

DATE SUBMITTED 05/27/2016
 SUBMITTED BY CITY MANAGER'S OFFICE
 DATE ACTION REQUIRED 06/01/2016

COUNCIL ACTION (x)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS (DJ)

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT: DISCUSSION/ACTION: SUBSTITUTION OF THE CITY'S COMMUNITY FACILITIES DISTRICT SPECIAL TAX CONSULTANT AND PROGRAM ADMINISTRATOR

1. APPROVE SUSPENSION OF CONTRACT BETWEEN CITY OF IMPERIAL AND GGMS, INC.
2. APPROVAL OF CONTRACT BETWEEN CITY OF IMPERIAL AND KOPPEL & GRUBER AS REPLACEMENT COMMUNITY FACILITIES DISTRICT SPECIAL TAX CONSULTANT AND PROGRAM ADMINISTRATOR.

DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE

BACKGROUND/SUMMARY:

Due to an unfortunate set of circumstances it is recommended that the City of Imperial enter into an agreement for services with Koppel & Gruber to replace GGMS, Inc., as the City's Special Tax Consultant and Program Administrator. The change is due to a number of events which now make it impractical for the City to continue their relationship with GGMS, Inc. The first proposal received was from Willdan Financial Services. The second proposal was from Koppel & Gruber. After consultation with our financial advisor, Marshall Linn, staff and Mr. Linn are recommending that Koppel & Gruber be retained as the replacement Special Tax Consultant for the City of Imperial. Attached, you will find the proposals for your review.

FISCAL IMPACT: None. All CFD's are self-funded

F.O. INITIALS: _____

STAFF RECOMMENDATION: It is Staff's recommendation to agree with Mr. Linn and enter into an agreement with Koppel & Gruber as the replacement Special Tax Consultant and Program Administrator for the City's CFD's.

MANAGER'S RECOMMENDATION: Management agrees with Mr. Linn and recommends Council retain Koppel & Gruber as replacement consultants for the City's CFD's.

MANAGER'S INITIALS _____

MOTION:

SECONDED:
 AYES:
 NAYES:
 ABSENT:

APPROVED () REJECTED ()
 DISAPPROVED () DEFERRED ()
 REFERRED TO:

May 23, 2016

Via Email

George Galvan
Interim City Manager
City of Imperial
420 South Imperial Avenue
Imperial, California 92251

RE: PROPOSAL TO PROVIDE COMMUNITY FACILITIES DISTRICT BOND REFUNDING SERVICES

Dear Mr. Galvan:

Thank you for including Koppel & Gruber Public Finance in your request for proposal process. We are pleased to present our letter proposal to provide Community Facilities District ("CFD") Bond Refunding Services for the City of Imperial ("City").

Lyn Gruber and Scott Koppel will act as co-project managers for the City. We will be the City's day-to-day contact and will be responsible for the accurate and timely delivery of work product, attendance and participation at team meetings.

It is our objective to provide you with high quality service during this transitional period leading to the successful refundings of the CFD bonds with as little impact to the City and the financing team as possible. We have worked on over 100 bond issuances for CFDs throughout the State and have the experience and time necessary to work on the City's CFD bond refundings in a timely manner.

Please feel free to contact me if you have any questions about our proposal or require additional background on our firm or experience. My telephone number is (760) 510-0290 office, (951) 704-4799 cell, or you may email Scott at scott@kgpf.net or me at lyn@kgpf.net.

Sincerely,



Lyn Gruber
Principal

I. SCOPE OF SERVICES

As Special Tax Consultant, K&G Public Finance will perform the following scope of work in relation to the issuance of the Community Facilities District refunding bonds specifically related to CFD 2006-1, Improvement Area 1 and CFD 2006-2, Improvement Area 1.

A. Bond Issuance Participation

1. Review and update tables created by current special tax consultant for the Preliminary Official Statement (POS) and Official Statement (OS). These tables typically include:
 - a. Effective tax rate table showing the projected tax rate on an average developed parcel in the CFD.
 - b. Projected special taxes levy based on development status at bond sale.
 - c. Historical Assessed Values.
 - d. Estimated value to lien range summaries.
 - e. Delinquency history.Create additional tables as may be necessary based on finance team discussions.
2. Review and comment on the Fiscal Agent Agreement/Trust Indenture, Preliminary Official Statements and Official Statements with respect to information included in the tables, additional bond issues, foreclosure covenants, disclosure agreements, flow of funds, arbitrage requirements, and escrowed proceeds (if applicable).
3. Review and sign the Special Tax Consultant Certificate certifying the maximum special tax rates are sufficient to meet debt service and coverage requirements in relation to the issuance of bonds.
4. Other tasks as required by the finance team.

II. COMPENSATION

The following hourly rates will be applied for the services described in the Scope of Services.

TITLE	RATE
Principal	\$195
Senior Associate	135
Associate	95
Production/Administration	65

Expenses

In addition to fees for services, K&G Public Finance shall be reimbursed for direct expenses, including travel, mileage, photocopying, data sources, courier services, overnight delivery, and long-distance telephone expenses. These expenses are billed at our cost; we *do not* charge an administrative fee or additional expense mark up.

Billing Structure

During the project, K&G Public Finance shall submit invoices at the time of bond sale.

May 23, 2016



Mr. George Galvan
Interim City Manager
City of Imperial
420 South Imperial Avenue
Imperial, CA 92251

Re: Proposal to Provide Special Tax Consulting and District Administration Services

Dear Mr. Galvan:

Willdan Financial Services ("Willdan") is pleased to submit this proposal to assist the City of Imperial ("City") with Special Tax Consulting and Special District Administration services.

Scope of Services

Special Tax Consulting Services

The following outlines the scope of services that will be required to provide special tax consulting services for the formation, annexation and/or restructuring of a Mello-Roos Community Facilities District (CFD).

Willdan offers to perform the following services:

- Review parcel data and other relevant project information;
- Prepare a CFD financial pro form analysis (if necessary);
- Prepare or revise the Rate and Method of Apportionment for the CFD (if necessary);
- Prepare or revise the Boundary Map for the CFD (if necessary);
- Assist with document review for the Intent Meeting;
- Request a certificate from the Registrar of Voters for a landowner election;
- Prepare the CFD Public Hearing report (if necessary);
- Assist with document review for the formation and Public Hearing;
- Prepare and assist with the recordation of the Notice of Special Tax Lien;
- Participate in financing team calls related to bond issuance;
- Prepare necessary financial tables for the Preliminary and Final Official Statements; and
- Certify the special tax capacity of the CFD required for bond issuance.

District Administration Services

The following outlines the scope of services that will be required to provide annual district administration services for each CFD.

Willdan offers to perform the following services:

- Create, maintain and periodically update an electronic database containing parcel basis data and annual special tax levy amounts by Assessor's Parcel Number (APN);
- Annually calculate and apportion the special taxes, as specified in the RMA;
- Prepare an annual resolution for the levy of special taxes (if necessary);
- Provide levy submittals in the form required by the County of Imperial for each CFD;
- Research parcel exceptions and resubmit special tax levies (if necessary);
- Monitor delinquencies each February and May;
- Prepare an annual special tax levy report that contains the annual CFD budget, account balances, delinquency summaries and other pertinent information related to the CFD;
- Prepare and file an annual California Debt and Investment Advisory Commission (CDIAC) report;
- Prepare a Notice of Special Tax (as required by the California Government Code) upon request;

- Calculate written prepayment quotes (\$350 per quote, paid by property owner); and
- Perform required bond call spreads and coordinate early redemption of bonds.

Annual Continuing Disclosure Services (Optional)

The following outlines the scope of services that will be required to provide annual disclosure services for each CFD as part of the annual administration.

Willdan offers to perform the following services:

- Review pertinent documents and data related to debt issuance;
- Collect requisite information from trustee, fiscal agent, state and county agencies, and others, as applicable;
- Prepare a draft Annual Financial Information Statement for the City's review;
- Finalize and disseminate disclosure reports to EMMA, the Willdan website, the appropriate State Information Depository, and other parties as required; and
- Prepare, upon notification by the City and/or if Willdan becomes aware of such an occurrence, Notices of Occurrence of Listed Events.

Client Responsibilities

In performing these tasks, Willdan will rely on certain information provided by the City and its affiliates. A full list of client responsibilities associated with each of these proposed activities will be provided upon request and/or during contract negotiations.

Willdan will rely on the validity and accuracy of the City's data and documentation to complete our analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy, and that Willdan will not be responsible for any errors that result from inaccurate data provided by the client.

Proposed Fee

Payment for services rendered pursuant to this letter proposal shall be made within thirty (30) days of the submittal of a Willdan invoice.

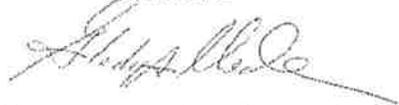
Proposed Fee	
Service	Per Report
CFD Formation/Annexation/Restructuring (Bonded)	\$ 35,000
CFD Formation/Annexation/Restructuring (Non-Bonded)	\$ 30,000
CFD Annual Administration (with Disclosure)	\$ 7,500
CFD Annual Administration (no Disclosure)	\$ 6,500

Hourly Rates

Additional services may be authorized by the City and will be billed at our then-current hourly consulting rates. Our current hourly rates will be provided upon request.

We are very excited about the opportunity to provide these services to the City of Imperial. If you have any questions regarding this proposal or other services, please contact me directly at (951) 587-3533 or via email at gmedina@willdan.com.

Sincerely,
WILLDAN FINANCIAL SERVICES



Gladys Medina, Vice President
District Administration Services

