



Board of County Commissioners - Staff Report

Meeting Date: November 7, 2023
Submitting Dept: General Services

Presenter: Sarah Mann
Subject: Municipal Financial Advisor for Courthouse Project

Statement / Purpose: Approval of Agreement for a Municipal Financial Advisor on the Courthouse project.

Background / Description (Pros & Cons):

In May of this year, the Commissioners approved a loan application for the State of Wyoming SLIB Capital Construction Loan program for \$80 million for the construction of a new courthouse/detention facility. In July, the County was informed that this application would likely be too large to be funded through the program. Staff started exploring other options and it was recommended by Kutak Rock that we hire a Municipal Financial Advisor to assist with determining financing options moving forward. A municipal financial advisor provides independent financial advice to state and local governments, and governmental agencies when bringing debt to the market or undertaking capital planning and budgeting.

The County issued an RFP for a Municipal Financial Advisor firm on August 29th, four proposals were received. The proposals were scored by the review team made up of the County Clerk, County Treasurer, Commissioners Administrator, General Services Director, and the Deputy County Attorney. The team decided to interview three of the four firms. After the interviews, the team selected **PFM Financial Advisors, LLC** according to the following rankings:

Name of Firm	Total Score
Baker Tilly	575.5
Clearwater	397
Columbia Capital	499
PFM	633.5

PFM will work with the County to determine the financing requirements, coordinate financing considerations with other key project elements and milestones, develop a financing plan and assist with building the financing team, evaluate alternative financing structures and methods of sale, execute the financing, provide ongoing debt management support. They will work to ensure that the County can meet capital needs while also achieving long-term financial objectives.

Stakeholder Analysis & Involvement: Board of County Commissioners, County Clerk, County Treasurer, County Attorney, General Services all will be impacted by the decision for financing the courthouse.

Fiscal Impact:

Fees are typically paid out of bond proceeds upon the closing of the transactions, based on the amounts below.

Bond Size Issuance Fee per \$1,000

For financings up to \$20 million	\$1.50 per \$1,000, with a \$35,000 minimum
For financings between \$20 million and \$75 million	\$30,000 plus \$0.75 per \$1,000 over \$20 million
For financings over \$75 million	\$75,000



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All planning work is inclusive of the fees listed. If we end up not selling bonds, we would be charged hourly for the work that has been performed. For non-transaction services provided according to the scope of work in Exhibit A, Section 2, PFM will charge hourly fees.

Staff Impact: The MFA will help staff, the County Clerk, and the County Treasurer to make a recommendation to the Board for financing the Courthouse.

Legal Review: Gingery

Staff Input / Recommendation: Approve

Attachments:

DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER IMPORTANT MUNICIPAL ADVISORY INFORMATION

AGREEMENT FOR FINANCIAL ADVISORY SERVICES

Suggested Motion: I move to approve the Agreement for Financial Advisory Services with PFM Financial Advisors, LLC for the Courthouse Construction Project.

**DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER
IMPORTANT MUNICIPAL ADVISORY INFORMATION
PFM Financial Advisors LLC**

I. Introduction

PFM Financial Advisors LLC and PFM Swap Advisors LLC (hereinafter, referred to as “We,” “Us,” or “Our”) are registered municipal advisors with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. In accordance with MSRB rules, this disclosure statement is provided by Us to each client prior to the execution of its advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii). We employ a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

How We Identify and Manage Conflicts of Interest

Code of Ethics. The Code requires that all employees conduct all aspects of Our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee’s independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and Our clients.

Policies and Procedures. We have adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allows Us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to Our analysis of potential conflicts of interest.

Supervisory Structure. We have both a compliance and supervisory structure in place that enables Us to identify and monitor employees’ activities, both on a transaction and Firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client’s interests, the proposed engagement, Our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows Us to evaluate any situations that may be an actual or potential conflict of interest.

Disclosures. We will disclose to clients those situations that We believe would create a material conflict of interest, such as: 1) any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work We perform for such client; 2) any payment made to obtain or retain a municipal advisory engagement with a client; 3) any fee-splitting arrangement with any provider of an investment or services to a client; 4) any conflict that may arise from the type of compensation arrangement We may have with a client; and 5) any other actual or potential situation that We are or become aware of that might constitute a material conflict of interest that could reasonably expect to impair Our ability to provide advice to or on behalf of clients consistent with regulatory requirements. If We identify such situations or circumstances, We will prepare meaningful disclosure that will describe the implications of the situation and how We intend to manage the situation. We will also disclose any legal or disciplinary events that are material to a client’s evaluation or the integrity of Our management or advisory personnel. We will provide this disclosure (or a means to access this information) in writing prior to starting Our proposed engagement, and will provide such additional information or clarification as the client may request. We will also advise Our clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, Our plan to manage that situation, and any additional information such client may require.

II. General Conflict of Interest Disclosures

Disclosure of Conflicts Concerning the Firm’s Affiliates

Our affiliates offer a wide variety of financial services, and Our clients may be interested in pursuing services separately provided by an affiliate. The affiliate’s business with the client could create an incentive for Us to recommend a course of action designed to increase the level of the client’s business activities with the affiliate or to recommend against a course of

action that would reduce the client's business activities with the affiliate. In either instance, We may be perceived as recommending services for a client that are not in the best interests of Our clients, but rather are in Our interests or the interests of Our affiliates. Accordingly, We mitigate any perceived conflict of interest that may arise in this situation by disclosing it to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances. Further, We receive no compensation from Our affiliates with respect to a client introduction or referral. If a client chooses to work with an affiliate, We require that the client consult and enter into a separate agreement for services, so that the client can make an independent, informed, evaluation of the services offered.

Disclosure of Conflicts Related to the Firm's Compensation

From time to time, We may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since We may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, We may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest, if the transaction requires more work than contemplated and We are perceived as recommending a less time consuming alternative contrary to the client's best interest so as not to sustain a loss. Finally, We may contract with clients on an hourly fee basis. If We do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as We would not have a financial incentive to recommend an alternative that would result in fewer hours. We manage and mitigate all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances.

Disclosure of Conflicts Related to the Firm's Compensation Structure for Our Registered Advisors. Pursuant to various employee compensation structures, from time to time We offer certain of Our registered municipal advisors ("Registered Advisors") financial benefits based on his or her business plan, client base, performance, and/or transactions closed. This provides an incentive for such Registered Advisors to seek to retain additional clients and/or transactions or services from clients. While this form of compensation may be customary in some segments of the municipal advisory market, provision of such financial benefits may be deemed to present a conflict of interest. We manage and mitigate these types of conflicts by Registered Advisor's adherence to Our Code of Ethics and Policies and Procedures, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances.

Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients

We regularly provide financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While Our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of Our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees Our engagement with any other particular client as a conflict, We will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes an "Informational Bubble" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, We will withdraw from the engagement.

Disclosure Related to Legal and Disciplinary Events

As registered municipal advisors with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, Our legal, disciplinary and judicial events are required to be disclosed on Our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s) ("DRP"). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically

access PFM Financial Advisors LLC filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed, at:

PFM Financial Advisors LLC –

<http://www.sec.gov/cgi-bin/browse-edgar?company=PFM+Financial&owner=exclude&action=getcompany>

III. Specific Conflicts of Interest Disclosures – Teton County, Wyoming

To Our knowledge, following reasonable inquiry, we are not aware of any other actual or potential conflict of interest that could reasonably be anticipated to impair Our ability to provide advice to or on behalf of the client in accordance with applicable standards of conduct of MSRB Rule G-42.

IV. Municipal Advisory Complaint and Client Education Disclosure

The MSRB protects state and local governments and other municipal entities and the public interest by promoting fair and efficient municipal securities markets. To that end, MSRB rules are designed to govern the professional conduct of brokers, dealers, municipal securities dealers and municipal advisors. Accordingly, if you as municipal advisory customer have a complaint about any of these financial professionals, please contact the MSRB's website at www.msrb.org, and consult the MSRB's Municipal Advisory Client brochure. The MSRB's Municipal Advisory Client brochure describes the protections available to municipal advisory clients under MSRB rules, and describes the process for filing a complaint with the appropriate regulatory authority.

PFM's Financial Advisory services are provided by PFM Financial Advisors LLC. PFM's Swap Advisory services are provided by PFM Swap Advisors LLC. Both entities are registered municipal advisors with the MSRB and SEC under the Dodd Frank Act of 2010.

PFM FINANCIAL ADVISORS LLC
AGREEMENT FOR FINANCIAL ADVISORY SERVICES

This agreement (“Agreement”), made and entered into this ___ day of _____, 2023, by and between Teton County, Wyoming (the “County”) and PFM Financial Advisors LLC (hereinafter called “PFM”), sets forth the terms and conditions under which PFM shall provide services.

WHEREAS, the County desires to obtain the services of a financial advisor to develop and assist in implementing the County’s strategies to meet its current and long-term operations, financial obligations, capital financing needs and render assistance in respect to debt transactions; and

WHEREAS, PFM is capable of providing the necessary financial advisory services.

NOW, THEREFORE, in consideration of the above-mentioned premises and intending to be legally bound hereby, the County and PFM agree as follows:

I. SCOPE OF SERVICES

PFM shall provide, upon request of the County, services related to financial planning, budget and strategic advice and planning, policy development and services related to debt issuance, as applicable and set forth in Exhibit A to this Agreement. The County acknowledges and agrees that most tasks requested by the County will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to just those services required to complete the task. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by PFM which are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between the County and PFM. Upon the request of the County, an affiliate of PFM or a third party referred or otherwise introduced by PFM and/or designated by the County may agree to additional services to be provided under a separate writing, including separate scope and compensation, between the County and such affiliate or third party.

II. WORK SCHEDULE

The services of PFM are to commence as soon as practicable after the execution of this Agreement and a request by the County for such service.

III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES

1. PFM is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If the County has designated PFM as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), then services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any agreed upon limitations. Verification of

independence (as is required under the IRMA exemption) shall be the responsibility of such third party seeking to rely on such IRMA exemption. PFM shall have the right to review and approve in advance any representation of PFM's role as IRMA to the County.

2. MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFM's Disclosure Statement delivered to the County prior to or together with this Agreement.

IV. FINANCIAL ADVISORY COMPENSATION; REIMBURSEMENT OF EXPENSES

For the services provided under this Agreement, PFM's professional fees shall be paid as provided in Exhibit B to this Agreement and the County shall pay expenses and fees for other services not set forth in Exhibit A as provided below.

All fees shall be due to PFM within thirty (30) days of the date of invoice.

1. Reimbursable Expenses

In addition to fees for services, PFM will be reimbursed for necessary, reasonable, and out-of-pocket expenses incurred, including, but not limited to, travel, meals, lodging, telephone, mail, and other ordinary or extraordinary costs such as for graphics, printing, document production (including as required by a subpoena or other legal document or order), data processing and computer time which are incurred by PFM. Upon request of the County, documentation of such expenses will be provided.

2. Other Services

Any services which are not included in the scope of services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

V. TERMS AND TERMINATION

This Agreement shall be effective from October 1, 2023 until September 30, 2026 (the "Initial Term") and shall automatically renew for additional three (3) year periods (each a "Renewal Term" and together with the Initial Term, the "Term", unless terminated in writing by either party upon thirty (30) days written notice to the other party.

Upon any such termination, PFM will be paid for all services performed and costs and expenses incurred up to the termination date.

VI. ASSIGNMENT

PFM shall not assign or transfer any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the County; provided that PFM retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving PFM's business without any such consent.

VII. INFORMATION TO BE FURNISHED TO PFM

All information, data, reports, and records in the possession of the County or any third party necessary for carrying out any services to be performed under this Agreement (“Data”) shall be furnished to PFM. PFM may rely on the Data in connection with its provision of the services under this Agreement and the provider thereof shall remain solely responsible for the adequacy, accuracy and completeness of such Data.

VIII. NOTICES

All notices and other communication required under this Agreement shall be in writing and may be sent by certified mail, return receipt requested, by nationally recognized courier, with written verification of receipt, or by electronic mail. Notices shall be sent to the parties at the following addresses, or to such other address as a party may furnish to the other party:

TETON COUNTY, WYOMING

PO Box 3594
185 S. Willow Street
Jackson, WY 83001
Attention: Sarah Mann, Director of General Services

PFM FINANCIAL ADVISORS LLC

107 Spring Street
Seattle, WA 98104
Attention: Thomas Toepfer, Managing Director
with copy via email to toepfert@pfm.com

IX. TITLE TRANSFER

All materials, except functioning or dynamic financial models, prepared by PFM pursuant exclusively to this Agreement shall be the property of the County. Subject to the exception described above, upon termination of this Agreement, at the County’s reasonable request no later than three (3) years after the termination of this Agreement, PFM shall deliver to the County copies of any deliverables pertaining to this Agreement.

X. PFM’S REPRESENTATIVES

The services set forth in this Agreement shall be provided by PFM’s project manager, Matthew Schoenfeld, and other PFM employees as may be necessary; provided that PFM may, from time to time, supplement or otherwise amend the advisory team members. The County has the right to request, for any reason, that PFM replace any member of the advisory team. Should the County make such a request, PFM shall promptly suggest a substitute for approval by the County.

XI. INSURANCE

PFM shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.

XII. LIMITATION OF LIABILITY

Except to the extent caused by its willful misconduct, bad faith, gross negligence or reckless disregard of its obligations or duties, PFM shall have no liability to any party under this Agreement.

XIII. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY

PFM, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of the County by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will PFM be liable for any act or omission of any third party or for any circumstances beyond PFM's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

XIV. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of Wyoming. PFM and the County agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

XV. ENTIRE AGREEMENT; SEVERABILITY

This Agreement represents the entire agreement between the County and PFM and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate agreement between the County and an affiliate of PFM or any third party referred or introduced by PFM and/or designated by the County shall not in any way be deemed an amendment or modification of this Agreement. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

XVI. EXECUTION; COUNTERPARTS

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

IN WITNESS WHEREOF, the County and PFM have executed this Agreement as of the day and year herein above written.

TETON COUNTY, WYOMING

By: _____

Name: _____

Title: _____

PFM FINANCIAL ADVISORS LLC

By: _____

Name: Thomas Toepfer

Title: Managing Director

EXHIBIT A
SCOPE OF SERVICES

1. Services related to debt transactions (including short term financings, notes, loans, letters of credit, line of credit and bonds) subject to transaction fees as set forth in Exhibit B, Section 1. Upon the request of the County or as required to complete the financing transaction:

- Develop, or review, a financing plan in concert with the County's staff which would include recommendations as to the timing and number of series of bonds to be issued.
- Assist the County by recommending the best method of sale, either as a negotiated sale, direct (bank) placement or a competitive sale. In a competitive sale or direct placement, make recommendation as to the determination of the best bid. In the event of a negotiated sale, assist in the solicitation, review and evaluation of any investment banking proposals, and provide advice and information necessary to aid in such policy selection.
- Advise as to the various financing alternatives available to the County.
- Develop alternatives related to debt transaction including evaluation of revenues available, maturity schedule and cash flow requirements.
- If appropriate, develop credit rating presentation(s) and coordinate with the County the presentation(s) to credit rating agencies.
- For a negotiated sale, review underwriter's proposals and provide analysis of same to the County.
- Assist the County in the procurement of other services relating to debt issuance such as printing, paying agent, registrar, etc.
- Identify key bond covenant features and advise as to the financial consequences of provisions to be included in documents regarding security, creation of reserve funds, flow of funds, redemption provisions, additional parity debt tests, etc.
- Review the terms, conditions and structure of any proposed debt offering undertaken by the County and provide suggestions, modifications and enhancements where appropriate and necessary to reflect the constraints or current financial policy and fiscal capability.
- Coordinate with the County's staff and other advisors as respects the furnishing of data for offering documents, it being specifically understood that PFM is not responsible for the inclusion or omission of any material in offering documents.
- Review Preliminary Official Statements and final Official Statements prepared on behalf of the County for use in marketing any bonds and meeting regulatory requirements.
- As applicable, advise the County on the condition of the bond market at the time of sale, including volume, timing considerations, competing offerings, and general economic considerations.

- Assist and advise the County in negotiations with investment banking groups regarding fees, pricing of the bonds and final terms of any security offering, and make recommendations regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions.
- For any competitive sale of bonds or notes, prepare (or assist in the preparation of) the official notice of sale, recommend sale parameters, take steps necessary to ensure broad market exposure of the issue, through the use of newswire services and official statement distribution, and perform additional steps necessary and customary for competitive bond sales.
- Arrange for the closing of the transaction including final delivery of the bonds.

2. General, ongoing services relative to periodic market updates, financial planning, credit ratings, and policy development, subject to fees forth in Exhibit B, Section 2. Upon request of the County:

- Provide general advice, input, and planning as may be requested from time to time by the County.
- Evaluate the County's capital financing plans and needs, and the County's financial resources, relative to any proposed financing.
- Provide analysis of financing options, identify risks, and advise on the feasibility of financing plans.
- Periodically review outstanding obligations for the County for potential debt consolidation or refinancing opportunities that may benefit to the County.
- Advise the County of changes in state or federal law that may be relevant to the County's future financing plans.
- If requested, serve as the County's IRMA in connection with the "Municipal Advisor Rule," and review proposals/analysis provided by underwriters, banks, and other third parties, subject to Article III.
- Attend meetings with the County's staff, consultants, and other professionals.

In addition to the services identified above, PFM may also perform special projects as requested by the County. The scope of such project will be identified prior to undertaking the project. Such projects will be subject to fees based upon hourly rates, as set forth in Exhibit B, Section 2.

EXHIBIT B
COMPENSATION FOR SERVICES

1. Transaction Fees

The compensation schedule for competitive and negotiated sales of long-term financings according to the scope of work in Exhibit A, Section 1, will be billed at closing as follows:

<u>Bond Size</u>	<u>Issuance Fee per \$1,000</u>
For financings up to \$20 million	\$1.50 per \$1,000, with a \$35,000 minimum
For financings between \$20 million and \$75 million	\$30,000 plus \$0.75 per \$1,000 over \$20 million
For financings over \$75 million	\$75,000

2. Hourly Project Fees

For non-transaction services provided according to the scope of work in Exhibit A, Section 2, PFM will charge hourly fees as follows:

<u>Experience Level</u>	<u>Hourly Rate</u>
Managing Director	\$350
Director	\$325
Senior Managing Consultant	\$300
Senior Analyst	\$260
Analyst	\$210
Associate (Administrative Support)	\$195

In the event the County requests that PFM perform a significant special project beyond the scope of work contained in Exhibit A, Section 2, fees will be negotiated in advance of the project generally based upon the aforementioned hourly rates for the indicated levels of experience or their equivalents will apply. No such fee will be charged to the County without first entering into a written addendum or memorandum documenting the requested services and expected fee. Additionally, in the event a financing is started, but cancelled at the County's request, accrued time will be billed at hourly rates as described above.

For each contract year following the initial contract year (each, individually, a "Subsequent Contract Year"), hourly fee rates shall be calculated by comparing the "All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. District Average" (the "Index") for the end of month immediately preceding the start of the Subsequent Contract Year and the Index on the date one year prior to that end of month. The greater of zero percent and the percentage change in the Index shall be applied to the hourly fee rate schedule above and shall be the hourly fee rates for the applicable Subsequent Contract Year. For example, and for avoidance of doubt, for a Subsequent Contract Year commencing October 1, 2024, the Index in effect on September 30, 2024 will be compared to the Index in effect on September 30, 2023. The percentage change in the Index will then be applied to increase the hourly rates by a similar percentage.

EXHIBIT C
INSURANCE

PFM Financial Advisors LLC (“PFM”) has a complete insurance program, including property, casualty, general liability, automobile liability and workers compensation. PFM maintains professional liability and fidelity bond coverages which total \$5 million and \$5 million single loss/\$10 million aggregate, respectively. PFM also carries a \$5 million cyber liability policy.

Our Professional Liability policy is a “claims made” policy and our General Liability policy claims would be made by occurrence.

Deductibles/SIR:

Automobile \$100 comprehensive & \$1,000 collision
Cyber Liability \$100,000
General Liability \$0
Professional Liability (E&O) \$200,000
Financial Institution Bond \$50,000

Insurance Company & AM Best Rating

Professional Liability (E&O)Lloyds of London; (A; Stable)
.....AXIS Surplus Insurance Company; (A; Stable)
Financial Institution Bond.....Berkley Regional Insurance Company; (A+; Stable)
Cyber LiabilityGreenwich Insurance Company (A+; Stable)
General LiabilityValley Forge Insurance Company; (A Stable)
Automobile LiabilityContinental Insurance Company; (A Stable)
Excess /Umbrella LiabilityContinental Insurance Company; (A Stable)
Workers Compensation.Continental Insurance Company; (A Stable)
& Employers Liability