer to the enclosed pages for the complete Fee Schedule.

**b. Identify costs cap as not to exceed.**

Please refer to the enclosed pages for all requested information.

This proposal submitted by: DTA  
 Company Name


Address: 5000 Birch Street, Suite 3000  
Newport Beach, CA 92660

Telephone Number: (800) 969-4DTA

Fax Number: (949) 480-0034

Business License Number: BT00019767

Contact Name: Andrea Roess

Authorized Signature: 



#### IV COST SECTION

The required services shall be performed for a fixed fee pursuant to Tables 6-7 below. This figure represents a maximum amount not to be exceeded, unless otherwise agreed upon by the District. This fee includes out-of-pocket expenses. Out-of-pocket expenses shall include travel, duplication, facsimile, courier, long-distance telephone, and administrative expenses not explicitly covered under the Scope of Work. Fees will be billed at the end of each month according to the professional fee schedule included below.

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**dta**  
**Municipal**  
**Solutions**

[www.FinanceDTA.com](http://www.FinanceDTA.com)

5000 BIRCH STREET, SUITE 3000  
NEWPORT BEACH, CA 92660  
PHONE: (800) 969-4DTA

Public Finance  
Public-Private Partnerships  
Development Economics  
Clean Energy Bonds

Proposal to Provide Professional Services

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**COMMUNITY FACILITIES  
DISTRICT (CFD)  
ADMINISTRATION SERVICES**



June 8, 2021

# Cover Letter



3788 McCray Street  
Riverside, CA 92506  
951.200.8600  
    
webbmfinance.com

June 8, 2021

Nikki Winslow, District Director  
Altadena Library District  
600 E. Mariposa St  
Altadena, CA 91001

**RE: Request for Proposals - Community Facilities District (CFD) Administration Services for the Altadena Library District**

Dear Ms. Winslow:

Webb Municipal Finance, LLC (WMF) is pleased to submit this proposal to provide the Altadena Library District (District) with Community Facilities District (CFD) Administration Services. Our statement of qualifications reflects an experienced technical team who is strong in all consulting services required for your various projects. WMF is confident we can tailor solutions to meet your needs and develop a strong relationship moving forward. WMF's Staff has partnered with counties, cities, water districts, and special districts across California to provide excellent consulting and administration services. We operate as an extension of your staff to become a key resource for the District. WMF has an exemplary understanding of the requirements outlined in your Request for Proposal and can provide the requested services as outlined.

As President/Managing Director and Chief Compliance Officer, I offer my personal commitment to provide Altadena Library District the best resources and services available. If you have the need to talk to me at any time, either before or after your selection decision, please call me at my direct number 951.320.6087, or you can email me at [hschoeppe@webbmfinance.com](mailto:hschoeppe@webbmfinance.com).

## **Quality Assurance**

- Extensive and complete in-house quality assurance procedures
- Tested standardized approach to project management
- Quality control embedded in every stage of project development from kick-off to completion
- Constant communication to ensure all projects have ease of access to WMF services throughout the contract

***No exceptions are taken with RFP.***

Sincerely,

A handwritten signature in blue ink that reads 'Heidi Schoeppe'.

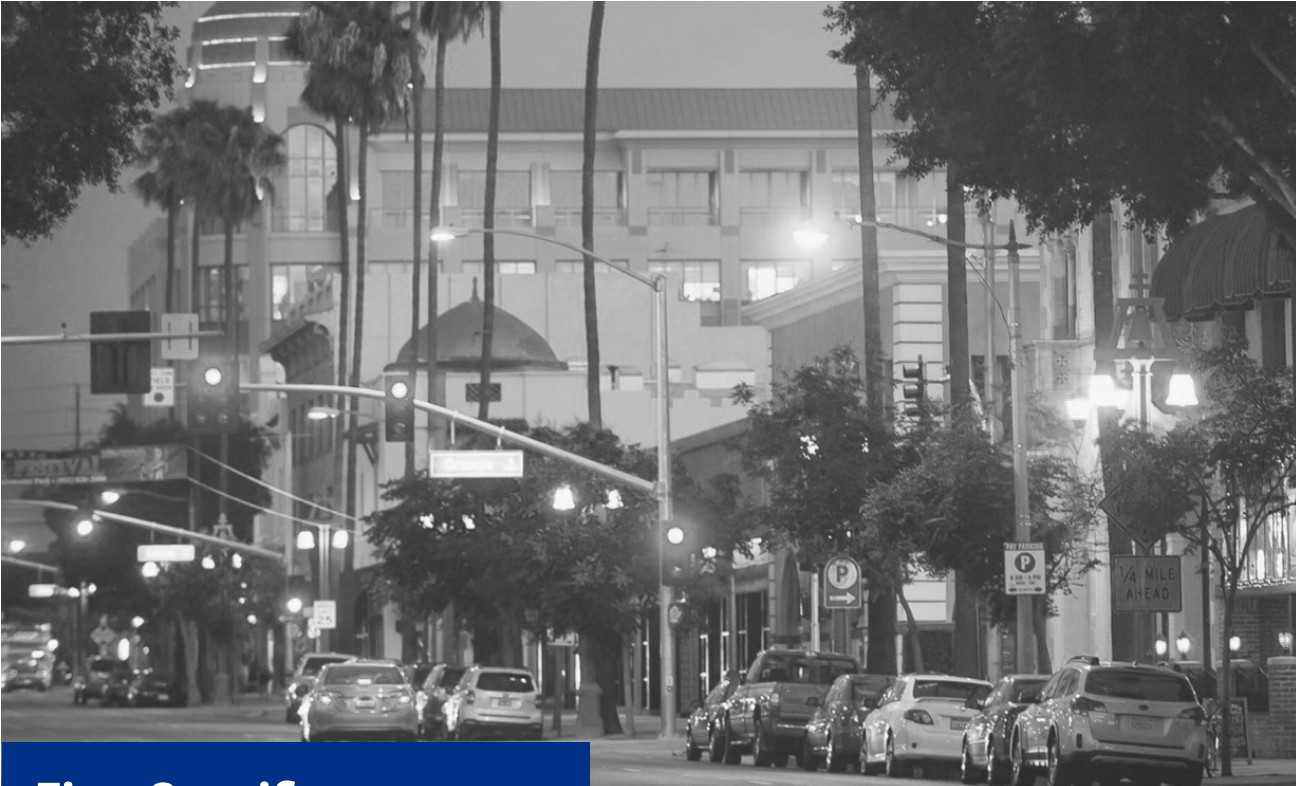
**Heidi Schoeppe** | Registered Principal Municipal Advisor Representative  
President/Managing Director, Chief Compliance Officer  
[hschoeppe@webbmfinance.com](mailto:hschoeppe@webbmfinance.com) | 951.320.6087

# Table of Contents

<b>Section 1. Experience</b>	<b>1</b>
<b>Section 2. Personnel</b>	<b>14</b>
<b>Section 3. Proposer Qualifications</b>	<b>20</b>
<b>Section 4. Total Cost</b>	<b>24</b>



# Section 1. Experience



## Firm Specifics

**Legal Name:**  
Webb Municipal Finance, LLC

**Legal Form:**  
Limited Liability Corporation

**State of Incorporation:**  
California

**Established:**  
January 18, 2018

**MSRB ID:**  
#K1229

**Authorized to Sign (Main Contact):**  
Heidi Schoeppe  
3788 McCray Street  
Riverside, CA 92506  
951.320.6087  
hschoeppe@webbfinance.com  
webbfinance.com

**Webb Municipal Finance, LLC (WMF)**, a Municipal Securities Rulemaking Board (MSRB) Registered Municipal Advisor Firm, offers valuable assessment engineering, special tax consulting, and comprehensive program management of special financing districts on behalf of public agencies.

Our team of 13 associates is comprised of senior level staff, multiple Registered Municipal Advisors Representatives, and experts who have dedicated their careers to assisting communities build the necessary services and infrastructures through special financing districts.

Our robust list of services, proven experience in all areas of municipal finance, and excellent project management approach, coupled with our mission of “integrity in our dealings with clients, staff, public officials, and the public,” is what makes WMF the absolute right choice to provide efficient and fluid management for all projects.

## Active Community Facilities Districts\* | Fiscal Year 2020-2021

CLIENT & CONTACT	BONDED CFDs	SERVICES CFDs	CFD PARCELS	AMOUNT ENROLLED
<b>City of Beaumont</b> Todd Parton, City Manager 951.769.8520 - tparton@beaumontca.gov	38	39	29,597	\$25,802,231
<b>City of Chino</b> Rob Burns, Finance Director 909.334.3262 - rburns@cityofchino.org	23	15	10,738	\$19,495,075
<b>City of Desert Hot Springs</b> Geoffrey Buchheim, Finance Manager 760.329.6411 x227 - gbuchheim@cityofdhs.org	1	27	349	\$783,247
<b>City of Redlands</b> Don Young, Engineering Manager 909.798.7585 - dyoung@cityofredlands.org	13	--	515	\$359,553
<b>City of Rialto</b> Bob Chandler, Interim Director of Finance 909.820.2544 - bchandler@rialto.ca.gov	3	--	403	\$518,448
<b>City of Riverside</b> Heidi Schrader, Debt & Treasury Manager 951.826.3904 x4952 - hschrader@riversideca.gov	6	--	619	\$3,017,294
<b>City of Santee</b> Tim McDermott, Director of Finance/Treasurer 619.258.4100 x143 - tmcdermo@ci.santee.ca.us	3	--	840	\$679,416
<b>City of Temecula</b> Jennifer Hennessy, Finance Director 951.694.6430 - jennifer.hennessy@temeculaca.gov	6	1	7,880	\$8,171,675
<b>City of Tustin</b> Jenny Leisz, Deputy Director - Finance 714.573.3045 - jleisz@tustinca.org	4	6	4,615	\$11,267,069
<b>County of Riverside Executive Office</b> Ivan Chand, Deputy County Executive Officer 951.955.1127 - ichand@rceo.org	6	--	8,469	\$8,975,273
<b>East Orange County Water District</b> Lisa Ohlund, General Manager 714.538.5815, lohlund@eocwd.com	1	--	9	\$47,902
<b>Eastern Municipal Water District</b> Laura Nomura, Deputy General Manager 951.928.6154 - nomral@emwd.org	77	--	17,237	\$19,628,135
<b>Jurupa Community Services District</b> Steven Popelar, CPA, Director of Finance 951.685.7434 x525 - spopelar@jcsd.us	65	54	33,082	\$36,792,802
<b>Town of Yucca Valley</b> Armando Baldizzone, PE, Public Works Director 760.369.6579 x307 - abaldizzone@yucca-valley.org	7	--	112	\$73,720
<b>Total</b>	<b>253</b>	<b>142</b>	<b>114,465</b>	<b>\$135,611,841</b>

\*Includes Improvement Areas and Annexations

# Client List

CLIENT & LOCATION	FISCAL YEARS (FY) OF SERVICE	SERVICES PROVIDED
<p><b>Calaveras County Water District</b>            Rebecca Callen, Administrative Services Director            (209) 754-3102            120 Toma Ct.            San Andreas, CA 95249</p>	FY 2020-21 to Present	<ul style="list-style-type: none"> <li>• Reassessment Services</li> </ul>
<p><b>City of Banning</b>            Art Vela, PE, Public Works Director/City Engineer            951.922.3130            99 E. Ramsey Street            Banning, CA 92220</p>	FY 2019-20 to Present	<ul style="list-style-type: none"> <li>• Proposition 218</li> </ul>
<p><b>City of Beaumont</b>            Todd Parton, City Manager            951.769.8520            550 E. 6th Street            Beaumont, CA 92223</p>	FY 2015-16 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Formation Services</li> <li>• Bond Sales</li> </ul>
<p><b>City of Chino</b>            Rob Burns, Director of Finance            909.334.3262            13220 Central Avenue            Chino, CA 91710</p>	FY 2007-08 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Formation Services</li> <li>• Bond Sales</li> <li>• Annexations</li> </ul>
<p><b>City of Desert Hot Springs</b>            Geoffrey Buchheim, Finance Director            760.329.6411 x227            65-950 Pierson Boulevard            Desert Hot Springs, CA 92240</p>	FY 2010-11 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Annexation Services</li> <li>• Bond Sales</li> <li>• Proposition 218</li> </ul>
<p><b>City of Moreno Valley</b>            Candace Cassel, Special Districts            Division Manager            951.413.3480            14331 Fredrick Street, Suite 2            Moreno Valley, CA 92553</p>	FY 2019-20 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> </ul>
<p><b>City of Norco</b>            Lisette Free, Finance Director            951.270.5652            2870 Clark Avenue            Norco, CA 92860</p>	FY 2016-17 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> </ul>

<b>CLIENT &amp; LOCATION</b>	<b>FISCAL YEARS (FY) OF SERVICE</b>	<b>SERVICES PROVIDED</b>
<p><b>City of Redlands</b> Don Young, Engineering Manager 909.798.7585 35 Cajon Street, Suite 15A Redlands, CA 92373</p>	FY 2004-05 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Annexation Services</li> </ul>
<p><b>City of Rialto</b> Bob Chandler, Interim Director of Finance Phone: 909-820-2544 335 W. Rialto Avenue Rialto, CA 92376</p>	FY 2019-20 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Annexation Services</li> </ul>
<p><b>City of Riverside</b> Heidi Schrader, Debt &amp; Treasury Manager 951.826.3904 x4952 3900 Main Street, 6th Floor Riverside, CA 92522</p>	FY 1992-93 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Formation Services</li> <li>• Annexation Services</li> <li>• Bond Issuance</li> <li>• Program Management</li> </ul>
<p><b>City of Santee</b> Tim McDermott, Director of Finance/Treasurer 619.258.4100 x143 10601 Magnolia Avenue Santee, CA 92071</p>	FY 2012-13 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Formation Services</li> <li>• Annexation Services</li> <li>• Proposition 218</li> </ul>
<p><b>City of Temecula</b> Jennifer Hennessy, Finance Director 951.694.6430 41000 Main Street Temecula, CA 92590</p>	FY 2014-15 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Bond Issuance and Refinancing</li> <li>• Formation Services</li> <li>• Proposition 218</li> </ul>
<p><b>City of Thousand Oaks</b> Jim Taylor, Public Works Senior Engineer 805.449.2458 2100 Thousand Oaks Boulevard Thousand Oaks, CA 91362</p>	FY 2019-20 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Formation Services</li> <li>• Annexation Services</li> </ul>
<p><b>City of Tustin</b> Jenny Leisz, Deputy Director - Finance 714.573.3045 300 Centennial Way Tustin, CA 92780</p>	FY 2013-14 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> </ul>

CLIENT & LOCATION	FISCAL YEARS (FY) OF SERVICE	SERVICES PROVIDED
<b>Coachella Valley Water District</b> Karrie Swaine, Controller 760.398.2661 x2291 75-515 Hovely Lane East Palm Desert, CA 92211	FY 2015-16 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Formation Services</li> </ul>
<b>County of Riverside Executive Office</b> Stephanie Persi, Senior Management Analyst 951.955.1141 4080 Lemon Street, 4th Floor Riverside, CA 92501	FY 1990-91 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Bond Issuances</li> </ul>
<b>Eastern Municipal Water District</b> Laura Nomura, CPA, Deputy General Manager 951.928.6154 2270 Trumble Road Perris, CA 92570	FY 2000-01 to Present	<ul style="list-style-type: none"> <li>• Parcel Audit Services</li> <li>• Program Management Services</li> <li>• Formation Services</li> <li>• Administration Services</li> <li>• Bond Issuance and Refinancing</li> </ul>
<b>East Orange County Water District</b> Lisa Ohlund, General Manager 714.538.5815 185 N. McPherson Road Orange, CA 92869	FY 2018-19 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Formation Services</li> <li>• Bond Issuances</li> </ul>
<b>Edgemont Community Services District</b> Jessica Pfalmer, General Manager 951.784.2632 5055 Canyon Crest Drive Riverside, CA 92507	FY 1980-81 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Annexation Services</li> </ul>
<b>Hi-Desert Water District</b> Johnathan Abadesco, Chief Financial Officer 760.228.6269 55439 29 Palms Highway Yucca Valley, CA 92284	FY 2015-16 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> <li>• Formation Services</li> </ul>
<b>Jurupa Community Services District</b> Steven Popelar, CPA, Director of Finance 951.685.7434 x525 11201 Harrel Street Jurupa Valley, CA 91752	FY 1988-89 to Present	<ul style="list-style-type: none"> <li>• Formation Services</li> <li>• Administration Services</li> <li>• Annexation Services</li> <li>• Bond Issuances</li> </ul>
<b>Town of Yucca Valley</b> Armando Baldizzone, PE, Public Works Director P: (760)-369-6579, Ext. 307 58928 Business Center Drive Yucca Valley, Ca 92284	FY 2018-19 to Present	<ul style="list-style-type: none"> <li>• Administration Services</li> </ul>



# Project Experience



## FORMATION AND ADMINISTRATION SERVICES

**Client:**  
Jurupa Community Services District  
11201 Harrel Street  
Jurupa Valley, CA 91752

**Client Contact:**  
Steven Popelar, CPA  
Director of Finance  
951.685.7434 x525  
spopelar@jcsd.us

**Fiscal Years (FY) of Service:**  
Fiscal Year 1988-1989 to Present

**Project Team:**  
Heidi Schoeppe - PIC  
Charmaine McCarvel - APM  
Brent Howard - Project Analyst  
Nanette Pratini, GISP - GIS

WMF currently performs administrative services for 52 bonded and non-bonded CFDs including 17 annexations, and seven LMDs including 124 annexations. The recent formations of CFDs for JCSD include the design, construction, and acquisition of proposed facilities for JCSD that consist of master plan water system facilities including capacity in existing facilities and sewage treatment and disposal capacity, park and recreation facilities including incidental expenses related to the planning, design, and completion of such facilities, school district facilities that include K-12 public school facility improvements to be owned and operated by the school district, and/or County of Riverside improvements to be owned and operated by the County of Riverside, and/or City of Eastvale Development Impact Fees.

The WMF Team participates in meetings with JCSD personnel either in person or by conference call.

### Formation Services

- Projects the planned build-out scenarios to determine taxing capabilities, taking into consideration any overlapping debt in order to maintain the taxing limits outlined by JCSD’s policies
- Review outline of plans & specifications, collection and review of all data related to the formation and annexation, preparation of the Engineer’s Report including the establishment of general benefit (Assessment Methodology), preparation of assessment diagrams, assessment roll preparation, and assistance in the preparation of the ballots (Proposition 218)



## ADMINISTRATION AND FORMATION SERVICES FOR SPECIAL DISTRICTS

**Client:**  
 City of Riverside  
 3900 Main Street, 6th Floor  
 Riverside, CA 92522

**Client Contact:**  
 Heidi Schrader  
 Debt & Treasury Manager  
 951.826.3904 ext. 4952  
 hschrader@riversideca.gov

**Fiscal Years (FY) of Service:**  
 FY 2000-2001 to Present

**Project Team:**  
 Heidi Schoeppe - PIC  
 Matthew Webb, PE, TE, LLS -  
 EOR  
 Nanette Pratini, GISP - GIS

WMF has been providing formation, bond issuance, and administration services to the City of Riverside since Fiscal Year 2000-2001. We have formed Community Facility Districts (CFD), Assessment Districts (AD), and Landscape Maintenance Districts (LMD). The City's CFDs and ADs provide funding for the construction and acquisition of improvement facilities, as well as maintenance services throughout the City. The types of facilities financed through the use of special districts include roadway improvements, storm drain, water, landscape and irrigation improvements, wall rehabilitation, and street and display lighting. The City's Street Light Assessment District (SLAD) and LMDs provide for the operation and maintenance costs of the City's street lighting and landscaping throughout the entire City.

### Administration Services

- Six Assessment Districts
- Six Community Facilities Districts
- Two Landscape Maintenance Districts
- One Street Light Assessment District
- One City-wide Library Tax
- One Community Service Area

### Formation Services

- Prepared CFD/Engineer's Reports including the outline of the plans & specifications, collection and review of data related to the formation and Rates and Method of Apportionment
- Prepare boundary maps, assessment diagrams, and tax roll preparation

### Bond Issuance and Refinancing

- Research, compile, and analyze appropriate data to generate tables for inclusion in preliminary and final bond offerings
- Review and provide comments to all bond issuance documents and assists in any analysis and presentations for credit ratings





## ADMINISTRATION AND FORMATION SERVICES FOR SPECIAL DISTRICTS

**Client**

County of Riverside  
 4080 Lemon Street, 4th Floor  
 Riverside, CA 92501

**Client Contact:**

Ivan Chand  
 Deputy County Executive Officer  
 951.955.1127  
 ichand@rceo.org

**Calendar Year(s) of Service:**

Fiscal Year 1990-1991 to Present

**Project Team:**

Heidi Schoeppe - PIC  
 Brent Howard - APM  
 Charmaine McCarvel - QA/QC  
 Nanette Pratini, GISP - GIS

Riverside County has relied on WMF’s formation and administration services since Fiscal Year 1990-1991. Our recent projects include the formation of several Community Facilities Districts (CFDs) to finance the county’s Transportation Uniform and Mitigation Fees (TUMF) for highway improvements, widening interstate interchanges, and ramp modifications - improving mobility for tens of thousands of motorists who travel the county’s roadways daily. WMF helped Riverside County form additional CFDs to finance bridge facilities and related components, street improvements including grading, paving, and installation of traffic signals and signage, and purchase land and rights-of-way. WMF also assisted with the formation of CFDs to finance water facilities, sewers, storm drains, street lights, parks, and landscaping.

**Administration Services**

- Data maintenance, annual levy preparation and submission, preparation of an annual levy report, budget analysis, and delinquency monitoring and management
- Bond fund tracking, bond call preparation and services, annual continuing disclosure report preparation, special tax prepayment calculations, and release of lien(s)

**Formation Services**

- Formed four Bonded CFDs for the County
- Refunded five CFDs and one AD for the County
- Prepared 14 CFD Reports for the County, total parcel count 22,642
- Projections of tax revenues to ensure sufficient funds will be generated to meet debt service



## CONSULTING SERVICES FOR SPECIAL DISTRICTS

**Client:**  
City of Chino  
13220 Central Avenue  
Chino, CA 91710

**Client Contact:**  
David McAbee  
Public Works Services Manager  
909.334.3250  
dmcaabee@cityofchino.org

Rob Burns  
Director of Finance  
909.334.3262  
rburns@cityofchino.org

**Fiscal Years (FY) of Service:**  
FY 2007-2008 to Present

**Project Team:**  
Heidi Schoeppe - PIC  
Matt Chesney - PM  
Brent Howard - APM  
Matthew Webb, PE, TE, LLS - EOR  
Nanette Pratini, GISP - GIS

WMF performs full consulting and administrative services for the City of Chino's Community Facilities Districts (CFD) totaling 35, Landscaping Lighting Maintenance Districts (LLMD) totaling 174 zones, and provides consulting for the City's Special Financing Districts. In this role, WMF has performed CFD Formation Consulting Services including tax rate analysis, Rates and Method of Apportionment preparation, infrastructure financing services, and CFD annexation services including feasibility and budget analysis. Additional services provided by WMF include CFD and Assessment District defeasance services, CFD refunding services, and Proposition 218 consulting services for the City's LLMDs.

### Administration Services

- Data maintenance, levy preparation/submission, reserve monitoring, analysis and recommendation for Proposition 218 compliance proceedings, public information services, budget review, and Annual Engineer's Reports preparation

### Formation Services

- Completed five CFD formations
- Provide projections of tax revenues to ensure sufficient funds will be generated to meet debt service
- Prepare and record boundary maps
- Review CFD Reports for facilities/services to be financed and/or maintained

### Bond Issuance

- Eight new money bond issuances and four multiple CFD refinancings
- Provide analysis and data for bond offering and review bond documentation

### Proposition 218 Balloting Proceedings

- Provide assessment ballot proceeding consulting for the City's Lighting and Landscape Maintenance Districts



## FORMATION, DEBT ISSUANCE, ADMINISTRATION, AND PROGRAM MANAGEMENT SERVICES FOR COMMUNITY FACILITIES DISTRICTS

**Client:**  
 Eastern Municipal Water District  
 2270 Trumble Road  
 Perris, CA 92572

**Client Contact:**  
 Laura Nomura, CPA  
 Deputy General Manager  
 951.928.6154  
 nomural@emwd.org

**Fiscal Years (FY) of Service:**  
 FY 2000-2001 to Present

**Project Team:**  
 Heidi Schoeppe - PM  
 Matt Chesney - APM  
 Brent Howard - Analyst  
 Nanette Pratini, GISP - GIS

WMF assumed and seamlessly transitioned the annual administration for all of Eastern Municipal Water District's (EMWD) ADs and CFDs. WMF performed parcel auditing services for all assumed districts and currently provides formation and comprehensive administration services for seven active ADs and 72 active CFDs. WMF has assumed the role of Program Manager for the entire book of EMWD's special financing district work.

### Program Management Services

- Receives and manages all CFD related requests including formation of new CFDs, amending the structure of an existing CFD, Joint Community Facilities Agreement requests, and requests to issue CFD bonds from developers or consultants

### Formation Services

- Prepares the Rate and Method of Apportionment and provides projections of special tax revenues

### Bond Issuance and Refinancing

- Research, compile, and analyze appropriate data to generate tables for inclusion in preliminary and final bond offerings
- Review and provide comments to all bond issuance documents and assists in any analysis and presentations for credit ratings

### Administration Services

- Preparation of annual budgets, levy enrollments, CDIAC, SB165, AB2109, and SB1029 report preparation, special tax prepayment calculations and release of lien(s), public information services, parcel and development status research, and delinquency management





## ANNUAL ADMINISTRATION, FORMATION, AND BOND SALE SUPPORT SERVICES FOR SPECIAL DISTRICTS

**Client**

City of Beaumont Finance  
550 East 6th Street  
Beaumont, CA 92223

**Client Contact:**

Melana Taylor  
Finance Director  
951.769.8520  
mtaylor@ci.beaumont.ca.us

**Calendar Year(s) of Service:**

Fiscal Year 2015-Present

**Project Team:**

Heidi Schoeppe - PM  
Brent Howard - APM

WMF currently provides special tax consulting and annual administration services for the City. These services include the annual administration of 77 CFDs which included special taxes comprising the City's CFD program which includes multiple Improvement Areas under CFD No. 93-1, and four new CFDs which WMF assisted in the formation of. The new CFDs include CFD No. 2016-1, CFD No. 2016-2, CFD No. 2016-3, and CFD No. 2016-4. WMF has also been a vital resource to the City in researching the historical documents and related files serving to bridge the gap of the previous City Staff which held all industry knowledge and historical background of the City's CFD program. Our project team has spent nearly three years becoming CFD subject experts for the City's Staff, Council, and the community. During our engagement, WMF has assisted in multiple projects and tasks which were out-of-scope to our contract of services. Illustrating our commitment to client service, WMF completed these numerous tasks without fail. The following are some examples of the types of activities WMF assisted in and completed:

**Project Highlights**

- Identified and Corrected Several Prior CFD Administration Deficiencies Ensuring all CFDs are Administered as Defined in the Formation Documents
- Assistance to the City's Financial Advisor and Other Consultants in Providing CFD Budget Forecasts for the City's Work Out and Reconciliation Projects
- Created a Historical CFD Budget Looking Back 10 Years using Available Records
- Developed and Implemented the City's CFD Maintenance Services Program
- Developed and Implemented the City's First Public Safety Services Program to Provide Funding for Police, Fire, and Paramedic Services
- Ongoing Support to the City's Finance Department Providing Historical and Current CFD Financial Records and Budget Preparation

# Professional Certifications

All services provided by WMF for this project will be performed by and under the direction of Professional Municipal Advisory Representatives. The following list shows our professional certifications currently held by the firm and staff who will perform the work as required herein. A copy of our business license and staff registrations have also been provided in this section.

<b>NAME &amp; PROJECT ROLE</b>	<b>REGISTRATION &amp; NUMBER</b>
<b>Webb Municipal Finance, LLC</b>	MSRB - Registered Municipal Advisor Firm, #K1229
<b>Heidi Schoeppe, Principal-in-Charge</b>	Registered Principal Municipal Advisor Representative
<b>Matt Chesney, Project Manager</b>	Registered Principal Municipal Advisor Representative
<b>Brent Howard, Project Analyst</b>	Registered Municipal Advisor Representative

## Claims and Litigation

***WMF does not have any pending litigations that would impede our performance on the District's projects.***

WMF has not had any claims or disciplinary action taken against the company or company key personnel within the past five years.

WMF is a financially secure California corporation. We assure our clients we have the financial resources and organizational capabilities to conduct and complete the required services in a proficient and professional manner.

## Section 2. Personnel

Knowledge, experience, and responsiveness are key elements of a strong team required to exceed the District's goals and expectations for this project. WMF's Team of professionals will deliver these key elements. We are experts in the area of California Code and with a collaborative effort, we are able to provide progressive solutions in concert with all laws and regulations within the industry. Our approach fosters relationship-building with your staff, allows for ease in discussion of any potential issues that may arise, and immediately provides quick resolutions. This improves overall project management, reduces the opportunity for mistakes and delays, and allows our staff to provide effective and efficient services. All WMF Key Team Members (identified below) are involved in every project and are available for comments, questions, and discussions at any frequency as requested. No key personnel will be substituted without the District's consent.

### Organizational Chart

**Office of Performance:**  
3788 McCray Street  
Riverside, CA 92506



|  
**Principal-in-Charge**

**Heidi Schoeppe**

President/Managing Director & Chief Compliance Officer

Years of Experience: 16

|  
**Project Manager**

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**Matt Chesney**

Finance Manager

Years of Experience: 7

|  
**Project Support**

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Assistant Project Manager

**Brent Howard**

Senior Finance Associate

Years of Experience: 5



## Personnel Resumes



### HEIDI SCHOEPPE

REGISTERED PRINCIPAL MUNICIPAL ADVISOR REPRESENTATIVE

Heidi Schoeppe is a leader in the development of innovative solutions for the formation and administration of special financing districts for municipalities throughout California.

Due to her technical skills and sound approach, Heidi serves as a professional resource to her clients, associates, and finance teams. Informing clients on proposed and enacted legislation and being called upon as an expert consultant to financing teams allows her the opportunity to provide her clients and team with the most up-to-date information in the field of special financing districts, with a focus on the needs of her clients and their constituents.

With over 16 years in the field, Heidi has managed infrastructure and services special financing district formations and has executed numerous bond financing and refinancing projects totaling more than \$750M in debt issuance, providing significant savings to her clients and their constituents. Heidi has authored disclosure, debt, and land secured special financing district policies, staying in front of legislative updates to ensure her clients are receiving sound advice. Heidi specializes in providing full program management, administration, annexation, district auditing, constituent relations, and consulting services including the 1982 Mello-Roos Community Facilities Act, Proposition 218, Landscaping and Lighting Act of 1972, Municipal Improvement Act of 1913, Improvement Bond Act of 1915, and Benefit Assessment Act of 1982.

**Title:**  
President/Managing Director  
Chief Compliance Officer

**Classification:**  
Principal II

**Years of Experience:**  
16 Years

**Education:**  
MS, Finance  
San Diego State University

BS, Business Administration  
California State University, San  
Marcos

**Affiliations:**  
California Society of Municipal  
Finance Officers  
(Advisor for Professional Standards &  
Recognition Committee)

Government Finance Officers  
Association  
(Member of Planning Committee for  
Woman's Public Finance Network)

Women in Public Finance

Committee on Assessments,  
Special Taxes & Other Financing  
Facilities California Special  
District Association

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**Formation, Debt Issuance, Administration, & Program Management Services for Special Financing Districts, Jurupa Community Services District (JCSD)** - Heidi serves as the Principal-in-Charge and Project Manager for JCSD providing oversight for 53 bonded and non-bonded Community Facility Districts (CFDs) and seven Landscaping Maintenance Districts (LMDs) with 124 Zones.

In her nearly 15-year tenure working with JCSD, Heidi has provided formation, bond issuance and full program management and administration which includes the preparation of Annual Disclosure, CDIAC, SB 165, and AB 2109 reports, annexations, district audits, constituent relations, and consulting services including Proposition 218, 1972 Act Landscaping and Lighting Maintenance Districts, and Community Facilities Districts. She has also assisted JCSD with Special Projects such as general fund revenues analysis, street lighting audits, and analysis of the allocation of maintenance revenues.

## HEIDI SCHOEPPE

REGISTERED PRINCIPAL MUNICIPAL ADVISOR REPRESENTATIVE

**Formation, Debt Issuance, Administration, & Program Management Services for Community Facilities Districts, Eastern Municipal Water District (EMWD)** - Heidi serves as the Principal-in-Charge and Program Manager for EMWD and is responsible for the program management of over 72 Community Facilities Districts comprising of 96 separate financing areas. In addition to formation services, debt issuance, and comprehensive administration services for all districts, Heidi and the WMF Team also perform parcel audit services for all newly acquired districts and have taken on the role of Program Manager for EMWD's entire book of CFD and AD work.

**Formation, Debt Issuance, Administration & Consulting Services for Special Districts, City of Chino (City)** Heidi serves as the Principal-in-Charge for the City. She is responsible for the annual administration for all Community Facilities District's, and Landscape and Lighting Maintenance Districts. Services provided in relation to these special financing districts include formation, debt issuance, extensive delinquency management, Proposition 218 consulting services, prepayment calculation and analysis, bond redemption analysis and preparation, annual budget preparation, fund balance analysis, tracking parcel/district development, levy audit map preparation, preparation of Continuing Disclosure and CDIAC Reports, SB 165 Compliance, and various other special projects on an as needed basis.

**Administration & Consulting Services for Special Financing Districts City of Temecula (City)** - Heidi serves as the Principal-in-Charge and Program Manager for the City. She is responsible for the annual administration for all Community Facilities Districts, Assessment Districts, and Community Service Districts. Services provided in relation to these special financing districts include delinquency management, bond redemption analysis and preparation, annual budget preparation, tracking parcel/district development, preparation of Continuing Disclosure and CDIAC Reports, SB 165 Compliance, coordination of arbitrage rebate calculations, Community Facilities District Annexation and formation consulting services, Community Facilities District and Assessment District Defeasance services, and Community Facilities District Refunding services. Services provided for the City also included Proposition 218 services in which Heidi and the WMF Team provided assessment balloting proceedings for the 10 Zones within the City's Community Services Districts.

**Administration and Formation Services for Special Districts, City of Riverside (City)** - Heidi has been serving as Principal-in-Charge (a client since Fiscal Year 2000-2001) providing formation, annexation, bond issuance, and administration services for the City performing formations for Community Facility Districts, Assessment Districts, and Landscaping and Lighting Maintenance Districts (LLMD). The City's CFDs and ADs provide funding for the construction and acquisition of improvement facilities, as well as maintenance services throughout the City. The types of facilities financed through the use of special districts include roadway improvements, storm drain, water, landscape and irrigation improvements, wall rehabilitation, and street and display lighting. The City's Street Light Assessment District (SLAD) and LLMDs provide for the operation and maintenance costs of the City's street lighting and landscaping throughout the entire City.

**Annual Administration, Formation, and Bond Sale Support Services for Special Districts, City of Beaumont (City)** - Heidi currently serves as the Principal-in-Charge for the City where she is responsible for the oversight of the annual administration of the City's 71 CFDs/Improvement Areas as well as the formation of the newest CFDs including CFD Nos. 2016-1, 2016-2, 2016-3, and 2016-4, and the creation of the City's first public safety special tax and the implementation of the City's maintenance services program for the newest CFDs.



## MATT CHESNEY

REGISTERED PRINCIPAL MUNICIPAL ADVISOR REPRESENTATIVE

As a Finance Manager at WMF, Matt Chesney is responsible for providing administration, formation, annexation, and consulting services for hundreds of special financing districts for the Coachella Valley Water District, Eastern Municipal Water District (EMWD), City of Temecula, City of Santee, and County of Riverside. Matt’s attention to detail ensures each special financing district operates smoothly while reducing the burden placed upon public agency staff.

**Project Role:**  
Project Manager

**Title:**  
Finance Manager

**Classification:**  
Associate I

**Years of Experience:**  
7 Years

**Education:**  
BS, Business Administration  
University of California, Riverside

**Affiliations:**  
California Society of Municipal  
Finance Officers

Committee on Assessments,  
Special Taxes & Other Financing  
Facilities

Matt has provided administration, formation, debt issuance, annexation, and consulting services of 1915 Act Assessment Districts, 1982 Mello-Roos Community Facilities Districts Act, and 1972 Act Landscaping and Lighting Maintenance Districts. Matt provides comprehensive special financing district administration services which includes, but is not limited to the preparation of annual budgets, preparation of required annual continuing disclosure, CDIAC, SB 165, and AB 2109 reports and research including parcel changes, building permit issuance, delinquency tracking, and legislative updates affecting municipalities. As Assistant Project Manager for EMWD, Matt is fully engaged with forming new CFDs to fund the construction of sewer and water improvements for new homes. Clients particularly benefit from Matt’s skills in the comprehensive program management of special financing districts. In the case of EMWD, Matt plays an integral role in the operation of the agency’s CFD program from formation to bond sale, all the way through administration and maturity of the bonds. This highly customized service has enabled EMWD to become one of WMF’s largest clients and the largest issuer of land-secured municipal bonds in California.

### Project Experience

**Formation, Annexation, and Administration Services for Special Districts, City of Santee** - Matt serves as the Project Manager for the City of Santee. WMF worked with the City to form an Infrastructure CFD, a Municipal Services CFD and an Annexable Maintenance CFD for which future annexations are anticipated and currently performs full administrative services for the CFD, a municipal services CFD, and three Landscape and Lighting Maintenance Districts (containing a total of 15 zones), and one fire benefit fee parcel tax. Services provided for the City also include successful Proposition 218 balloting proceeding services.

**Formation, Debt Issuance, Administration, and Program Management Services for Community Facilities Districts, Eastern Municipal Water District (EMWD)** - Matt serves as the Assistant Project Manager for EMWD and is responsible for the annual administration of 72 Community

## **MATT CHESNEY**

*REGISTERED PRINCIPAL MUNICIPAL ADVISOR REPRESENTATIVE*

Facilities Districts comprising multiple separate financing areas and seven Assessment Districts. Matt and the WMF Team also perform parcel audit services for all newly assumed districts and have taken on the program management for EMWD's entire book of CFD and AD work.

**Administration and Consulting Services for Special Financing Districts, City of Temecula (City)** - Matt serves as the Assistant Project Manager for the annual administration for six Community Facilities Districts, one Assessment District, three service levels for the Temecula Community Services District, one city-wide parks and lighting tax, and one city-wide recycling/refuse tax for the City. Services provided for the City included bond call calculations, annual budget preparation, parcel change research, annually calculating and submitting assessments and special taxes to the Riverside County Auditor-Controller, delinquency management monitoring and reporting, answering property owner inquiries, preparing GIS levy audit maps for each district to ensure all eligible taxable parcels were applied to the county tax roll, and preparing CDIAAC reports, Annual Continuing Disclosure Reports, and preparing Annual Reports for Assessment Districts and Community Facilities Districts.

**Administration and Formation Services for Special Financing Districts, Coachella Valley Water District (CVWD)** - Matt serves as the Assistant Project Manager providing administration and formation services for CVWD's five Assessment Districts (ADs) and one Community Facilities Districts (CFDs). CVWD's ADs and CFDs finance the construction and acquisition of facilities. Matt and the WMF Team assumed administration for a CVWD AD struggling to satisfy its debt service obligations due to the real estate downturn from 2007 through 2009. After Matt and the team performed our comprehensive parcel audit and delinquency management services, the problematic AD is now capable of satisfying its current and future debt service obligations. While transitioning administration services, WMF performed extensive parcel audit services of all ADs and CFDs to ensure each AD and CFD is administered correctly going forward, including an accurate enrollment.

**Annual Administration, Formation, and Bond Sale Support Services for Special Districts, City of Beaumont (City)** - Matt currently serves as the CFD Project Manager for the City where he is responsible for the oversight of the annual administration of the City's 75 CFDs/Improvement Areas as well as the formation of the newest CFDs including CFD Nos. 2016-1, 2016-2, 2016-3, and 2016-4, the creation of the City's first public safety special tax, and the implementation of the City's maintenance services program for the newest CFDs.



## **BRENT HOWARD**

*REGISTERED MUNICIPAL ADVISOR REPRESENTATIVE*

Brent Howard, a Senior Finance Associate at WMF, offers experience administering special financing districts for municipalities, helping to ensure proper tax levies for important community infrastructure and services. His work includes preparing Engineer's Reports, which help the public clearly see why they are being taxed and help WMF's clients understand how levies will impact their budgets.

**Project Role:**  
Assistant Project Manager

**Title:**  
Senior Finance Associate

**Classification:**  
Assistant IV

**Years of Experience:**  
5 Years

**Education:**  
BS, Business Administration  
University of California, Riverside

**Affiliations:**  
Committee on Assessments,  
Special Taxes & Other Financing  
Facilities California Special  
District Association

A senior level associate with a degree in business administration, Brent's key strengths include analyzing and preparing financial data, and he is experienced in using Microsoft applications to organize information into a standardized format. He leverages his previous experience in a variety of customer service-oriented positions to adapt to changing needs and work effectively as part of the WMF Team.

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### **Project Experience & References**

**Formation, Debt Issuance, Administration, and Program Management Services for Community Facilities Districts, Eastern Municipal Water District (EMWD)** - Brent serves as the Financial Analyst for EMWD and is responsible for the annual administration of financing areas and the program management of 72 Community Facilities Districts, including separate financing areas. Brent and the WMF Team also perform formation of new CFDs, amending the structure of an existing CFD, Joint Community Facilities Agreement requests, and requests to issue CFD bonds from developers or consultants.

**Administration and Formation Services for Special Financing Districts, Coachella Valley Water District (CVWD)** - Brent serves as an Financial Analyst for the WMF Team that recently assumed formation and administration services for all CVWD Assessment Districts (ADs) and Community Facilities Districts (CFDs). CVWD's ADs and CFDs finance the construction and acquisition of facilities. While transitioning administration services, WMF performed extensive parcel audit services of all ADs and CFDs to ensure each AD and CFD is administered correctly going forward, including an accurate enrollment. WMF completed formation of the second CVWD Community Facilities District.



## Section 3. Proposer Qualifications

# Get more than everyday solutions.

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### Your Success.

WMF works to serve as an expert resource for your staff to ensure our clients are aware of and are in compliance with all existing legislature & to *proactively* research & inform our clients of new & potential legislature affecting the administration and other aspects of all special financing districts.

We value our relationships we have with the communities in which we do business and we are equally vested in the success of all our clients. WMF currently provides consulting services to over 20 public agencies.

### Our Solutions.

We are a forward-thinking firm that encourages every associate to look “outside the box” for progressive solutions.

We enthusiastically approach pioneering solutions for our clients by solving clients’ challenges regarding project missteps with an innovative answer to the problem. We are pundits in the area of California Government Code and with a collaborative effort, we are able to provide progressive solutions in concert with all laws and regulations within the industry.

## Scope of Services

The District can be assured of WMF's diligence of staying in compliance with all areas of California Government Code and particularly in the aspects of the scope of services as identified below.

## General Tasks

### Research and Analysis/ Special Tax Consultant for Bond Issue

WMF will gather and research data necessary for the comprehensive administration services of the CFD. The data will be maintained in a parcel database using parcel information from the County Assessor's Office current roll. WMF utilizes WebbSTAR™, to maintain a comprehensive database of the District's parcel information for the special districts in a form such that the annual levy submission to Los Angeles County follows the guidelines as outlined in the County's fixed charge submission packet. WebbSTAR™ maintains all data related to individual parcels including special tax and assessment information, building square footage, acreage, land use codes, zones, dwelling units, EDU values, property owner information, including situs address. WebbSTAR™ also provides a regularly updated delinquency history, current property ownership information, assessed valuation information, and much more.

### Bond Issuance

WMF will hold a Kickoff Meeting to establish lines of communication and gain understanding of the specific goals, components and criteria to meet the District's needs. WMF will meet with the District's Staff, legal counsel, team of consultants and project proponents to confirm the CFD's schedule of events, procedural and financial considerations. WMF will obtain data necessary to provide comprehensive data for inclusion in the Official Statement, including the latest assessor's parcel maps and equalized tax roll information from the Los Angeles County Assessor's Office for the parcels within the proposed District, and Geographic Information System (GIS) shape files for our in-house GIS platform. WMF will prepare and provide final calculation to the finance team for inclusion in the Preliminary Official Statement (POS) and Official Statement (OS) to include: i) Maximum special tax coverage; ii) Value-to-lien computations; iii) Assessed Valuation; and iv) Special Tax delinquencies, if available. WMF will review the POS, OS and other legal documents as they relate to any items and any tables WMF provides. WMF will prepare a location and area map for inclusion in the POS and OS. WMF will review and sign the Special Tax Consultant Certificate that certifies that the maximum special tax rates are sufficient to meet debt service requirements and coverage ratios for bonds to be issued.



## **Levy Audit Maps**

WMF will generate levy audit maps for the CFD and provide them to the District. These audit maps will depict the current year's levied properties within the CFD through the implementation of our GIS platform in combination with our Special Tax and Assessment Resources Software, WebbSTAR™. This will help to ensure the accuracy in identifying parcel and land use class changes and will provide a summary snapshot of each district.

## **Annual Assessment Preparation**

WMF will obtain the latest assessor's parcel maps and equalized tax roll information from the Los Angeles County Assessor's Office for the parcels within the CFD, and GIS shape files. WMF loads this information to aid in the identification of parcel and land use class changes, which allows for timely calculation of the initial levy submittal and does not rely on rejected submittals from the County to identify these changes. Ensure all building permit information is accurate and updated. WMF will review current debt service schedule, request and analyze fund balances and administrative costs, determine budget increases/decreases/CPI adjustments and prepare annual budgets for District review and approval. WMF will generate assessment rolls that are to be attached to the levy resolutions and ordinances for Board approval. WMF will submit special tax levy to the Los Angeles County Auditor-Controller's office prior to statutory deadline for inclusion on the consolidated property tax bills. WMF will monitor any changes to the secured tax roll which necessitate new or adjusted property tax bills and prepare requests to County to prepare such bills.

## **Delinquency Research, Analysis and Administration**

WMF will review the collection of delinquent special taxes with respect to the foreclosure covenant and/or with the requirements of the bond issue for the CFD. WMF will update delinquency history of the parcels located in the CFD based on payment information obtained from the County property tax system. WMF will determine payment status of parcels in the CFD, following December 10 and April 10 property tax installment delinquency dates. WMF will prepare correspondence to be forwarded by the District to the Auditor-Controller's office for removal of special taxes. WMF will record notices to remove delinquent installments with exhibits. Prepare strip request for Auditor-Controller's office after recordation. Submit parcel information to foreclosure attorney.

## **Annual Disclosure Requirements**

WMF will prepare, for the District's approval, any State and/or Federal Disclosure reporting requirements pertaining to the CFD for reporting to the California Debt and Investment Advisory Commission (CDIAC), if applicable. The reports will include CDIAC Reports (Mello-Roos), Assembly Bill 2109 Reports (Parcel Tax), and Senate Bill 1029 Reports (Annual Debt Transparency), if applicable. WMF will prepare annual and semi-annual reports (as required) which meet the guidelines of the continuing disclosure requirements for the CFD as stated by the continuing disclosure agreement/certificate under SEC Rule 10b-5 and 15c2-12. WMF will provide a link on our company website to the Electronic Municipal Market Access, or EMMA, an electronic information repository system maintained by the Municipal Securities Rulemaking Board (MSRB), which is accessible to all investors on the internet per the Municipalities Continuing Disclosure Cooperation (MCDC) Initiative specified in Rule 15c2-12 under the Securities Exchange Act of 1934. WMF will also transmit to the District for review and submit to EMMA.

## **Other Items As Required**

WMF will serve as the initial and primary contact to the CFD's property owners, title companies, and other interested parties regarding the CFD proceedings and annual installments. A toll-free telephone number, of WMF designation, will appear on the regular property tax bill next to the specific line item to facilitate contact with the public.

**THANKS FOR  
CONSIDERING  
US TO BE YOUR  
PARTNER.**

# Section 4. Total Cost

## Community Facilities District No. 2020-21

District	Fee (Not to Exceed)
Bond Issuance Fee*	\$30,000.00
<b>Total</b>	<b>\$30,000.00</b>

\*Fee reimbursed to District through Cost of Issuance.

Annual Administration Services	Fee (Not to Exceed)
Administration Fee First Year	\$7,500.00
Administration Fee Second Year	\$7,650.00
Administration Fee Third Year	\$7,803.00
Administration Fee Fourth Year	\$7,959.06
Administration Fee Fifth Year	\$8,118.24
<b>Total</b>	<b>\$39,030.30</b>

\*\*Fee reimbursed through annual enrollment.

### Hourly Rates

CLASSIFICATION	Hourly Rates (Fully Burdened)				
	1 <sup>ST</sup> Year	2 <sup>ND</sup> Year	3 <sup>RD</sup> Year	4 <sup>TH</sup> Year	5 <sup>TH</sup> Year
Principal II	\$290.00	\$295.80	\$301.72	\$307.75	\$313.91
Associate I	\$185.00	\$188.70	\$192.47	\$196.32	\$200.25
Assistant IV	\$155.00	\$158.10	\$161.26	\$164.49	\$167.78
Assistant III	\$140.00	\$142.80	\$145.66	\$148.57	\$151.54

# Community Facilities Districts

## Annual Administration Services Project Milestones



WMF = Webb Municipal Finance, LLC • District = Altadena Library District

SCOPE ITEM	TASK & DESCRIPTION	PERFORMANCE DATES
Analysis & Recommendation	<b>Parcel Information Updates</b> - Categorize and classify all property, taxable property or exempt property, and categorize according to the appropriate methodology	April
	<b>Request Balances</b> - Request fund balances as of April 30	June
	<b>Budget Preparation &amp; Review</b> - Review current debt service schedule, analyze fund balances and administrative costs, determine budget increases/decreases/CPI adjustments, and prepare annual budgets for the District's review and approval	April - June
Implementation & Annual Levy Services & Reporting	<b>Submit Annual Levy</b> - Submit levy to the Los Angeles County Auditor-Controller's office prior to the statutory deadline by August 10	July - August
	<b>Annual Levy Corrections</b> - Correct and resubmit levy to the Los Angeles County Auditor-Controller's office prior to the statutory deadline	September
	<b>Annual Levy Reports</b> - Provide Detailed Annual Enrollment Reports for the CFD	<b>November</b>
	<b>Annual Reports</b> - Provide Comprehensive Annual CFD Reports to the District	November
Delinquency Management	<b>Delinquency Management</b> - Review the collection of delinquent special taxes with respect to the foreclosure covenant and/or with the requirements of the bond issue for the CFD	Semi-annual June 1 & February 1
	<b>Delinquency Tracking &amp; Reporting</b> - Determine payment status of parcels in the CFD, following the December 10 and April 10 property tax installment due dates	Semi-annual January & May
	<b>Removal from Rolls</b> - Prepare correspondence to be forwarded to the Auditor-Controller's office for removal of special taxes	As necessary
	<b>Foreclosure Coordination</b> - Prepare documents to submit to the Board of Supervisors, record Notices to Remove Delinquency Installments exhibits, prepare strip request for A/C after recordation, and submit parcel information to foreclosure attorney	As necessary
Disclosure & State Mandated Reporting	<b>Regulatory Disclosure CDIAC</b> - Submit required data to CDIAC Prepare in compliance with Section 53359.5 of Government Code	Due Annually October 30
	<b>Annual Disclosure</b> - Prepare annual continuing disclosure reports in accordance with the Continuing Disclosure Agreement	Annually (as required)

# Community Facilities Districts

## Annual Administration Services Project Milestones Continued



WMF = Webb Municipal Finance, LLC • District = Altadena Library District

SCOPE ITEM	TASK & DESCRIPTION	PERFORMANCE DATES
<b>Disclosure &amp; State Mandated Reporting</b> <i>(Continued)</i>	<b>AB 2109</b> - Assist with preparation of AB 2109 Reporting Requirements	Due annually, no later than January 1
	<b>SB 165</b> - Prepare material in compliance with Section 53411 of the Government Code as stated in SB165	Due annually, no later than January 1
	<b>AB 1666</b> - The District shall display a copy of the report to CDIAC, and a copy of the report to the Controller prominently on their website	Due annually, no later than January 30
<b>Miscellaneous Services</b>	<b>Annual Report</b> - Prepare Annual reports for those Special Districts that do not have a Continuing Disclosure Agreement	Annually (January - May & October)
	<b>Reminder &amp; Demand Letter Notifications</b> - Prepare and mail letters to delinquent property owners (at the District's request)	June - October
	<b>Prepayment/Partial-Prepayment Calculations</b> - Collect data required to calculate prepayment, verify paid/unpaid status, generate prepayment quote, determine use of proceeds, cause to be recorded a revised Notice of Special Tax Lien	As necessary
	<b>Bond Payment Summary</b> - Prepare a summary of transfer of funds necessary to effect semi-annual principal and interest payments for approval by District's Staff	February 10 & August 10
	<b>Payment History</b> - Updated payment history of the parcels located in each district based on payment information obtained from the County property tax system	Monthly Updates
	<b>Bond Calls</b> - Provide notice of any optional or mandatory redemption to be made September 1 or March 1 to Fiscal Agent	As necessary July 1 or December 1
<b>Consulting Services</b>	<b>Bond Sales</b> - Coordinate and analyze data with District Staff, underwriter, bond counsel and general counsel to the District, financial advisor, appraiser, and market absorption consultant to generate an Official Statement to sell bonds for the CFD	As necessary
	<b>Formation</b> - Work with District Staff and developers to establish new CFDs and provide Rates and Methods of Apportionment pursuant to District policies	As necessary
<b>Primary Contact</b>	<b>Public Information Services</b> - Field property owner calls regarding the CFD	Available Year Round



# Altadena Library District

Proposal

## Community Facilities District Administration Services

June 8, 2021



## Cover Letter

June 8, 2021

Ms. Nikki Winslow  
District Director  
Altadena Library District  
600 East Mariposa Street  
Altadena, California 91001

*Electronic Submission via BidNet*

**Re: Proposal to Provide Community Facilities District Administration Services to the Altadena Library District**

Dear Ms. Winslow:

In November 2020, the Altadena Library District (“District”) formed Community Facilities District (CFD) No. 2020-1, which is able to issue up to \$24 million in bonds. Furthermore, in Fiscal Year 2025/2026 service and operational funding can begin. At present the District seeks assistance from a professional consultant to coordinate the annual administration, including bond issuance support and continuing disclosure services. In response to the District’s Request for Proposals (RFP), Willdan Financial Services (“Willdan”) is proud to submit the following proposal, identifying our project knowledge specific to the requested scope of services, as well as the experience and qualifications of proposed staff and the firm.

Willdan possesses the depth of staffing resources and advanced technology necessary to effectively execute the associated volume of work, on time and within budget, with a focus on responsive service to District staff. We are the best partner to assist the District with these important services for the reasons detailed below.

***Willdan’s Primary Focus*** — Since our inception on June 24, 1988, Willdan Financial Services was founded on the premise of providing the services and tasks identified within the RFP at an advanced level of customer support. In fact, our District Administration Services (“DAS”) group has over 30 professionals wholly dedicated to providing ongoing special district administration services. This group ***provides professional consulting services to over 200 agencies located in 4 states within 80 counties, generating over \$770 million in levies on more than 7.1 million parcels.*** Thus, our staff possesses a high-level understanding of the special issues and challenges local government agencies face.

***Similar Project Experience*** — Willdan administered over 300 CFDs in the prior fiscal year. Our staff coordinates with the respective public agency, as well as the respective county Auditor/Controller’s Office, in order to administer their special tax district efficiently and effectively. The Willdan Team proposed herein will be supported by a team of managers, analysts and property owner service representatives, as well as a delinquency management team. Willdan’s property owner service representatives are responsible for responding to telephone inquiries from property owners and other interested parties relating to fees, charges, assessments, and special taxes.

***Tenured Core Team*** — Willdan understands that consistency of staff designated as “key” to a project is vital. Our approach to each engagement involves bringing together a committed core team to be responsive to client needs to form a cohesive and flexible unit. For that reason, we have assembled a project team of subject matter experts to provide a depth of experience and stability to successfully fulfill the demands of this project.



**Technological Innovations** – Considerable resources have been invested in the development and continual enhancement of MuniMagic+<sup>SM</sup>, Willdan’s proprietary software system that maintains parcel data; calculates taxes, assessments, fees and charges; manages delinquency information; preserves bond-related information; and houses district and property information, as well as property owner call logs. This system allows Willdan team members to house, manipulate, and process the data (e.g., secured property tax roll, parcel change database, etc.) used for accurate charge administration and historical recordkeeping in a manner that enables for the delivery of cost effective, efficient and high-quality services. This software also allows us to make your data available via direct Internet access to District staff 24 hours a day, 7 days a week.

In response to the RFP requirements, Willdan intends to perform the services sought by the District and all elements of the RFP have been reviewed and understood. Furthermore, Willdan is willing and able to enter into a contract under the terms and conditions prescribed by the Altadena Library District Professional Services Agreement.

We are confident this submittal clearly demonstrates that Willdan and our proposed staff possess the core competencies, depth of resources, experience, and institutional knowledge required to successfully conduct this engagement. If you wish to discuss any aspect of our submittal, please contact Senior Project Manager Tony Thrasher directly at (951) 587-3530 or via email at [tthrasher@willdan.com](mailto:tthrasher@willdan.com). We look forward to hearing from you.

Sincerely,

Willdan Financial Services



Gladys Medina  
Vice President – Group Manager

## Table of Contents

<b>Cover Letter</b> .....	<b>i</b>
<b>Section I – Experience</b> .....	<b>1</b>
Firm Profile .....	1
District Administration Experience .....	2
Client References .....	2
Role of District Administration Services .....	4
Disciplinary Actions, Administrative Proceedings, Malpractice Claims .....	5
<b>Section II – Personnel</b> .....	<b>6</b>
Resumes .....	6
<b>Section III – Qualifications</b> .....	<b>12</b>
Project Approach .....	12
Scope of Services .....	14
Client Responsibilities .....	15
Subsequent Foreclosure Services .....	16
Client Responsibilities .....	17
<b>Section III – Cost Section</b> .....	<b>19</b>
Delinquency Management Services .....	20
Optional Service – Bond Issuance Support .....	20
Hourly Rates .....	21

## Section I – Experience

### Firm Profile

Willdan Financial Services (“Willdan”) is an operating division within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly owned company (NASDAQ ticker: WLDN). WGI, through its subsidiaries, provides professional technical and consulting services that ensure the quality, value, and security of our nation’s infrastructure, systems, facilities, and environment.

The firm has pursued two primary service objectives since its inception — ensuring the success of its clients and enhancing its surrounding communities. In doing so, Willdan has gained a notable reputation for technical excellence, cost-effectiveness, and client responsiveness in providing superior consulting services. The company's service offerings span a broad set of complementary disciplines that include engineering and planning, energy efficiency and sustainability, and financial and economic consulting. Willdan has crafted this set of integrated services so that, in the face of an evolving environment — whether economic, natural, or built — Willdan can continue to extend the reach and resources of its clients. Today, WGI has over 1,300 employees operating from offices in 26 states.



### Willdan Financial Services

Established on June 24, 1988, Willdan Financial Services (“Willdan”) is a national firm and is one of the largest public sector economic and financial analysis consulting firms in the United States. With office locations in Temecula, CA; Oakland, CA; Orlando, FL; Plano TX; Washington, DC; Phoenix, AZ; and Aurora, CO, we have helped over 1,500 public agencies successfully address a broad range of financial matters.

Willdan assists local public agencies by providing the following services:

- Administration of special taxes, assessments, standby charges, and utility rates;
- District formation services for assessment/local improvement districts, Community Facilities Districts (CFDs), Landscaping and Lighting Districts, and special taxes;
- Arbitrage rebate calculations;
- Continuing disclosure report preparation and dissemination;
- Municipal advisory services;
- Staff augmentation support; and
- Tax increment finance district formation and amendment.

Our staff of over 70 full-time employees supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

Willdan’s success is based on a corporate philosophy of personal service and we provide continuous support throughout the year. We can always be reached should any questions or issues arise. Our standardized procedures and reporting formats ensure consistency within the District Administration, Federal Compliance and Financial Consulting groups and our “team approach” to servicing contracts means that if your assigned analyst is unavailable someone else will contact you without delay.

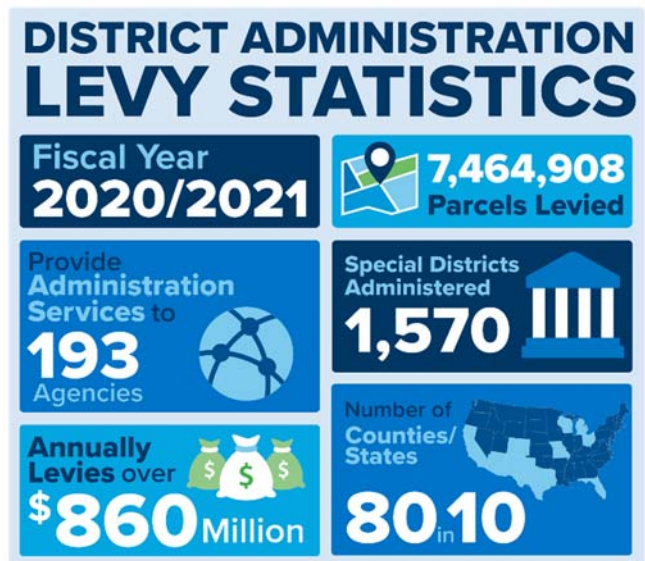
### Contact Information

The table below outlines Willdan’s contact information and our authorized representative.

Contact Information
<p>Willdan Financial Services</p> <p>27368 Via Industria, Ste 200, Temecula, CA 92590</p> <p>Tel #: (951) 587-3500   Toll Free #: (800) 755-6864</p>
Authorized Representative
<p>Senior Project Manager Tony Thrasher</p> <p>Email: <a href="mailto:tthrasher@willdan.com">tthrasher@willdan.com</a>   Tel #: (951) 587-3530</p>

### District Administration Experience

Willdan’s District Administration Services (“DAS”) group addresses the ongoing day to day activities associated with the long-term administration of bonded and “pay-as-you-go” special taxes, assessments, fees, utility rates, and standby charges. These types of services demand accurate, timely and knowledgeable treatment of many details. Subsequently, Willdan focuses on quality control and brings the advantage of current technology and knowledge of recent legislation to our clients. The graphic to the right provides a snapshot of Willdan’s district administration experience specifically for Fiscal Year 2020/2021.



### Client References

Provided below are client references that demonstrate Willdan’s ability to provide CFD administration services. We are proud of our reputation for customer service and encourage you to contact our past clients regarding our commitment to excellence.

### City of Perris, CA

Willdan has worked with the City of Perris for over a decade and possesses an intimate knowledge of the inner workings of their objectives and policies, as well as the history, rationale and modifications that have been incorporated into their CFDs.

Willdan performs the annual administration of the City of Perris’ special districts; 32 CFDs (19,177 parcels), the Flood Control Maintenance District No. 1 (9,952 parcels), and Landscape Maintenance District No. 1 (12,594 parcels). Willdan is responsible for database maintenance, researching parcel changes, and preparing and providing the annual levy of special taxes. The administration of these districts involves the gathering of data related to parcel development and changes, analysis of district funds, as well as arbitrage rebate and continuing disclosure report preparation and dissemination (for the CFDs).

As a result of issues encountered during the economic downturn, Willdan was called on to re-evaluate and in some cases, modify existing CFDs in the City, and review the City’s overall policies and procedures specific to CFD formation. In the case of one CFD, it was necessary to modify the special tax rates and documents to account for the decline in property valuations, and the increase in delinquency, foreclosure, and bankruptcy rates. Willdan team members also worked with the City to incorporate provisions into their policies and new formations based

on these lessons learned. They drew upon our in-depth understanding of how each CFD was established rather than applying a single, global methodology, which could have resulted in incorrect charged amounts to property owners. Finally, in recent years, we have successfully formed, and supported bond issuance for, Community Facilities District 2014-1 (Avelina) and CFD 2017-1 (Green Valley).

Willdan continues to meet regularly with City staff and other City consultants to review CFD approaches and methodologies utilized, and to ensure current best practices and industry accepted approaches are being employed.

**Client Contact:** Ernie Reyna, CPA, Finance Director  
101 North "D" Street, Perris, CA 92570  
Tel #: (951) 943-4610 | Email: [ereyna@cityofperris.org](mailto:ereyna@cityofperris.org)

**Project Dates:** 1997 to present

## City of Yuba City, CA

To ensure accurate placement of over 10,000 parcels on the Sutter County Secured Property Tax Roll, Willdan performs the annual administration for 18 City of Yuba special districts, including 2 Community Facilities Districts; 10 Landscaping and Lighting Districts comprised of multiple zones; and 6 Assessment Districts. Willdan also provides delinquency management and apportionment services. The majority of the work for this engagement involves the gathering and reviewing of data used for updating the parcel database, and ensuring the accuracy of the parcel information and charge amounts.

Willdan's Federal Compliance Group has provided arbitrage rebate and continuing disclosure services to the City for over 20 years.

**Client Contact:** Spencer Morrison, Director of Finance & IT  
1201 Civic Center Boulevard, Yuba City, CA 95993  
Tel #: (530) 822-4615 | Email: [smorriso@yubacity.net](mailto:smorriso@yubacity.net)

**Project Dates:** 2002 to present

## City of Fresno, CA

Since 1999, Willdan has provided special district administration and formation services to the City of Fresno, including annual administration, arbitrage rebate, and continuing disclosure services; which includes the preparation of the annual levy, the tracking of special tax/assessment delinquencies, report preparation, parcel audits, and assessment and special tax apportionment administration. The Willdan team is currently responsible for the annual administration of the City's 9 CFDs, comprised of over 25,000 parcels, and the Landscaping and Lighting Maintenance District No. 1, containing over 14,800 parcels.

Willdan also provides arbitrage rebate and continuing disclosure services to round out the annual administration needs of the City's special districts.

**Client Contact:** Phillip Hardcastle, Principal Accountant – Debt Management  
2600 Fresno Street, Fresno, CA 93721  
Tel #: (559) 621-7029 | Email: [phillip.hardcastle@fresno.gov](mailto:phillip.hardcastle@fresno.gov)

**Project Dates:** 1999 to present

### City of Richmond, CA

Ongoing annual special district Administration Services are provided for the City's special districts, including administration of the City's 1915 Act Assessment District, Landscape Maintenance District, and Community Facilities District. In aggregate, the districts comprise over 3,400 parcels. District administration duties include preparing the annual special tax and assessment levy report, annually calculating and apportioning the special taxes/assessments, maintaining and updating the City's database containing parcel/levy amounts, providing levies to the County Auditor/Controller's Office for placement on the annual property tax roll, fielding property inquiries via our toll free number, monitoring delinquencies, preparing the notice of special tax/assessment, attendance at City meetings, and performing all required bond call spreads.

Willdan's Federal Compliance Group has provided arbitrage rebate and continuing disclosure services to the City for over 20 years.

**Client Contact:** Belinda Brown, Finance Director  
450 Civic Center Plaza, Richmond, CA 94804  
Tel #: (510) 620-6740 | Email: [belinda\\_brown@ci.richmond.ca.us](mailto:belinda_brown@ci.richmond.ca.us)

**Project Dates:** 2003 to present

### City of Orange, CA

Willdan performs the annual administration of the City of Orange's Community Facilities Districts (CFD No.'s 91 2, Serrano Heights and 06-1, Del Rio), three Landscape Maintenance Districts (LMD No.'s 86-2, 94-1 and 15-1), and a Sanitation District. In all, over 5,500 parcels are levied. The work for this project entails the preparation of a levy timeline; review the existing districts' assessment diagrams and budgets; preparation and maintenance of a parcel database; calculation of annual special taxes/assessments; preparation of resolutions; attendance at City meetings, workshops, and/or public hearings; answering questions and phone inquiries as requested by City staff and/or property owners; transferring the levy data to the County Auditor/Controller's Office; reviewing and revising parcel numbers from County's parcel exceptions list; and providing the City with a levy summary.

Willdan's Federal Compliance Group provides arbitrage rebate and continuing disclosure services to the City as well.

**Client Contract:** Will Kolbow, Assistant City Manager, Administrative Services Director  
300 East Chapman Avenue, Orange, CA 92866  
Tel #: (714) 744-2235 | Email: [wkolbow@cityoforange.org](mailto:wkolbow@cityoforange.org)

**Project Dates:** 2003 to present

## Role of District Administration Services

Since our inception, Willdan has provided public agencies the benefit of a comprehensive approach to special district consulting by including district formation, annexation and administration; delinquency management; continuing disclosure; and arbitrage rebate in our service offerings. This multi-service approach allows us to facilitate the flow of information between the different service areas, which creates less of a draw on agency staff time and reduces costs for these services. It also ensures that solutions and approaches provided in one area of work are consistent with overall policies and objectives. For instance, we form special districts with specific features to allow for ease of administration, as well as future annexations of new developments to the district. Finally, methodologies are created in a manner that allows for consistent application of agency policies from project to project. In view of our experience, Willdan is committed to:

- Having highly qualified core staff actively involved in day-to-day operations;
- Providing comprehensive and proactive customer service;



- Interfacing in a friendly and helpful manner with an agency's governing body, staff, community organizations, and the public in general; and
- Staying current on legislation and legal proceedings involving assessments and other types of special districts, particularly issues related to Proposition 26 and 218.

In utilizing our broad range of experience, amassed over three decades from supervising and being at the forefront of innovative approaches to special district formation and administration services within the State of California, our methods and approaches will continue to support the practical requirements of the Altadena Library District's ("District") CFD administration services.

### Licenses / Certifications

The provision of district administration services does not typically require professional licenses or certifications but Willdan has licensed engineers and certified public accountants (CPA) on staff and is a registered municipal advisor.

- The role of Assessment Engineer is fulfilled by Deputy Director Tyrone Peter, PE; Civil Engineer, California No. 81888. Mr. Peter reviews Engineer's Reports prepared in conjunction with assessment districts, as well as shares his technical engineering advise.
- Quality Control Manager Robert Quaid, proposed for the District's team, is a CPA and will ensure the accuracy of the calculations and levy submittal.
- Willdan Financial Services is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). Willdan's Municipal Advisor registration number is 867-02474 and MSRB number is K1261.

### Disciplinary Actions, Administrative Proceedings, Malpractice Claims

Willdan has not been involved in any disciplinary actions, administrative proceedings, malpractice claims or other like proceedings against the firm or any of our personnel relating to district administration services, at present or within the last five years.

## Section II – Personnel

Our management and supervision philosophy for the project team is very simple; staff every position in sufficient numbers with experienced, capable personnel to deliver increased responsiveness and superior work deliverables. With that philosophy in mind, we have selected experienced professionals for this engagement. We are confident that our team possesses the depth of experience that will successfully fulfill the desired work performance.

Senior Project Manager **Tony Thrasher** will serve in the role of **project manager**. He is tasked with managing the project team and working closely with other members on the administration of CFD No. 2020-1. Mr. Thrasher has over 15 years of finance and project management experience.

Mr. **Daniel Louie** will serve as **co-project manager** and provide back-up assistance to Mr. Thrasher and other members of the proposed Willdan team. *This form of team structure will enhance Willdan's ability to provide quality client deliverables and a high level of integrity throughout the duration of this engagement.*

Mr. Thrasher will be assisted by **Analyst Samantha Labitan**, who will be responsible for the day-to-day tasks necessary to carry out the annual administration of the CFD. She will be responsible for creating and maintaining the parcel database, providing the formatted levy data to the County of Los Angeles, researching parcel changes, and responding to property owner inquiries. If necessary, **supplementary analytical support** will be provided by Analyst **Craig Brewer**.

Ancillary support will be provided by Mr. **Robert Quaid, CPA**, who will serve as the **quality control manager**. He has been instrumental in preparing checklists and sign-off mechanisms for Willdan's administration services.

## Resumes

Resumes for the project manager and key team members have been provided on the pages that follow. *Each individual is based from the firm's division headquarters located in Temecula, California.*

## Tony Thrasher

### Senior Project Manager

Mr. Tony Thrasher is proposed to serve in the role of project manager. His daily responsibilities include managing the annual administration of special districts, as well as conducting fiscal analyses for cost allocation plan, user fee and utility rate studies.

Mr. Thrasher previously served as a financial analyst working in bond, equity and mortgage-backed security markets for Wells Fargo Bank, Bank of New York Mellon, and Deutsche Bank. His experience includes portfolio accounting, differential analysis and forecasting.

#### Education

*Bachelor of Science in Economics; California State Polytechnic University, Pomona*

#### Areas of Expertise

*Cost Allocation Plans*

*Fiscal Analysis for User Fees and Rates*

*Landscaping and Lighting Districts*

*Mello-Roos Community Facilities Districts*

*1913/1915 Acts Assessment Districts*

*Utility Rate Studies*

#### 15 Years of Experience

### District Administration Experience

**Community Facilities Districts** – Mr. Thrasher manages and serves as the expert consultant on over 40 Community Facilities Districts for agencies throughout California including: Fresno, Huntington Beach, Orange Unified School District, Richmond, Riverbank, San Leandro, Seal Beach, Truckee Donner Public Utility District and Yuba City.

**1972 Act Landscape and Lighting Districts** – Mr. Thrasher manages and serves as the project manager on over 30 landscape and lighting districts for agencies throughout California including: Chico, Cypress, Fresno, Lemoore, Pico Rivera, Riverbank, San Leandro, Seal Beach, Winters, Yorba Linda and Yuba City.

**Fire Protection Districts** – Mr. Thrasher manages and serves as project manager for seven fire protection districts in California including: Alpine, Bonita Sunnyside, Borrego Springs, Deer Springs, Rancho Santa Fe, Rohnert Park and Stanislaus Consolidated.

**General District Administration** – Mr. Thrasher manages the day-to-day district administration on over 100 districts throughout California. General district administration duties include preparing a comprehensive annual report, calculating and apportioning the special taxes, maintaining and updating an electronic database, submitting levies to the applicable County Auditor/Controller’s Office, researching and resubmitting installment amounts to the county, fielding inquiries via Willdan’s toll-free number, monitoring delinquencies, providing an annual report to CDIAC, preparing Notices of Special Tax, calculating written prepayment quotes for special tax liens, and performing bond call spreads.

### Additional Project Experience

Mr. Thrasher’s administration clients are identified below.

- City of Belvedere, CA
- City of Fresno, CA
- City of Hayward, CA
- City of Huntington Beach, CA
- City of Richmond, CA
- City of Riverbank, CA
- City of San Clemente, CA
- City of Yorba Linda, CA
- Fremont Unified School District, CA
- Marin County Open Space District, CA

## Daniel Louie

### Co-Project Manager

Mr. Daniel Louie has been selected to serve as co-project manager for the administration of CFD No. 2020-1 due to extensive special tax experience. His responsibilities within Willdan’s District Administration Services group entail the administration of Mello-Roos Community Facilities Districts, Landscaping and Lighting Districts, Business Improvement Districts and other types of special districts. He possesses experience creating and maintaining special district databases, preparing annual special taxes, calculating special tax prepayments, assisting with district analysis for refunding purposes, preparing bond calls, analyzing flow of funds, and providing information to property owners. He also has experience annexing parcels to maintenance districts. Mr. Louie is also qualified as a Municipal Advisor Representative (Series 50) and Municipal Advisor Principal (Series 54) by the Municipal Securities Rulemaking Board (MSRB).

Mr. Louie has over 16 years of combined real estate, finance and project management experience. He also possesses experience with Geographic Information System (GIS) software. He can produce boundary maps and perform parcel audits on a client’s behalf utilizing GIS.

### Project Experience

**City of Chino Hills, CA:** Mr. Louie coordinates the annual administration of the City’s CFDs, Landscaping and Lighting Districts and Maintenance Districts. The work involved in this project includes database maintenance, researching parcel changes, and preparing and providing the annual levy of special taxes. In total, Mr. Louie manages the City’s 14 special districts comprised of over 56,000 parcels.

**City of Murrieta, CA:** Mr. Louie annually administers the City’s special districts, which include 30 Landscaping and Lighting District zones, a Community Services District (CSD), a park tax, 2 Assessment Districts, a fire assessment and 14 CFDs; comprised of approximately 35,000 parcels. His responsibilities include maintaining the parcel database(s), gathering data related to parcel development and changes, preparing Engineer’s Reports, preparing and providing the annual levy, analyzing district fund balances and cash flow, monitoring delinquencies, and attending necessary client and Council meetings.

**City of Perris, CA:** Mr. Louie performs the day-to-day tasks associated with the annual administration of the City’s 33 Community Facilities Districts, 1 Lighting District, 1 Landscaping District comprised of 150+ zones, and a Flood Control Maintenance District comprised of 110+ zones. In total, Willdan administers approximately 53,497 parcels on the City’s behalf. His responsibilities include maintaining the parcel database, researching parcel changes, and preparing and submitting the annual levy. He also performs annexations of new development projects into the City’s maintenance districts.

**City of Rancho Mirage, CA:** Mr. Louie oversees the administration of the City’s special taxes and assessments. His responsibilities include the review of the calculation and apportionment of the taxes/assessments, as well as preparing the annual report and “Notice of Special Tax/Assessments.” Altogether, over 73,000 parcels are administered on the City’s behalf.

**City of Stockton, CA:** Mr. Louie oversees the day-to-day tasks associated with the annual administration of the City’s special districts. Comprising an aggregate of over 8,900 parcels, these special districts include 6 CFDs and 9 Local Improvement Districts. His responsibilities include maintaining the parcel database, researching parcel changes, reviewing and providing the annual levy and analyzing district funds.

#### Education

*Master of Business Administration, Management and Strategy, Western Governors University*

*Bachelor of Arts Degree, Economics / Mathematics, Columbia University, New York*

#### Areas of Expertise

*Community Facilities Districts*

*Landscaping and Lighting Districts*

*1913/1915 Act Districts*

*Geographical Information System (GIS) Mapping*

#### Additional Qualifications

*Municipal Advisor Representative (Series 50)*

## Richelle Lane

### Administration Lead

**Education**

*Bachelor of Science in Business Administration (Emphasis in Accounting); California Baptist University*

Ms. Lane serves as an Analyst II within the DAS group. Community Facilities Districts, Local Improvement Districts, Landscape and Lighting Districts, and County Service Areas are some of the special districts she administers.

Ms. Lane assists in the research and analysis required for local government financial issues related to district administration, including document data entry and updating, database management, and research and report preparation. She also provides general information on questions pertaining to assessment districts and special taxes, as well as on the status of property delinquencies.

**Areas of Expertise**

*Landscaping and Lighting Districts*

Furthermore, Ms. Lane is also involved in acquisition auditing services for which she has worked with a number of cities and developers toward the reimbursement of public facilities.

*Mello-Roos Community Facilities Districts*

*1913/1915 Acts Assessment Districts*

Ms. Lane will provides analytical support under the guidance of Mr. Thrasher. Her responsibilities typically include the following: update of Engineer’s Reports, prepare resolutions for Intent Meeting and Public Hearing, input and update of parcel data, research parcel changes, prepare the parcel database, review charge-exempt parcels, prepare applied reports and provide general information on questions relating to the assessments.

*Acquisition Auditing Services*

**10 Years’ Experience**

Ms. Lane came to Willdan with six years of combined finance and accounting experience. Prior to joining Willdan, Ms. Lane worked for the American Red Cross where she held various positions in the areas of financial reporting, accounting and administration of daily operations.

### Project Experience

A listing of Ms. Lane’s clients are provided below.

- City of Belvedere, CA
- City of Chico, CA
- City of Fresno, CA
- City of Lemoore, CA
- City of Redwood City, CA
- City of Seal Beach, CA
- City of South Lake Tahoe, CA
- City of Yorba Linda, CA
- City of Yuba City, CA
- City of Yucaipa, CA
- Deer Springs Fire Protection District, CA
- Marin County Open Space District, CA
- Redwood City School District, CA
- Saddleback Valley School District, CA
- Truckee-Donner Public Utility District, CA
- Stanislaus Consolidated Fire Protection District, CA
- Sunset Beach Sanitary District, CA
- Surfside Colony Community Services District, CA

## Craig Brewer

Senior Project Analyst

### Education

*Bachelor of Science,  
Applied  
Mathematics,  
University of  
California San Diego*

Mr. Craig Brewer is a senior project analyst within Willdan’s District Administration Services group. He is well versed in the annual administration of PACE assessments, as well as Community Facilities, Benefit Assessment and Landscaping and Lighting Districts. He assists in the research and analysis required for local government finance issues related to special district administration, including document data entry and updates, database management, research and report preparation.

### Areas of Expertise

*Assembly Bill 811*

*Landscaping and  
Lighting Districts*

Mr. Brewer’s assigned tasks include input and update of parcel data, research parcel changes, assist in the delinquency management process, prepare applied reports, reconciliations of assessments and servicer instructions while providing general information on questions relating to the special assessments/taxes.

*Benefit Assessment  
Districts*

### Project Experience

*Community Facilities  
Districts*

**City of Cathedral City, CA:** Mr. Brewer provides analytical support specific to the annual administration of the City’s Assessment, Landscaping & Lighting and Community Facility Districts, as well as a Nuisance Abatement charge. His responsibilities include maintaining the parcel database; assisting with the drafting of resolutions and the annual Engineer’s Report; updating and transferring levy data to the County; and researching of exceptions, if necessary.

### 5 Years’ Experience

**San Jacinto Unified School District, CA:** Mr. Brewer serves as an analyst specific to the ongoing annual district administration services for the School District’s 22 Community Facilities Districts (CFDs), comprised of approximately 5,482 parcels. He is responsible for the gathering of data related to parcel development and changes, analyzing district funds, and preparing continuing disclosure data.

**City of Norco, CA:** Provides analytical support for the annual administration of the City’s 3 CFDs, comprised of over 870 parcels. Mr. Brewer is responsible for data gathering, analyzing district funds and submitting the levy to the County for inclusion on the tax rolls.

**City of Pittsburg, CA:** Mr. Brewer is responsible for the daily tasks associated with the annual administration of the City’s 7 assessment districts, comprised of approximately 1,675 parcels. The districts provide funding for local improvements within specific communities located in the City of Pittsburg.

**City of American Canyon, CA:** Mr. Brewer provides analytical support specific to the annual administration of the City’s assessment district, comprised of over 400 parcels.



## Robert (“Bob”) Quaid, CPA

Quality Control Manager

### Education

*Bachelor of Science,  
University of  
Southern California*

### Certification

*Certified Public  
Accountant*

### Areas of Expertise

*Quality Review of  
Community Facilities,  
Lighting and  
Landscaping,  
and Assessment  
Districts*

*Construction Cost  
Audit Services*

### 35 Years of Experience

Mr. Robert Quaid is a Principal Consultant within Willdan’s District Administration Services group providing project management, technical support and quality review for acquisition audit and annual special district administration services. He also provides project management support for Willdan’s Financial Consulting Services group specific to cost allocation plans, user fee studies, and special financial analyses.

Mr. Quaid has been selected to serve in the role of quality control manager due to his extensive experience in the public finance industry. He has been instrumental in preparing quality control checklists and sign-off mechanisms for each of Willdan’s administration services.

With more than 35 years of experience, Mr. Quaid’s Willdan experience has included the formation and annual administration of numerous Community Facilities, Landscape and Lighting, and Assessment Districts. Most notably, he served as project manager for the annual administration of 16 CFDs for Orange County, which annually levied nearly \$20 million in special taxes. Mr. Quaid has also assisted California public agencies in financial recordkeeping, auditing, and special tax collection.

Prior to joining Willdan, Mr. Quaid worked in the private industry of real estate accounting and finance. He began his career with the public accounting firm formerly known as Haskins & Sells (currently known as “Deloitte & Touche”). His experience includes financial statement analyses, asset administration, computer conversion, and reporting to the Securities and Exchange Commission for several public real estate partnerships. Mr. Quaid is a licensed California CPA.

## Section III – Qualifications

### Project Approach

To administer special districts accurately and efficiently on behalf of our clients, Willdan has developed a custom software program, known as MuniMagic+; instituted a quality assurance process; and employs dedicated property owner service representatives that handle and direct all incoming calls received via our toll-free tax line. These innovations are discussed below in greater detail.

### MuniMagic+ Software



Our staff originally created Willdan’s **Municipal Administration Government Information Coordinator — MuniMagic+** — a custom software program to address the specific requirements related to administering taxes, assessments, standby charges and fees more than 20 years ago. This software was designed and tested by the same Willdan staff responsible for handling annual special district tasks, ensuring that it is tuned to the specific needs connected with special district administration and reporting. In addition, the program allows our clients to access parcel information through the Internet with a graphical menu-driven format. With current changes in legislation and new programs focused on Property Assessed Clean Energy (PACE), Willdan IT/Development staff developed an updated web-based version of the original Legacy System, which was rolled out in September 2018.

MuniMagic+ is our secure proprietary web-based data management application, which is hosted in the Cloud utilizing Amazon Web Services (AWS) and contains data for more than 16 million parcels. The web application provides a rich user experience via any modern web browser and can scale under load and recover from geographic disasters. Our data is stored securely and continuously backed up to the Cloud and, with the help of AWS managed services, we experience near 100% system availability. The data within MuniMagic+ includes county assessor data, and other supplementary data identifying parcel characteristics.

Willdan staff utilizes this tool to compute and quality check levies and has expanded our scope to provide agencies with pre-authorized direct access to data contained in MuniMagic+ through our Internet Website at munimagic.com. This access allows licensed agency staff to access parcel-related information, such as Assessor Parcel Number (APN), property owner name, situs and mailing addresses, assessment and tax amounts, and updated payment status.

Our project managers and analysts are fully trained in the nuances of the software, and utilize its internal quality control checklists and automated forms for greater efficiency.

### Quality Assurance Process

Willdan’s standard administration practice includes an additional three levels of review for our products and deliverables in which report presentation or work product dissemination is scrutinized, levy data is updated from the most recent county secured roll information, all parcel changes and potential rejects are researched and reconciled, new APNs are identified, and the proposed assessment/tax amounts are recalculated and resubmitted. As demonstrated by the workflow chart to the right, the three supplementary levels that Willdan staff performs for all work products primarily consist of:



- Peer review;
- Project manager review; and
- Final quality assurance manager review.

In addition, another key to our success is having a designated principal consultant responsible for implementing quality control measures. Mr. Robert Quaid, a Certified Public Accountant, is instrumental in preparing quality control checklists and sign-off mechanisms for each of our administration services. These quality control measures are embedded in the latest evolution of MuniMagic+ and are a required element of the day-to-day analyst and project management activities within the group.

The primary mission of our quality control plan is to provide staff with the technical and managerial expertise to plan, organize, implement, and control the overall quality effort, thereby ensuring the completion of a quality project within the time and budget established. The goals of the Willdan quality assurance / quality control process team are to:

- Establish a set of planned and systematic actions for maintaining a high level of quality in the professional services performed;
- Establish a consistent and uniform approach to the services performed;
- Ensure efficient use of resources;
- Emphasize quality in every phase of work; and
- Implement appropriate quality control measures for each work task of the project.

Willdan’s DAS group has also established a Consulting Project Review Team to review the financial and written documentation prepared in conjunction with special district formation, annexation, re-engineering, refunding and benefit assessment analysis engagements. Each work product is reviewed by a project manager who was not involved in the initial preparation of the deliverables. This independent reviewer will compare the documentation against a checklist specifically developed for these types of projects.

### Property Owner Service Representatives

Willdan serves as the primary contact to assist and answer questions from property owners or other interested parties regarding assessments and special taxes. Willdan’s toll-free telephone number will be provided to the County of Los Angeles for inclusion on property tax bills, so that property owners can call with questions throughout the year. Likewise, Willdan will field inquiries from District staff, lenders, and other interested parties concerning the annual installments. Phone inquiries will be documented using Willdan’s proprietary computer system.

Willdan employs dedicated property owner service representatives who respond to phone inquiries and serve as the primary contact in answering questions related to charges, assessments and special taxes on property owner tax bills. They utilize Willdan’s proprietary computer system, MuniMagic+, to quickly access the owner’s name, Assessor’s Parcel Number, the existing taxes/assessments, and more; thus, enabling expedient service. In addition, our phone system is specifically set up to automatically route calls to an available person so that property owners reach a live representative. This ensures that questions are answered promptly, and District staff is not directly impacted by these calls, but instead can be confident that property owner inquiries are answered expediently and professionally.

The screenshot shows a 'Call Log' window with the following fields and values:

- DIS:** LD 99-1
- Created by:** StaceyReynolds
- Call Date:** 02/08/2017 01:56 PM
- Caller's Name:** Mr. ABC
- Type of Caller:** Property Owner
- Reason for Call:** Charge Methodology Explanation
- Resolution:** Forward Inquiry to Analyst for Research
- Comments:** (Empty text area)
- Buttons:** Save, Cancel

*Our representatives field property owner and other interested parties' questions in fluent English, Spanish, Tagalog, Korean, and Vietnamese.* They are available to respond to phone calls from 8:00 am until 5:00 pm, Monday through Friday (excluding major holidays when Willdan offices are closed).

## Scope of Services

Willdan proposes to provide CFD administration services to the District, which may include tasks related to bond issuance and continuing disclosure. Outlined herein are the associated tasks. The District acknowledges that Willdan shall be relying upon the accuracy of the information provided by the District or their designees and that Willdan shall not be liable for any inaccuracies contained in such information.

## Community Facilities District Administration

The following outlines the steps necessary to annually administer CFD No. 2020-1.

1. Schedule a kick-off meeting with District staff to review the existing district information. Identify and discuss possible changes to the CFD for the upcoming fiscal year, including budget issues, annexations, modification or expansion of district improvements, as well as legislative changes that may impact the district.
2. Create and maintain a parcel levy database by using parcel information from various sources. As new data becomes available, update the database, and enhance the data through parcel research using current secured roll information, County Assessor maps, various third-party resources, and specific information provided by the District (e.g., up-to-date map approval status, building permits or certificate of occupancy data). Updates to the database will include those necessitated by the addition and/or removal of parcels, land subdivisions and merges, ownership and mailing address changes, and adjusted benefit unit information. This database will then become the source for the calculation of the annual special tax.
3. Generate audit maps that depict the current year's levied parcels within the CFD boundaries. Confirm accuracy in levy and identifying any parcel changes.
4. Annually calculate and apportion the special taxes as specified in the Rate and Method of Apportionment of Special Tax (RMA).
5. Prepare, if necessary, staff report and/or an annual resolution that establishes the budget for the fiscal year and application of the special tax to be submitted to the County, including the special tax summary for the fiscal year.
6. Attend up to two (2) in-person Board and/or staff meetings. Willdan will also be available to answer any questions requested by District staff.
7. Provide special tax levies for each parcel by APN to the County Auditor/Controller's Office in the media, format and configuration required by the County for placement on the annual property tax roll.
8. Research parcel exceptions provided by the County and, if possible, resubmit installment amounts that are unapplied by the County Auditor/Controller's Office.
9. Provide a toll-free number to field inquiries from District staff, property owners, and other interested parties regarding special tax installments and related information.
10. Submit periodic delinquency reports to the District each February and June.
11. Provide the District with an annual report detailing the levy summary, delinquency status, special tax billing characteristics, RMA, debt service detail, and the charge detail for all parcels.

12. Provide the annual report to the California Debt and Investment Advisory Commission (CDIAC) by October 30 if required by the California Government Code, section 53359.5(b), as amended.
13. Prepare “Notice of Special Tax” as required by the California Government Code, Sections 53340.2(b) and 53341.5, as amended. The fee for this service is \$15 per notice and is to be paid by the requestor.
14. Prepare and mail invoices (handbills) to all property owners whose proposed annual tax for their parcel could not be applied to the County tax roll (parcels for which the County does not generate a tax bill). These invoices would be provided in two (2) installments, similar to the County tax bills, and would be payable directly to the District.
15. Calculate written prepayment quotes (if allowable) for individual special tax liens, as described in the Rate and Method of Apportionment of Special Tax or by resolution. For parcels prepaying the special tax, Willdan will coordinate the removal of the lien. The fee for this service is \$500 per calculation, which is to be paid by the requestor.
16. Perform required bond call spreads and coordinate the early redemption of outstanding bonds. The fee for this service is hourly, using our then-current hourly rates (located within the fee section).

### Client Responsibilities

Identified herein is the information and/or documentation that Willdan will rely on being able to obtain from the District in order to efficiently administer the CFD.

- As required by law, the District is responsible for publishing the public hearing notices in the local newspaper, as well as for their posting.
- Annual information related to fund balances for the CFD.
- The annual budget cost recovery amounts to establish special tax rates for the CFD.
- An annually updated listing of all parcels that have been approved for any applicable exemptions, if necessary.
- Information regarding land subdivision, issuance of building permits and/or certificates of occupancy (as required by the District). Although Willdan will annually research information, it may still be necessary to obtain additional assistance from the District.
- Current development plan/tentative maps; and annual changes, modifications, or updates (if necessary).
- Information regarding payments received by the District.
- Information pertaining to annexations including, but not limited to, boundary maps, electronic parcel listings, development plans, and tentative maps.
- Services of legal counsel for the review of resolutions and any other legal opinions, as may be necessary.
- The District will assist Willdan in obtaining pertinent development information (if needed).

### Delinquency Management

To assure that the District complies with its foreclosure covenant to bondholders for CFD No. 2020-1, Willdan will provide the following delinquency management services.

1. Monitor delinquent tax bill payments around January and May of each year.
2. Provide delinquency reports to the District around February and May of each year.
3. Send, after receiving authorization from the District, a delinquency reminder letter after the first tax bill installment becomes delinquent.

4. Send, following authorization from the District, a thirty-day (30) delinquency demand letter after the second tax bill installment becomes delinquent. Each demand letter will include a brochure providing answers to commonly asked questions regarding delinquencies.
5. Cause the removal of the delinquent installments of special assessments for the current and/or prior tax year(s) from the County tax roll after receiving authorization from the District. Such removal will comply with SB 1471.
6. Send a final twenty-one (21) day delinquency foreclosure letter to each delinquent property owner after receiving authorization from the District and confirmation from the County for the removal of the delinquent special assessments. Foreclosure letters shall contain a brochure providing answers to frequently asked questions regarding delinquencies and judicial foreclosures.
7. Send, after receiving authorization from the District, those parcels whose special assessments continue to remain delinquent after twenty-one (21) days from the mailing of foreclosure letters, to the foreclosure attorney to collect the delinquent assessments and all applicable penalties, interest, fees, and other costs that have been authorized through the District-retained foreclosure counsel.
8. Provide, throughout the entire delinquency monitoring/foreclosure process, a toll-free telephone number to field inquiries from staff, parcel owners, lenders, and other interested parties concerning annual installments and delinquencies.
9. Assist foreclosure counsel to initiate and prosecute judicial foreclosure proceedings in compliance with bond foreclosure covenants concerning those parcels sent to foreclosure.
10. Provide, upon request, payoff quotes for stripped delinquent assessment installments for all interested parties. Fees for this service are paid by the requesting party and may be charged to a credit card; there is no charge to the District.

### Subsequent Foreclosure Services

Once the delinquent assessments have been forwarded to judicial foreclosure counsel, Willdan will provide the following services, upon request.

- Prepare and forward a detailed report of the parcels to be foreclosed to foreclosure counsel.
- Provide foreclosure counsel with the necessary resolutions and other documents to proceed with the judicial foreclosure process.
- Keep the District and foreclosure counsel apprised of special situations arising of which we become aware; such as, bankruptcies of parcel owners, tax foreclosure sales, deed of trust “trustee” foreclosure sales, and so forth.
- Provide foreclosure counsel with “subsequent year” delinquency information consisting of any installments/years that become delinquent on parcels already in foreclosure.
- Generally, respond to inquiries from District staff and foreclosure counsel regarding the status of a foreclosure action and other pertinent, relevant information.
- Negotiate, at the discretion and approval of the District, a repayment schedule (payment plan) to cure the delinquency and avoid initiation of judicial foreclosure.



## Continuing Disclosure

Willdan can provide assistance and advice specific to ongoing continuing disclosure matters. With regard to the District's outstanding debt financings, Willdan will support the District in preparing annual continuing disclosure reports. As well as, help the District provide required financial and operating data requested by investors and/or required by the bond documents to keep securities holders informed of the investment quality of each debt issue. Willdan will also assist the District in responding to questions from investors and other market participants.

## Annual Financial Information Statement Preparation

With respect to the preparation of the Annual Financial Information Statement, Willdan will provide one or all of the following services, as directed by the District:

1. Review pertinent documents relating to the debt issue, including the Fiscal Agent Agreement, financial statements, and annual reports.
2. Collect third-party data and other information required to be included in the Annual Financial Information Statement directly from Trustees, fiscal agents, state and county agencies, and others, as applicable.
3. Analyze the information for accuracy and compliance with continuing disclosure documents.
4. Discuss presentation of the information in the Annual Financial Information Statement.
5. Create a draft of the Annual Financial Information Statement for review by the District.
6. Discuss any relevant issues with the agency regarding the report, and address questions regarding continuing disclosure matters.
7. Finalize and disseminate the Annual Financial Information Statement to all parties outlined in the Fiscal Agent Agreement, including (as necessary) arranging for electronic distribution. Willdan will, additionally, assist the District when requests for information are received.

## Client Responsibilities

- Financial and operating information, including but not limited to bond documentation, communications with CDIAC, adopted budget, audited and unaudited financial statements (if audited financials are not available), bank statements/transactional data, and current fund balances.
- Timely review of draft continuing disclosure report and draft CDIAC Report.
- Authorization to disseminate continuing disclosure report and file CDIAC Report.
- All information relating to any change to the credit ratings or the occurrence of Listed Events as identified in the Continuing Disclosure Agreements within three business days from the date of occurrence of such event.
- All ratings reports sent to the District by any rating agencies. Authorization for Rating Agencies, Trustees, and any other third parties to send information directly to Willdan.

## Project Disclaimer

In regard to the services proposed herein, the Altadena Library District further represents, acknowledges and agrees that:

- (i) The District uses the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission ("SEC") to advise it in connection with municipal financial products and the issuance of municipal securities;

- (ii) The District is not looking to Willdan to provide, and District shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);
- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the District with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the District, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the District, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and
- (v) Notwithstanding all of the foregoing, the District recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the District will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the District is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

## Section III – Cost Section

### SECTION VI COST SHEET

#### 6.0 INTRODUCTION

Proposer shall complete cost sheet to include all costs, including travel and per diem in accordance with the Scope of Work defined in Section IV. Proposer will submit detailed cost sheets on reimbursable costs, as back up to this summary page; however, total costs must be reflected on this summary page.

**Proposer shall also include a Fee Schedule for additional services that may be requested.**

#### 6.1 COST FOR SCOPE OF WORK, SECTION IV

##### a. Fee Schedule For CFD Administration Services For Term Of Contract

Position	Hourly Rate				
	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year
CFD Annual Administration	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Continuing Disclosure	\$1,000/report	\$1,000/report	\$1,000/report	\$1,000/report	\$1,000/report
Annual Expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

Delinquency Management \*\*See following page for corresponding fee table.\*\*

##### b. Identify costs cap as not to exceed.

Willdan estimates the not-to-exceed fee for the proposed five-year agreement to provide CFD Administration Services to the Altadena Library District to be \$65,000, which includes supporting the issuance of bonds at the estimated fee of \$10,000.

This proposal submitted by: Willdan Financial Services  
Company Name

Address: 27368 Via Industria, Suite 200  
Temecula, CA 92590

Telephone Number: (951) 587-3500

Fax Number: (951) 587-3510

Business License Number: 00-4293 (City of Temecula, CA)

Contact Name: Gladys Medina

Authorized Signature: \_\_\_\_\_



## Delinquency Management Services

As the service is rendered, the following fees are invoiced. They are ultimately paid by, or on behalf of, the delinquent property owners.

Services	Fees
<b>Fees Ultimately Reimbursed to Agency by Property Owner</b>	
Delinquency Reminder Letter	\$ 15
Delinquency Demand Letter	\$ 45
Foreclosure Letter	\$ 65
Effect Removal from Tax Roll and Record Subsequent Notice of Satisfaction	\$ 125
Payment Plan	\$ 200
Subsequent Foreclosure Services	\$ 300
<b>Fees Paid Directly to Willdan by Requestor</b>	
Delinquency Demand Payoff <sup>(1)</sup>	\$ 50
Zero Demand <sup>(1)</sup>	\$ 50

<sup>(1)</sup> This fee is waived for the property owner (except for escrow purposes). This fee complies with Section 8833 of the California Streets and Highways Code and/or Section 53356.2 of the California Government Code, which requires recording of a Notice of Intent to Remove Delinquent Special Assessments and/or Special Taxes from the County tax roll. It DOES NOT include the County tax roll removal charge, or similar fee, if any.

## Optional Service – Bond Issuance Support

At the District’s request, Willdan can participate in the creation and review of financing documents. Typically, as the Community Facilities District Special Tax Report is being finalized, the financing team begins preparing the Preliminary Official Statement (POS), and subsequently, the Official Statement (OS). To support the preparation of this documentation, Willdan will provide the necessary data analysis, preparation of tables related to property within the CFD, and documentation to support the bond issuance. Tables may include as necessary, information about property in the CFD including property ownership data, special tax burdens and distribution, assessed and/or appraised values, acreage, and other data as requested by the financing team as needed for bond offering documents.

A cost estimate for inclusion in the Cost of Issuance will be provided when the bond issuance process commences. For budgeting purposes the fee associated with this optional service is estimated to be between \$7,500 to \$10,000.

## Hourly Rates

Additional authorized services will be billed at Willdan’s then-current hourly consulting rates. Our current hourly rates are presented below.

Willdan Financial Services Hourly Rate Schedule	
Position	Hourly Rate
Group Manager	\$210
Principal Engineer	\$211
Assistant Director / Principal Consultant	\$200
Senior Project Manager	\$165
Project Manager / Program Director	\$145
Senior Project Analyst	\$130
Senior Analyst	\$120
Analyst	\$100
Assistant Analyst	\$75





**WILLDAN**

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