

RESOLUTION NO. 2010-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AND
RELATED DOCUMENTS TO WILLDAN FINANCIAL SERVICES TO PROVIDE
FINANCING DISTRICT ADMINISTRATION SERVICES**

WHEREAS, the City needs financing district administration services in the routine course of business; and

WHEREAS, City Staff solicited proposals from all interested parties; and

WHEREAS, multiple proposals were received and evaluated; and

WHEREAS, the proposal submitted by Willdan Financial Services is the most responsive.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby:

1) Awards the financial advisory services contract to Willdan Financial Services. The Consultant shall be paid on a quarterly basis, per Exhibit A, attached hereto and incorporated herein, for annual administration and other services. For Fiscal Year 2009-10, monies are appropriated for such services within the current budget. Future costs for services will be addressed in future budgets.

2) Authorizes the City Manager to execute related documents.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 13th day of January 2010.



SOPHIA SCHERMAN, MAYOR of the
CITY OF ELK GROVE

ATTEST:



SUSAN J. BLACKSTON, CITY CLERK

APPROVED AS TO FORM:



SUSAN COCHRAN, CITY ATTORNEY

EXHIBIT A

WILLDAN FINANCIAL SERVICES METHOD OF COMPENSATION

Special District Administration Services

Community Facilities District Administration

The number of parcels and districts shown in the following fee table is from the fiscal year 2009/2010 levy. If the actual number of districts or parcels substantially varies, however, a change in fee structure may be negotiated. All hourly and expense rates and fees will **remain at the levels presented below for calendar years 2010 to 2012.**

PER YEAR FEE		
District	No. of Parcels	Approximate Annual Fee
CFD 2002-1 (East Franklin)	4,707	\$ 6,000
CFD 2003-1 (Poppy Ridge), Bonded	3,870	6,000
CFD 2003-1 (Poppy Ridge), Services		
CFD 2003-2 (Police)	1,953	3,000
CFD 2005-1 (Laguna Ridge), Bonded	1,500	5,000
CFD 2005-1 (Laguna Ridge), Services		
CFD 2006-1 (Maintenance Services)	727	2,500
Total Each Year		\$ 22,500

Please Note:

CFD Payoff quotes are \$250 per request; the requesting party pays for this service. There is no charge to the City.

Street Maintenance, Streetlighting Maintenance, and Service Area District Administration

PER YEAR FEE		
District	No. of Parcels	Approx. Total Annual Fee
Street Maintenance District No. 1	5,808	\$ 4,500
Laguna West Service Area	2,380	2,500
Streetlighting Maintenance District No. 1	48,982	14,500
Total Each Year		\$ 21,500

Delinquency Management

As the service is rendered, the following fees are invoiced to the City.

Services	Fees
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
Fees Paid Directly to Willdan by Requestor:	
Delinquency Demand Payoff ⁽¹⁾	\$ 50
Zero Demand ⁽¹⁾	50

⁽¹⁾ 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.

Federal Compliance Services

Arbitrage Rebate

Arbitrage Services	Fee
Engagement Fee: One-time fee charged for newly-contracted issues.	\$500
Base Fee Range: Annual report.	\$1,250
Yield Restriction Computation: If a yield reduction payment is determined to be due on yield-restricted nonpurpose investments, an additional fee will be charged to analyze and determine the due yield reduction payment.	\$500 Per Fund
Spending Exception Analysis: If bond issue proceeds are spent within a specific timeframe, regulations offer few exceptions to the Arbitrage Rebate rules.	\$500 Per Period

Arbitrage Services	Fee
Commingled Funds Analysis: Clients providing commingled funds data will incur an additional charge to uncommingled transactional data.	\$250 Per Fund
Parity Reserve Allocation: Bonds issued on parity that require a reserve fund allocation.	\$250 Per Fund
Data Analysis in Excess of 12 months: Arbitrage analysis for periods greater than one year will be charged an extra fee for each additional bond year analyzed.	\$250 Per Fund
Transferred Proceeds Analysis: Regulations require an additional level of analysis for refunded proceeds and bonds.	\$500 Per Fund
Non-Bona Fide Debt Service Fund: Our base fee assumes the bond fund, as defined in bond documents, meets the bona fide debt service fund exemption for rebate. If this fund fails to qualify for this exemption, an additional fee will be charged to analyze the investment activity.	\$500 Per Fund
Request for Refund of Overpayment	\$150 Per Hour
IRS Audit Assistance	\$150 Per Hour
Online Compliance Management System	No Charge
Preparation of IRS Form 8038T (Payment)	No Charge

Optional Supplemental Reports

Spending Exception Analysis: If bond issue proceeds are spent within a specific timeframe, regulations offer few exceptions to the Arbitrage Rebate rules. If Willdan's bonds' Consultant's Report indicates a positive rebate liability has accrued, these exceptions to rebate will be explored, as they relate to the bonds. If these exceptions to rebate appear to provide a favorable alternative, an additional calculation stating these results will be prepared. The fees to prepare a calculation relating to the appropriate spending exception will be separate from the above-stated fees and will be discussed prior to pursuing these opportunities.

Variable Rate Yield Optimization. Regulations allow the issuer of variable rate debt to separately compute yield for each bond year. At the end of the first five (5) bond years, the issuer may use the most advantageous combination of bond years to compare bond yield, to investment yield. If desired, Willdan will prepare an additional calculation to determine the optimal combination of periods that achieve the lowest possible rebate payment. The fee to prepare this analysis will be separate from the above-stated fees and will be discussed prior to pursuing this opportunity.

Evidence of Due Diligence: In many cases, a tax-exempt bond will meet an exception to the Arbitrage Rebate and yield-restriction regulations, whereby only evidence of due diligence is required indicating that Section 148 of the IRS regulations has been considered. If requested by the City, a summary letter documenting the issuer's discovery efforts will be prepared. The fee for this service is \$500.

Billing Practices

Upon completion of the reports, Willdan will submit an invoice for rendered services. It is intended that the City make payments to Willdan Financial Services within thirty (30) days of invoicing. **Willdan cannot accept credit card payments.**

Municipal Disclosure

Annual Financial Information Statement Preparation

Debt Issue(s)	Annual Fee
Elk Grove Finance Authority (Special Tax Revenue Bonds), Series 2005	\$ 1,250
Elk Grove Finance Authority (Special Tax Revenue Bonds), Series 2006	350
Community Facilities District 2005-1 (Laguna West)	1,250
Community Facilities District 2005-1 (Laguna West), Future Issues	350

First-year Setup Fee is Included

Significant Event Notice Preparation

(If necessary)

Hourly Rates

Dissemination Fees

Annual Financial Information Statement (per debt issue)	Included
Significant Event Notices (per event)	Included

Financial Consulting Services ⁽¹⁾

Financial consulting services may be authorized by the City and will be billed at the hourly consulting rates noted in the "Additional Services" section. The consultant will only proceed with written authorization from City staff on tasks indicated under "Financial Consulting Services." All services under the specific task will be billed, based on hourly expenses. For annexations, an additional cost per map sheet will apply.

Based on project hours performed and incurred out-of-pocket expenses, Willdan will bill on a *monthly* basis.

Services	Fee
District Annexations (Per Annexation)	\$1,500
Special Tax Consulting Bond Issuance Support (Per District)	\$3,000 to \$7,000

⁽¹⁾ *Financial Consulting Services will not exceed \$60,000.*

Reimbursable Expenses

Willdan will be reimbursed for out-of-pocket expenses, not to exceed the amounts presented in the preceding tables. Examples of reimbursable expenses include, but are not limited to: postage, travel expenses, mileage (55¢ per mile),

maps, electronic data furnished from the County and/or other applicable resources, construction cost periodicals, and copying (currently 6¢ per copy). Any additional expense for reports or from outside services will be billed to the City. Charges for meeting and consulting with counsel, the City, or other parties regarding services not listed in the scope of work will be at the hourly consulting rates noted in the “Additional Services” section. In the event that a third party requests any documents, Willdan may, in accordance with Willdan’s applicable rate schedule, charge such third party for providing these documents.

Our fees will not be contingent upon the sale of bonds. To cover costs, we recommend the City continue the practice of obtaining a deposit from developers for annexations and formations.

Additional Services

Hourly Rates

Additional authorized services will be billed at the following hourly rates:

Title	Hourly Rate
Group Manager	\$ 210
Principal Engineer	200
Principal Consultant	200
Senior Project Manager	165
Project Manager	145
Senior Project Analyst	130
Senior Analyst	120
Analyst II	100
Analyst I	100
Analyst Assistant	75
Property Owner Services Representative	55
Support Staff	50

**CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2010-10**

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)


I, Susan J. Blackston, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on January 13, 2010 by the following vote:

AYES : **COUNCILMEMBERS:** *Scherman, Detrick, Cooper, Davis, Hume*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN : **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



**Susan J. Blackston, City Clerk
City of Elk Grove, California**