

FIRST AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 2025, by and between the City of Merced, a California Charter Municipal Corporation ("City"), and Goodwin Consulting Group, Inc., a California Corporation, whose address of record is 555 University Avenue, Suite 280, Sacramento, California 95825 ("Consultant").

WHEREAS, City has established certain Community Facilities Districts named 2003-1, 2003-2, 2005-1 and 2006-1 that requires administrative services; and,

WHEREAS, City and Consultant have previously entered into an Agreement for Professional Services ("Agreement") dated November 4, 2022, and,

WHEREAS, City and Consultant desire to exercise the option to extend for the two (2) year renewal term.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, agree as follows:

1. Section 3, "RENEWAL TERM," is hereby added to the Agreement to read as follows:

The City and Consultant desire to exercise the option to renew the agreement for a two (2) year renewal term pursuant to Section 3 of the agreement. The renewal term shall commence on November 4, 2025, and end on November 3, 2027. During the additional term, Consultant shall perform the Scope of Work outlined in Exhibit 1, and in accordance with the rates set forth in Exhibit 2. Exhibits 1 and 2 are attached hereto and incorporated herein."

2. Except as herein amended, the Agreement dated November 4, 2022, shall remain in full force and effect.

///

IN WITNESS WHEREOF, the parties have caused this First Amendment to Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
D. Scott McBride,
City Manager

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

BY: Craig Cornwell 8-29-2025
City Attorney Date

ACCOUNT DATA:
M. VENUS RODRIGUEZ, FINANCE OFFICER

BY: _____
Verified by Finance Officer

CONSULTANT
GOODWIN CONSULTING GROUP,
INC., a California Corporation

BY: 
(Signature)

Susan Goodwin

(Typed Name)

ITS: President
(Title)

BY: 
(Signature)

Cindy Yan

(Typed Name)

ITS: Secretary
(Title)

Taxpayer I.D. No. 94-3393430

ADDRESS: ⁶⁵⁵~~555~~ University Avenue
Suite ~~2800~~ 200
Sacramento, CA 95825

TELEPHONE: (916) 561-0890

FACSIMILE: (916) 561-0891

CITY OF MERCED
SPECIAL TAX ADMINISTRATION SERVICES

SCOPE OF WORK

Goodwin Consulting Group, Inc. (GCG) will provide annual tax administration services to the following City of Merced's (City) Community Facilities Districts (CFDs):

- Community Facilities District No. 2003-1 (Bellevue Ranch East)
- Community Facilities District No. 2003-2 (Services)
- Community Facilities District No. 2005-1 (Bellevue Ranch West)
- Community Facilities District No. 2006-1 (Moraga)

GCG will provide the following services:

A. ADMINISTRATION,

Background Research

GCG will gather information from the City and update the database prepared by GCG to calculate the annual special tax levy. This task will include the following:

Map & Parcel Research: Identify and obtain copies of all subdivision, final, and parcel maps, as necessary. Identify all relevant information such as date of subdivision, property use, and acreage of each parcel in each CFD. Once the Assessor's tax roll has been closed for the upcoming fiscal year, review the assessor parcel maps and determine the assessor parcel numbers (APNs) that will be valid for the fiscal year.

Building Permit Tracking: Monitor on an annual basis the issuance of building permits in the CFD, the type of land use for which such permits or certificates have been issued, and the acreage or lot size reflected on each permit.

Classification of Property: Pursuant to the Rate and Method of Apportionment (RMA) of Special Tax, categorize each parcel to the appropriate special tax classification, including Single Family Residential Property, Multi-Family Residential Property, Retail Property, Office Property, Industrial Property, and Other Property.

Database Management: Update the database for each CFD to reflect current parcel numbers, square footage, assigned tax categories, and other relevant information which will allow for the assignment of the special tax pursuant to the RMA.

Annual Special Tax Levy Calculation

GCG will calculate the maximum special tax revenues that may be levied on all taxable parcels in each of the CFDs to determine the maximum potential tax levy for the fiscal year. GCG will then coordinate with City staff to determine the actual tax levy for each CFD. Once the actual tax levy is determined, GCG will calculate the special tax levy for each taxable parcel in each CFD by applying the RMA tax formula. GCG will identify all CFD expenses including annual debt service, the budget for public service costs to be funded in the following fiscal year, CFD administrative expenses, and collection costs. Any applicable surplus special taxes, interest earnings, and other credits will be applied to reduce the annual special tax levy.

Annual CFD Administration Report Preparation

GCG will prepare a special tax administration report for each CFD which contains the results of our parcel research and findings of the financial analysis. An explanation of the methodology employed to calculate the special taxes levied will be incorporated. The report will also include annual reporting items required by Senate Bill 165 (Local Agency Special Tax and Bond Accountability Act) and Assembly Bill 1483, Government Code Section 65940.1, which requires the City to make available on its website certain information related to its CFDs. The report will be timely completed in order for the City to comply with the requirements of Assembly Bill 1666, Government Code Section 53343.2, which requires local agencies issuing Community Facilities District bonds to report specific information and reports on the City's website within seven months after the last day of the fiscal year.

In addition, pursuant to AB 2109 and Government Code 12463.2, GCG will annually provide the City with the CFD data required to be reported in the City's Financial Transactions Report for the State Controller's Office.

Annual Special Tax Enrollment

For each CFD, GCG will compile a list of parcels in the CFD that will be subject to the special tax levy and format it in compliance with the specific formatting instructions of the Merced County Auditor-Controller's office. The formatted tax levies will be submitted to the Auditor- Controller's Office on or before August 10 (or other specified date) for inclusion on the consolidated property tax bills.

Answer Inquiries from Various Parties

GCG will respond to property owners, realtors, title companies, appraisers and other parties' questions regarding the special tax and other CFD related issues. A GCG staff member will be listed as the contact for calls that are received by the Treasurer/Tax Collector's Office, and calls will be responded to on the day received.

Mello-Roos Cash Flow Analysis

If needed for subsequent bond issues for the CFD, GCG will update the financial cash flow model for the CFD to examine the relationship of special tax revenues and debt service requirements. This cash flow model will incorporate information regarding bonded indebtedness and current and projected development.

Prepayment Calculations (Infrastructure CFDs)

GCG will provide developers, title agents and other interested parties with the prepayment amount required to pay down or payoff the special tax lien on their property. GCG will ensure that prepayments include all required bond premiums, negative arbitrage estimates, reserve fund credits, and administrative charges. The cost of prepayment calculations and subsequent cancellation of the special tax lien will be included in the prepayment calculation and charged to the property owner.

B. DELINQUENCIES AND FORECLOSURES

Delinquent Special Tax Reporting

GCG will monitor the Auditor-Controller's tax collection summaries and report on delinquent parcels and corresponding delinquent taxes in each CFD. GCG will prepare and deliver CFD delinquency reports to the City up to three times a year; no later than March 1, June 1, and September 1. If requested by the City, GCG will prepare and mail reminder and demand letters to property owners with delinquent special taxes. Additionally, GCG will work with the City to ensure the CFD's compliance with any foreclosure covenants and provisions in the bond documents.

Coordination of Foreclosure Activities

GCG will assist the City in complying with provisions in the bond indenture or fiscal agent agreement regarding actions to be taken in the event of a foreclosure on a property due to tax delinquency. GCG will coordinate with City staff and legal counsel to identify those parcels for which judicial foreclosure will be initiated. Compensation for foreclosure activities and services is payable only when a settlement is reached with the property owner and a payment is received for delinquencies and administration fees.

C. CONTINUING DISCLOSURE

GCG will provide information to the Municipal Electronic Municipal Market Access (EMMA) (pursuant to S.E.C. regulations) and the California Debt and Investment Advisory Commission (pursuant to Senate Bill 1464 and Senate Bill 1029) and prepare special tax disclosure materials to homebuyers as specified in Senate Bill 1464. This task shall include the following subtasks:

Prepare the annual Continuing Disclosure Report for each year and respond to secondary information requirements set forth in SEC Section 15c2-12, as amended.

Submit the annual Fiscal Report as specified in Government Code Section 53359.5 to California Debt and Investment Advisory Commission by October 31 of each year.

Pursuant to SB 1029, prepare and file the Annual Debt Transparency Report with CDIAC by January 31 of each year for all bonds issued after January 1, 2017.

Prepare special tax disclosure materials on the City's behalf for resale properties as required by Government Code Section 53340.2.

D. ARBITRAGE REBATE CALCULATION

Pursuant to Internal Revenue Code 148, certain interest revenue earned on proceeds from a federally tax-exempt bond issue that is greater than the yield on the bond issue must be rebated back to the federal government. GCG will review the account statements for the various funds associated with the bond issue and coordinate with the fiscal agent to prepare the annual or five-year arbitrage rebate calculations. A report, identifying the rebate liability for each CFD, will be produced. GCG will determine the amount, if any, that must be rebated to the federal government at each five-year interval.

CITY OF MERCED
SPECIAL TAX ADMINISTRATION SERVICES
BUDGET AND FEE SCHEDULE

	<u>Proposed Fees *</u>	
	Services CFD	Infrastructure CFD
Background Research (<i>existing parcels, incl. parcels annexed since last contract</i>)	\$4,500	\$1,550
Background Research (future annexed parcels)	\$2.75 per parcel	N/A
Annual Special Tax Levy Calculation	\$4,500	\$2,000
Annual CFD Administration Report Preparation	\$3,000	\$2,500
Annual Special Tax Enrollment	\$ 950	\$ 950
Answer Inquiries from Various Parties	\$ 800	\$ 300
Mello-Roos Cash Flow Analysis	N/A	Included
		No charge for estimates. \$400 fee to calculate and process prepayments; fee paid by parcel owner.
Prepayments	N/A	
Delinquencies	\$ 1,000	\$ 750
Foreclosures	N/A	Paid by property owner as part of settlement
Continuing Disclosure	N/A	\$1,500
Arbitrage Rebate Calculation	N/A	\$ 750

* The fees set forth will escalate five percent (5%) per year after fiscal year 2025-26.

Services shall be billed in two semi-annual installments.