

## **CONTRACT FOR FINANCIAL ADVISOR/PROFESSIONAL SERVICES**

This Contract is made as of the 5th day of June, 2013 by and between the CITY OF RIVIERA BEACH, a Political Subdivision of the State of Florida, by and through its City Council, hereinafter referred to as the CITY, and Public Financial Management, Inc., a corporation authorized to do business in the State of Florida, hereinafter referred to as the FINANCIAL ADVISOR.

In consideration of the mutual promises contained herein, the CITY and the FINANCIAL ADVISOR agree as follows:

### **ARTICLE 1 - SERVICES**

The FINANCIAL ADVISOR'S responsibility under this Contract is to provide professional/consultation services in the area of developing financing strategy and consultation, as more specifically set forth in the Scope of Work detailed in Exhibit "A".

Advisory services required by the City relating to the subject matter of this Contract may include services rendered by Financial Advisor's investment advisory affiliate PFM Asset Management LLC ("PFMAM"). Any such services and related compensation agreed between the City and PFMAM will be described in a separate addendum to which the relevant terms of this Contract will be applicable.

The CITY'S representative/liaison during the performance of this Contract shall be Randy M Sherman, Director of Finance and Administrative Services.

### **ARTICLE 2 - SCHEDULE**

The Financial Advisor shall commence services on June 1, 2013 for a three year term, with the option to renew for two additional twelve month periods to be authorized by the City Council.

### **ARTICLE 3 - PAYMENTS TO FINANCIAL ADVISOR**

- A. The CITY agrees to compensate the FINANCIAL ADVISOR in upon the completion of bond financing, or on an hourly basis for services other than those related to the issuance of bonds. The Financial Advisor shall be paid in accordance with Exhibit "B" from bond proceeds, which will not be paid from the Cities General Fund Operating Account. The total and cumulative amount of this contract shall not exceed the amount of funds annually budgeted for these services. Reimbursable expenses, as identified in said fee proposal, incurred during the course of performance of this contract shall be itemized and invoiced separately. The CITY shall not reimburse the FINANCIAL ADVISOR for any travel costs incurred as a direct result of the FINANCIAL ADVISOR providing deliverables to the CITY in pursuance of the scope of work contained in Exhibit A, attached hereto and made part hereof.
- B. Invoices received from the FINANCIAL ADVISOR pursuant to this Contract will be reviewed and approved by the CITY'S representative, indicating that services have been rendered in conformity with the

Contract Invoices will normally be paid within thirty (30) days following the CITY representative's approval.

- C. All requests for payment of expenses eligible for reimbursement under the terms of this Contract shall include copies of said receipts, invoices, or other documentation acceptable to the CITY OF RIVIERA BEACH Finance Department. Such documentation shall be sufficient to establish that the expense was actually incurred and necessary in the performance of the scope of work described in this Contract. Any travel, per diem, mileage, meals, or lodging expenses which may be reimbursable under the terms of this Contract will be paid in accordance with the rates and conditions set forth in Section 112.061, Florida Statutes.
- D. Final Invoice: In order for both parties herein to close their books and records, the FINANCIAL ADVISOR will clearly state "final invoice" on the FINANCIAL ADVISOR'S final/last billing to the CITY. This certifies that all services have been properly performed and all charges and costs have been invoiced to the CITY OF RIVIERA BEACH. Since this account will thereupon be closed, any and other further charges if not properly included on this final invoice are waived by the FINANCIAL ADVISOR.

#### **ARTICLE 4 – TRUTH-IN-NEGOTIATION CERTIFICATE**

Signature of this Contract by the FINANCIAL ADVISOR shall also act as the execution of a truth-in-negotiation certificate certifying that the wage rates, overhead charges, and other costs used determined the compensation provided for in this Contract are accurate, complete and current as of the date of the Contract.

#### **ARTICLE 5 – TERMINATION**

This Contract may be canceled by the FINANCIAL ADVISOR upon thirty (30) days' prior written notice to the CITY'S representative in the event of substantial failure by the CITY to perform in accordance with the terms of this Contract through no fault of the FINANCIAL ADVISOR. It may also be terminated, in whole or in part, by the CITY, with or without cause, immediately upon written notice to the FINANCIAL ADVISOR. Unless the FINANCIAL ADVISOR is in breach of this Contract, the FINANCIAL ADVISOR shall be paid for services rendered to the CITY'S satisfaction through the date of termination. After receipt of a Termination Notice and except as otherwise directed by the CITY the FINANCIAL ADVISOR shall:

- A. Stop work on the date and to the extent specified.
- B. Terminate and settle all orders and subcontracts relating to the performance of the terminated work.
- C. Transfer all work in process, completed work, and other materials related to the terminated work to the CITY.
- D. Continue and complete all parts of the work that have not been terminated.

## **ARTICLE 6 – PERSONNEL**

The FINANCIAL ADVISOR represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the CITY.

All of the services required herein under shall be performed by the FINANCIAL ADVISOR or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

Any changes or substitutions in the FINANCIAL ADVISOR's key personnel, must be made known to the CITY'S representative and written approval must be granted by the CITY'S representative before said change or substitution can become effective.

The FINANCIAL ADVISOR warrants that all services shall be performed by skilled and competent personnel to the highest professional standards in the field.

All of the Company's personnel (and all Subcontractors) while on City premises, will comply with all City requirements governing conduct, safety and security.

## **ARTICLE 7 – SUBCONTRACTING**

The CITY reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor. The FINANCIAL ADVISOR is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities. If a subcontractor fails to perform or make progress, as required by this Contract, and it is necessary to replace the subcontractor to complete the work in a timely fashion the FINANCIAL ADVISOR shall promptly do so, subject to acceptance of the new subcontractor by the CITY.

## **ARTICLE 8 – FEDERAL AND STATE TAX**

The CITY is exempt from payment of Florida State Sales and Use Taxes. The CITY will sign an exemption certificate submitted by the FINANCIAL ADVISOR. The FINANCIAL ADVISOR shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with CITY, nor is the FINANCIAL ADVISOR authorized to use the CITY'S Tax Exemption Number in securing such materials.

The FINANCIAL ADVISOR shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this contract.

## **ARTICLE 9 – AVAILABILITY OF FUNDS**

The CITY's performance and obligation to pay under this contract is contingent upon an annual appropriation for its purpose by the CITY OF RIVIERA BEACH COUNCIL.

## ARTICLE 10 – INSURANCE

- A. Prior to execution of this Contract by the CITY, the FINANCIAL ADVISOR shall provide certificates evidencing insurance coverages as required hereunder. All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida. The Certificates shall clearly indicate that the FINANCIAL ADVISOR has obtained insurance of the type, amount, and classification as required for strict compliance with the ARTICLE. FINANCIAL ADVISOR will not materially alter any of the insurance policies currently in force and relied on in its proposal. Further, FINANCIAL ADVISOR will not reduce any coverage amount below the limits specified in the RFP. Compliance with the foregoing requirements shall not relieve the FINANCIAL ADVISOR of its liability and obligations under this Contract.
- B. The FINANCIAL ADVISOR shall maintain during the term of this Contract, standard Professional Liability Insurance in the minimum amount of \$500,000 per occurrence.
- C. The FINANCIAL ADVISOR shall maintain, during the life of this Contract, commercial general liability, including contractual liability insurance in the amount of \$500,000 per occurrence to protect the FINANCIAL ADVISOR from claims for damages for bodily and person injury, including wrongful death, as well as from claims of property damages which may arise from any operations under this Contract, whether such operations be by the FINANCIAL ADVISOR or by anyone directly employed by or contracting with the FINANCIAL ADVISOR.
- D. The FINANCIAL ADVISOR shall maintain, during the life of this Contract, comprehensive automobile liability insurance in the minimum amount of \$500,000 combined single limit for bodily injury and property damages liability to protect the FINANCIAL ADVISOR from claims for damages for bodily and personal property damages liability to protect the FINANCIAL ADVISOR from claims for damages for bodily and person injury, including death, as well as from claims for property damage, which may arise from the, use, or maintenance of non-owned automobiles, including rented automobiles whether such operations be by the FINANCIAL ADVISOR or by anyone directly or indirectly employed by the FINANCIAL ADVISOR.
- E. The FINANCIAL ADVISOR shall maintain, during the life of this Contract, adequate Workers' Compensation Insurance and Employer's Liability Insurance in at least such amounts as are required by law for all of its employees per Florida Statute 440.02.
- F. All insurance, other than Professional Liability and Workers' Compensation, to be maintained by the FINANCIAL ADVISOR shall specifically include the CITY as an "Additional Insured".
- G. The CITY, by and through its Risk Management Department, in cooperation with the contracting/monitoring department, reserves the right to review, reject or accept any required policies of insurance, including limits, coverages, or endorsements, therein from time to time throughout the term of this Contract. The CITY reserves the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or failure to operate legally.

## **ARTICLE 11 – INDEMNIFICATION**

The FINANCIAL ADVISOR shall indemnify and hold harmless and defend the CITY, its agents, servants, and employees from and against any and all claims, liabilities, losses, causes of action, and costs, including, but not limited to, reasonable attorney's fees (at the trial and appellate levels), which may arise from any negligent act or omission of the FINANCIAL ADVISOR, its agents, servants, or employees in the performance of services under this Contract. Nothing contained in this Article shall be construed or interpreted as consent by the CITY to be sued, nor as a waiver of sovereign immunity beyond the waiver provided in Section 768.28, Florida Statutes.

## **ARTICLE 12 – SUCCESSORS AND ASSIGNS**

The CITY and the FINANCIAL ADVISOR each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Contract and to the partners, successors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the CITY nor the FINANCIAL ADVISOR shall assign, sublet, convey or transfer its interest in this Contract without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the CITY which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the CITY and the FINANCIAL ADVISOR.

## **ARTICLE 13 – DISPUTE RESOLUTION, LAW, VENUE AND REMEDIES.**

All claims arising out of this Contract or its breach shall be submitted first to mediation in accordance with the local rules for mediation in Palm Beach County, Florida. The parties shall share the mediator's fee equally. The mediation shall be held in Palm Beach County, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract will be held in Palm Beach County, Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

## **ARTICLE 14 – CONFLICT OF INTEREST**

The FINANCIAL ADVISOR represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder, as provided for in Florida Statutes 112.311. The FINANCIAL ADVISOR further represents that no person having any interest shall be employed for said performance.

The FINANCIAL ADVISOR shall promptly notify the CITY's representative, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence or appear to influence the FINANCIAL ADVISOR'S judgment or quality of services being

provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the FINANCIAL ADVISOR may undertake and request an opinion of the CITY as to whether the association, interest or circumstance would, in the opinion of the City, constitute a conflict of interest if entered into the by the FINANCIAL ADVISOR. The CITY agrees to notify the FINANCIAL ADVISOR of its opinion by certified mail within thirty (30) days of receipt of notification by the FINANCIAL ADVISOR. If, in the opinion of the CITY, the prospective business association, interest or circumstance would not constitute a conflict of interest by the FINANCIAL ADVISOR, the CITY shall so state in the notification and the FINANCIAL ADVISOR shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the CITY by the FINANCIAL ADVISOR under the terms of this Contract.

#### **ARTICLE 15 – EXCUSABLE DELAYS**

The FINANCIAL ADVISOR shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the control of the FINANCIAL ADVISOR or its subcontractors and without their fault or negligence. Such causes include, but are not limited to: acts of God; natural or public health emergencies; labor disputes; freight embargoes; and abnormally severe and unusual weather conditions.

Upon the FINANCIAL ADVISOR'S request, the CITY shall consider the facts and extent of any failure to perform the work, and if the FINANCIAL ADVISOR'S failure to perform was without it or its subcontractors fault or negligence, the Contract Schedule and/or any other affected provision of this Contract shall be revised accordingly; subject to the CITY'S rights to change, terminate, or stop any or all of the work at any time.

#### **ARTICLE 16 – ARREARS**

The FINANCIAL ADVISOR shall not pledge the CITY's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien, or any form of indebtedness. The FINANCIAL ADVISOR further warrants and represents that it has no obligations or indebtedness that would impair its ability to fulfill the terms of this Contract.

#### **ARTICLE 17 – DISCLOSURE AND OWNERSHIP DOCUMENTS**

The FINANCIAL ADVISOR shall deliver to the CITY's representative for approval and acceptance, and before being eligible for final payment of any amounts due, all documents and materials prepared by and for the CITY under this Contract.

All written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by the CITY or at its expense will be kept confidential by the FINANCIAL ADVISOR and will not be disclosed to any other party, directly or indirectly, without the CITY'S prior written consent unless required by a lawful order. All drawings, maps, sketches, programs, data base, reports and other data developed, or purchased, under this Contract for or at the CITY'S expense shall be and remain the CITY'S property and may be reproduced and reused at the discretion of the CITY.

The CITY and the FINANCIAL ADVISOR shall comply with the provisions of Chapter 119, Florida Statutes (Public Records Law).

All covenants, agreements, representations and warranties made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein relating to disclosure or ownership of documents, shall survive the execution and delivery of this Contract and the consummation of the transactions contemplated hereby.

**ARTICLE 18 – INDEPENDENT CONTRACTOR RELATIONSHIP**

The FINANCIAL ADVISOR is, and shall be, in the performance of all work services and activities under this Contract, an Independent Contractor, and not an employee, agent, or servant of the CITY. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the FINANCIAL ADVISOR’S sole direction, supervision, and control. The FINANCIAL ADVISOR shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the FINANCIAL ADVISOR’S relationship and the relationship of its employees to the CITY shall be that of an Independent Contractor and not as employees or agents of the City.

The FINANCIAL ADVISOR does not have the power or authority to bind the CITY in any promise, agreement or representation other than specifically provided for in this Agreement.

**ARTICLE 19 – CONTINGENT FEES**

The FINANCIAL ADVISOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the FINANCIAL ADVISOR to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the FINANCIAL ADVISOR, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the aware of making of this Contract.

**ARTICLE 20 – ACCESS AND AUDITS**

The FINANCIAL ADVISOR shall maintain adequate records to justify all charges, expenses, and costs incurred in estimating and performing the work for at least three (3) years after completion of this Contract. The CITY shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the FINANCIAL ADVISOR’S place of business.

**ARTICLE 21 – NONDISCRIMINATION**

The FINANCIAL ADVISOR warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national original, ancestry, marital status, or sexual orientation.

**ARTICLE 22 – ENFORCEMENT COSTS**

All parties shall be responsible for their own attorneys fees, court costs and expenses if any legal action or other proceeding is brought for any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to the Contract’s execution, validity, the obligations provided therein, or

performance of this Contract, or because of an alleged breach, default or misrepresentation in connection with any provisions of this Contract.

#### **ARTICLE 23 – AUTHORITY TO PRACTICE**

The FINANCIAL ADVISOR hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, and that it will at all times conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the CITY's representative upon request.

#### **ARTICLE 24 – SEVERABILITY**

If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, to remainder of this Contract, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

#### **ARTICLE 25 – PUBLIC ENTITY CRIMES**

As provided in F.S. 287.132-133 by entering into this Contract or performing any work in furtherance hereof, the contractor certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the 36 months immediately preceding the date hereof. This notice is required by F.S. 287.133(3)(a).

#### **ARTICLE 26 – MODIFICATIONS OF WORK**

The CITY reserves the right to make changes in Scope of Work, including alterations, reductions therein or additions thereto. Upon receipt by the FINANCIAL ADVISOR of the CITY'S notification of a contemplated change, the FINANCIAL ADVISOR shall, in writing: (1) provide a detailed estimate for the increase or decrease in cost due to the contemplated change, (2) notify the CITY of any estimated change in the completion date and (3) advise the City if the contemplated change shall affect the FINANCIAL ADVISOR'S ability to meet the completion dates or schedules of this Contract.

If the CITY so instructs in writing, the FINANCIAL ADVISOR shall suspend work on that portion of the Scope of Work affected by a contemplated change, pending the CITY'S decision to proceed with the change.

If the CITY elects to make the change, the CITY shall initiate a Contract Amendment and the FINANCIAL ADVISOR shall not commence work on any such change until such written amendment is signed by the FINANCIAL ADVISOR and approved and executed by the City Council for the CITY OF RIVIERA BEACH.



**ARTICLE 27 - NOTICE**

All notices required in this Contract shall be sent by certified mail, return receipt requested, and if sent to the CITY shall be mailed to:

Director of Finance and Administrative Services  
City of Riviera Beach  
600 West Blue Heron Boulevard  
Riviera Beach, FL 33404

and if sent to the FINANCIAL ADVISOR shall be mailed to:

Sergio Masvidal, Director  
Public Financial Management, Inc.  
255 Alhambra Circle, Suite 404  
Coral Gables, FL 33134

**ARTICLE 28 - PREPARATION**

This Contract shall not be construed more strongly against either party regardless of who was more responsible for its preparation.

**ARTICLE 29 - MATERIALITY**

All provisions of the Contract shall be deemed material, in the event FINANCIAL ADVISOR fails to comply with any of the provisions contained in this Contract or exhibits, amendments and addenda attached hereto, said failure shall be deemed a material breach of this Contract and CITY may at its option and without notice terminate this Contract.

**ARTICLE 30 - REPRESENTATIONS/BINDING AUTHORITY**

FINANCIAL ADVISOR has full power, authority and legal right to execute and deliver this Contract and perform all of its obligations under this Contract. By signing this Contract, Sergio Masvidal, Director, hereby represents to the CITY that he has the authority and full legal power to execute this Contract and any and all documents necessary to effectuate and implement the terms of this Contract on behalf of the FINANCIAL ADVISOR for whom he is signing and has the authority to bind and obligate such party with respect to all provisions contained in this Contract.

**ARTICLE 31 - ENTIRETY OF CONTRACTUAL AGREEMENT**

The CITY and the FINANCIAL ADVISOR agree that this Contract, with exhibits, sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article 26 – Modifications of Work.

IN WITNESS WHEREOF, the Parties unto this Contract have set their hands and seals on the day and date first written above.

CITY OF RIVIERA BEACH

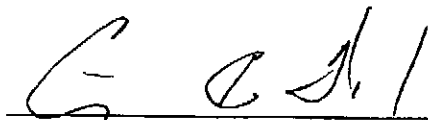
PUBLIC FINANCIAL MANAGEMENT, INC.

  
\_\_\_\_\_  
THOMAS A. MASTERS, MAYOR

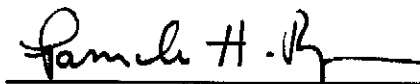
  
\_\_\_\_\_  
DAVID M. MOORE, MANAGING DIRECTOR

(MUNICIPAL SEAL)

ATTEST:

  
\_\_\_\_\_  
CARRIE E. WARD, MMC  
CITY CLERK

REVIEWED AS TO LEGAL SUFFICIENCY

  
\_\_\_\_\_  
Pamala H. Ryan, City Attorney  
City of Riviera Beach

DATE: 6/4/13

## Exhibit A

### **SCOPE OF SERVICE**

On an as needed basis, the consultant will perform financial/analytical services for a variety of assignments as requested by the Office of the City Manager and City of Riviera Beach Finance Department. At a minimum, the services provided may include, but need not necessarily be limited to the following:

#### **1. SERVICES RELATED TO FINANCIAL PLANNING**

- A. Assist the City in the design, implementation, and monitoring of the financing element of the City of Riviera Beach five (5) year capital plan. This task includes an overall evaluation of all financing sources presently or projected to be available to the City, including internally generated funds, debt financing, leasing, federal or state grants, private sources, and various combinations of all these sources.
- B. Prepare cash flow analysis for each of the various major capital improvements included in the City 5 year capital improvement plan and any other project that may not be included in the capital improvement plan.
- C. Prepare a comprehensive analysis of the City's current debt and financial capacity. This analysis shall include a long-term financial feasibility analysis for each significant capital improvement project contained in the City's 5 year capital plan for which financing must be considered. Implicit in this analysis is an evaluation of the impact of the operating costs of these improvements on the financial capacity of the City.
- D. The financial advisor should also review all indebtedness of the City and provide recommendations relative to the refinancing or early extinguishment of said obligations.
- E. Provide an analysis of all available financing options. As stated previously, this analysis should not be limited to a consideration of which type of debt should be issued to finance a particular project, but should also consider whether or not a financing alternative to debt exists.
- F. In the event that the issuance of debt is determined to represent the most viable financing alternative, this analysis should not necessarily be limited to the more traditional forms of financing available to governmental entities, but should also recognize some of the alternative financing methods available, such as sale/leaseback, pooled debt participation, even taxable instruments, new markets tax credit, and federal, state and local grants.

#### **2. SERVICES RELATED TO DEBT ISSUANCE**

Prepare a Debt Financing Structure. This is a complex function which will generally consist of, but need not necessarily be limited to, development of the following structural components:

## Exhibit A

### **SCOPE OF SERVICE**

- A. Establishment of sizing parameters for the debt to be issued, taking into consideration both the cash flow requirements associated with the capital improvements being financed, as well as reinvestment yields estimated to be available during the term of the project.
- B. Determination of a maturity schedule for the proposed debt. This evaluation should take into account the estimated useful life of the project to be constructed utilizing the proceeds of the debt, as well as future demands upon the funds pledged for the repayment of the debt. Functionally related to the proposed maturity schedule is a determination of whether or not to use exclusively serial instruments or an appropriate combination of term and serial obligations.
- C. Recommendation of an appropriate credit structure. One of the most critical elements in the design of any capital facility debt financing is a determination of source of funds to be used to repay the debt which is acceptable from the perspective of both the issuer and the purchaser. This evaluation will include recommendations as to appropriate primary as well as secondary revenue sources to be pledged for the repayment of the debt, and should also give serious consideration to the form of the pledge (i.e. Revenue vs. General Obligation).
- D. Evaluate the use of appropriate types of credit enhancements. This analysis should result in recommendations relating to, among other things, the use of bond insurance or letters of credit.
- E. Make recommendations concerning the timing of the issuance of debt obligations to fund the improvements. This analysis includes a review not only of when to issue the debt to take advantage of the most favorable market conditions, but also should include a recommendation as to the desirability of utilizing interim financing techniques, such as bond or revenue anticipation notes or lines of credit.
- F. Design and implement appropriate mechanical features of the debt issued. This item includes making recommendations pertaining to the physical form of the obligations issued, including recommendations relating to the feasibility of issuing book entry only obligations.
- G. The final task in preparing the debt financing structure is to determine whether the obligations should be sold competitively, negotiated, or placed privately. In the event that a negotiated sale is the preferred method, the financial advisor will be responsible for the preparation of a request for proposals for underwriting services, and will assist the City in the selection process.
- H. Assist the City and bond counsel, as necessary, in any required validation proceedings.

Exhibit A

**SCOPE OF SERVICE**

- I. Prepare, and make presentations on behalf of the City, to one or more of the nationally recognized credit rating organizations in order to obtain the highest possible credit rating for the obligations of the City. This task envisions not only obtaining a rating for the City but also ensuring the maintenance of the ratings obtained, where possible.
- J. Assist the City in the procurement of various types of professional services required in conjunction with the issuance of the obligations, including, but not limited to, the following:
  - 1. Investment Banking (Underwriting) Services (negotiated sale only)
  - 2. Bond Counsel
  - 3. Printing Services (for both the official statements as well as the actual bond forms)
  - 4. Bond Registration, Paying Agent, and Trustee Services (if applicable)
  - 5. Verification Services (for refunding issues)
  - 6. Arbitrage Rebate Calculation Services
  - 7. Disclosure Services

It is intended that the inclusion of this responsibility within the scope of services provided by the financial advisor also envisions the post issuance evaluation by the financial advisor of the services so obtained.

- K. Provide continuing updates on the impact of current or proposed state or federal legislation, or the effects of changing market conditions that could potentially affect the City's financing plans.
- L. Attend City Council meetings and other scheduled City meetings as requested, with reasonable advance notice.
- M. Evaluate the projected cash flow from any revenue sources that may constitute security for any obligation incurred.
- N. Work with the City and bond counsel to recommend size, financial structure, specific terms and conditions of any financial arrangement.

## Exhibit A

### **SCOPE OF SERVICE**

- O. Assist the City in the formation of a financing team along with a list of the required services of underwriter, trustee, bond rating agency, legal counsel, and any other professional service as required.
- P. Assist the City with determining the costs required to underwrite any proposed financing arrangement.

### **3. SERVICES RELATED TO COST-BENEFIT AND RISK ANALYSIS AND RELATED DUE DELIGENCE FOR PROSPECTIVE PUBLIC/PRIVATE DEVELOPMENT OPPORTUNITIES**

On an as needed basis, the consultant will perform specialized financial/analytical services in relation to proposed public/private development projects. At a minimum, the selected Financial Advisor will provide the following services:

Provide economic analysis of proposed development property that illustrates the economic and real estate value of the property if developed as expected (the assumed baseline) and the economic and real estate potential if developed to maximize the economic development potential to the City, including assessing options to leverage public actions and investments. A successful product for the City shall include:

- A. Highest and best use analyses; alternative financing options; cost benefit analysis; fair market value and re-use analyses; evaluation of development cost; evaluation of financial projections and corporate due diligence.
- B. Identification and linkages between public-policy options and public benefit.
- C. Sensitivity analysis of uncertain variables.
- D. Discussion of risk and trade-offs from the City and Developer's perspective.
- E. Evaluation of development scenario to determine whether there are additional opportunities that could increase the return on investment and provide significant economic development to the City of Riviera Beach beyond that proposed in the developer's baseline scenario.
- F. Ensure the appropriate level of due diligence is completed to provide assurance the developer has the financial capacity and strength to complete the proposed development project; and the developer is in compliance with all regulatory bodies.
- G. Ensure the City only provides a level of public subsidy consistent with the anticipated return on investment (including economic development) and receives a level of return appropriate for the inherent risks associated with the proposed phased strategy of the development project.

- H. Assist in the negotiation of appropriate levels of Return on Investment (ROI) on the City' behalf consistent with the amount of risk and level of subsidy being requested by the developer.
- I. Analyze and report on the advantages and disadvantages of each proposed financing arrangements.

Exhibit B

**FEE SCHEDULE**

**Transactional Fee Schedules:**

<b><u>Bond Size</u></b>	<b><u>Incremental Fee Per \$1,000</u></b>
Up to 50,000,000	0.90
Over 50,000,001	0.75

A minimum fee of \$20,000 per transaction and a maximum of \$75,000 per transaction.

<b><u>Experience Level</u></b>	<b><u>Hourly Rate</u></b>
Managing Director, Director, and Senior Managing consultant <i>David Moore, Sergio Masvidal, Marissa Wortman (or equivalent)</i>	\$180.00
Senior analyst and Analyst <i>Nicklas Rocca, Pedro Varone (or equivalent)</i>	\$150.00
Administrative Staff	\$25.00

**Out-of-Pocket Expenses**

The lesser amount of not to exceed \$1,000 per issue, or actual costs (travel, lodging, meals, postage, telephone, copies, printing, all other miscellaneous expenses) excluding New York travel which is billed at cost.

**Type of Expense**

Photocopies	\$0.10 per page for Black and White \$1.00 per page for Color Printer
Facsimile	\$1.00 per page
Long Distance Telephone	At Cost
Conference Calls	At Cost
Travel	In accordance with F.S.112.061
Mileage	In accordance with F.S.112.061
Postage	At Cost
Courier, Overnight Delivery	At Cost