

FIRST AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into this ____ day of _____, 2019, 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 17, 2014, and,

WHEREAS, City and Consultant desire to exercise the option to extend the term of the Agreement an additional three (3) years.

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

1. Section 22, "ADDITIONAL TERM," is hereby added to the Agreement to read as follows:

"SECTION 22. ADDITIONAL TERM. The additional term of this Agreement shall commence on November 2, 2019 and shall end as of November 3, 2022. 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 17, 2014, shall remain in full force and effect.

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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: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

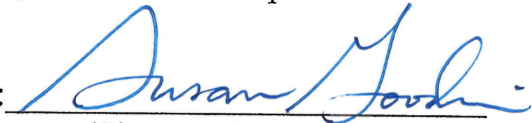
APPROVED AS TO FORM:

BY:  7/26/19
City Attorney Date

ACCOUNT DATA:


BY: _____
Finance Officer

CONSULTANT
GOODWIN CONSULTING GROUP,
INC., a California Corporation

BY: 
(Signature)

Susan Goodwin
(Typed Name)

ITS: President
(Title)

BY: 
(Signature)

Victor Irzyk
(Typed Name)

ITS: Chief Financial Officer
(Title)

Taxpayer I.D. No. 94-3393430

ADDRESS: ³³³~~555~~ University Avenue
Suite ~~280~~ 160
Sacramento, CA 95825

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TELEPHONE: (916) 561-0890

FACSIMILE: (916) 561-0891

EXHIBIT 1

SCOPE OF WORK

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

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 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 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 of each year.

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

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.

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.

EXHIBIT 2

PROPOSAL FORM

Venus Rodriguez
Finance Officer
City of Merced
678 West 18th Street
Merced, CA 95340

Dear Ms. Rodriguez,

I certify that I have adequate personnel, equipment, and facilities to provide the City of Merced with tax administration services for its CFDs. I understand that all information included in, attached to, or required by this Request for Proposal shall become public record upon delivery to the Finance Officer of the City of Merced.

Submitted by:

Authorized Signature:



Title: Senior Principal

Date: July 18, 2019

Telephone: (916) 561-0890

I agree to furnish such required services to the City of Merced in accordance with the following fees:

Proposed Fees *

	Services CFD	Infrastructure CFD
	\$3,050 + \$2.50 for each <u>taxed</u> parcel that was annexed to the CFD <u>after</u> FY 2014-15	
Background Research	\$3,050	\$1,150
Annual Special Tax Levy Calculation	\$2,050	\$1,500
Annual CFD Administration Report Preparation	\$ 700	\$1,950
Annual Special Tax Enrollment	\$ 575	\$ 575
Answer Inquiries from Various Parties	N/A	\$ 225
Mello-Roos Cash Flow Analysis		Included
		No charge for estimates. \$250 fee to calculate and process prepayments; fee paid by parcel owner.
Prepayments	N/A	
Delinquencies	\$ 675	\$ 475

Foreclosures	N/A	Paid by property owner as part of settlement
Continuing Disclosure	N/A	\$1,150
Arbitrage Rebate Calculation	N/A	\$ 475

** The fees set forth will escalate three percent (3%) per year after fiscal year 2019-20.*