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5000 Birch Street, Suite 6000
Newport Beach, CA 92660

AGREEMENT FOR CONSULTING SERVICES

This Agreement is made and entered into this 18th day of March of 2019 by and between the City of Redlands, herein called ("City,") and DTA, formerly David Taussig & Associates, Inc., herein after called ("DTA.") City and DTA, in consideration of the mutual promises and conditions herein contained, agree as follows.

ARTICLE I **TERM OF CONTRACT**

Section 1.1 This Agreement shall become effective on the date stated above and will continue in effect until the earlier of (i) that day when the services provided for herein have been accepted as complete by City or (ii) until terminated as provided in Article VI below.

ARTICLE II **SERVICES TO BE PERFORMED BY DTA**

Section 2.1 DTA agrees to perform the professional services for City and to deliver the work products to City as described in the Scope of Work statement attached as Exhibit "A" hereto. Such professional services and work products, as from time to time modified in accordance with Section 2.3 hereof, are collectively referred to as the "Consulting Services."

Section 2.2 DTA will determine the method, details and means of performing the Consulting Services. DTAs may, at DTAs' own expense, employ such assistance as it deems necessary to perform the Consulting Services required by City under this Agreement. DTA shall conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation or counsel independent of the control and direction of City, other than normal contract monitoring. All computer software (including without limitation financial models, compilations of formulas and spreadsheet models), inventions, designs, programs, improvements, processes and methods (collectively, the "Proprietary Models") used or developed by DTA in performing its work is proprietary and shall remain property owned solely by, or licensed by a third party to, DTA. City acknowledges and agrees that the consideration paid by City herein only entitles City to a license to use the hard copy or electronically transmitted reports generated pursuant to the Consulting Services and that any Proprietary Model that DTA uses to generate such reports is owned by, or is duly licensed from a third party to DTA and is not being provided to City hereunder. City acknowledges that DTA may have used reports and analyses that DTA authored for other Cities as base works or templates for the reports and analyses prepared for City pursuant to this Agreement, and City acknowledges and agrees that DTA has the right to use the reports and analyses that it authors pursuant to this Agreement as base works or templates for reports and analyses that DTA authors for DTA's other Cities, provided, however that DTA shall not use any confidential information provided by City in such future reports and analyses. City acknowledges and agrees that DTA has spent substantial time and effort in collection and compiling data and information (the "Data Compilations") in connection with the Consulting Services and that such Data Compilations may be used by DTA for its own purposes, including, without limitation, sale or distribution to third parties; provided, however, that DTA will not sell or distribute any of City's confidential information that may be contained in such Data Compilations, unless such confidential information is used only on an aggregated and anonymous basis.

Section 2.3 Any proposed changes in the Consulting Services hereunder shall be submitted to the other party hereto, and any such changes agreed to by the parties shall be reflected in an amendment to Exhibit "A" in accordance with Section 7.2 hereto.

Section 2.4 Nothing in this Agreement shall give DTA possession of authority with respect to any City decision beyond the rendition of information, advice, recommendation or counsel.

ARTICLE III COMPENSATION

Section 3.1 City agrees to pay DTA for its Consulting Services a professional fee computed according to the Fee Schedule attached as Exhibit "B" hereto.

Section 3.2 City shall reimburse DTA for DTA's out-of-pocket expenses. Expenses shall include all actual expenditures made by DTA in the performance of any Consulting Services undertaken pursuant to the Agreement, including, without limitation, the following expenditures:

- (a) Cost of clerical assistance at \$35.00 per hour, including typing, collation, printing and copying, plus copier and photography costs, including photographic reproduction of drawings and documents.
- (b) Transportation costs, including mileage for the use of personal automobiles at the prevailing IRS standard rate, rental vehicles, lodging and regularly scheduled commercial airline ticket costs.
- (c) Courier services, facsimile, and telephone expenses.

Section 3.3 On or about the first two weeks of each month during which Consulting Services are rendered hereunder, DTA shall present to City an invoice covering the current Consulting Services performed and the reimbursable expenses incurred pursuant to this Agreement and exhibits thereto. Such invoices shall be paid by City within thirty (30) days of the date of each invoice. A 1.2% charge may be imposed against accounts which are not paid within 30 days of the date of each invoice.

Section 3.4 The maximum total fee amount set forth in Exhibit "B" may be increased as a result of any expansion of the Consulting Services to be rendered hereunder pursuant to Section 2.3 or as provided in Exhibit "A" hereto.

Section 3.5 Records of DTA's costs relating to (i) Consulting Services performed under this Agreement and (ii) reimbursable expenses shall be kept and be available to City or to City's authorized representative at reasonable intervals during normal business hours.

ARTICLE IV OTHER OBLIGATIONS OF DTA

Section 4.1 DTA agrees to perform the Consulting Services in accordance with Exhibit "A." Should any errors caused by DTA's negligence be found in such services or products, DTA will correct them at no additional charge by revising the work products called for in Exhibit "A" to eliminate the errors.

Section 4.2 DTA will supply all tools and instrumentalities required to perform the Consulting

Services under the Agreement.

Section 4.3 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by DTA without the prior written consent of City. However, DTA may subcontract portions of the work to be performed hereunder to other persons or concerns provided DTA notifies City of the name and address of said proposed subcontractor and City either consents or fails to respond to notification with respect to the use of any particular proposed subcontractor.

Section 4.4 In the performance of its Consulting Service hereunder, DTA is, and shall be deemed to be for all purposes, an independent contractor (and not an agent, officer, employee or representative of City) under any and all laws, whether existing or future. DTA is not authorized to make any representation, contract or commitment on behalf of City.

Section 4.5 Insurance:

- (a) The DTA shall secure the minimum insurance coverage described below, and such insurance shall be primary and non-contributing with respect to any insurance or self-insurance programs maintained by City.
- *Worker's Compensation and Employer's Liability* insurance in the amount that meets the statutory requirement shall be in force with an insurance carrier acceptable to City.
 - *Comprehensive Commercial General Liability* insurance in the amount of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate shall be in force with an insurance carrier acceptable to City and name City as additional insured.
 - *Professional Liability* insurance in the amount of one million dollars (\$1,000,000) per claims made and two million dollars (\$2,000,000) aggregate shall be in force with an insurance carrier acceptable to City.
 - *Commercial Automobile Liability* insurance with minimum limits of one million dollars (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability shall be in force and name City as additional insured. This coverage shall include all owned vehicles, hired and non-owned vehicles, and employee non-ownership vehicles.
- (b) DTA shall instruct its insurance agent/broker to furnish properly executed certificates of insurance to City.
- Certificates of insurance with endorsements shall clearly evidence coverage required above.
 - Certificates of insurance shall be submitted by the agent/broker directly either via email to insurance@cityofredlands.org or U.S. Mail to:

City of Redlands
Risk Management Division
P.O. Box 3005
Redlands, CA 92373

ARTICLE V

OTHER OBLIGATIONS OF CITY

Section 5.1 City agrees to comply with all reasonable requests of DTA and provide access to all documents reasonably necessary to the performance of DTA's duties under this Agreement with the exception of those documents which Exhibit "A" calls upon DTA to prepare.

Section 5.2 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by City without the prior written consent of DTA.

Section 5.3 City, public agencies, landowners, DTAs and other parties dealing with City or involved in the subject development project referred to in Exhibit "A" will be furnishing to DTA various data, reports, studies, computer printouts and other information and representations as to the facts involved in the project which City understands DTA will be using and relying upon in preparing the reports, studies, computer printouts and other work products called for by Exhibit "A." DTA shall not be obligated to establish or verify the accuracy of the information furnished by or on behalf of City, nor shall DTA be responsible for the impact or effect on its work products of the information furnished by or on behalf of City, in the event that such information is in error and therefore introduces error into DTA's work products.

Section 5.4 City agrees to defend, indemnify and hold DTA harmless from and against all obligations, losses, liabilities, damages, claims, attachments, executions, demands, actions and/or proceedings (collectively, "Claims") and all costs and expenses in connection therewith, including reasonable attorneys' fees, arising out of or connected with the performance of DTA's Consulting Services under this Agreement, except as may arise from DTA's willful misconduct or negligence. In that regard, City will indemnify and hold DTA harmless from any Claims arising from, growing out of, or in any way resulting from, errors contained in data or information furnished by City or City's designee to DTA for use in carrying out the Consulting Services called for by this agreement. If for any reason the indemnification under this Section 5.4 is unavailable to DTA or insufficient to hold it harmless, then City shall contribute to the amount paid or payable by DTA as a result of such loss, liability, damage, claim, demand, action or proceeding in such proportion as is appropriate to reflect not only the relative benefits received by City on the one hand and DTA on the other hand but also the relative fault of the City and DTA as well as any relevant equitable considerations; provided that DTA's contribution obligations hereunder shall in no event exceed the amounts received by DTA under this Agreement.

Section 5.5 In the event that court appearances, testimony or depositions are required of DTA by City in connection with the services rendered hereunder, City shall compensate DTA at a rate of \$250 per hour and shall reimburse DTA for out-of-pocket expenses on a cost basis.

ARTICLE VI

TERMINATION OF AGREEMENT

Section 6.1 Either party may terminate or suspend this Agreement upon thirty (30) days written notice. Unless terminated as provided herein, this Agreement shall continue in force until the Consulting Services set forth in Exhibit "A" have been fully and completely performed and accepted by City and all proper invoices have been rendered and paid.

Section 6.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party at its option may terminate this Agreement by giving written notification to the defaulting party. Such termination shall be effective upon receipt by the defaulting

party, provided that the defaulting party shall be allowed ten (10) days in which to cure any default following receipt of notice of same.

Section 6.3 The covenants contained in Sections 3.1, 3.2, 4.4, 5.3, 5.4, 5.5 and all of Article VII shall survive the termination of this Agreement.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Any notices to be given hereunder by either party to the other may be affected either by personal delivery in writing or by mail. Mailed notices shall be addressed to the parties at the addresses set forth below, but each party may change the address by written notice in accordance with the first sentence of this Section 7.1. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of two (2) days after mailing.

City
Danielle Garcia, Director
Management Services/Finance
City of Redlands
35 Cajon Street, Suite 10
PO Box 3005 (mailing)
Redlands, CA 92373

Consultant
David Taussig, President
DTA
5000 Birch Street, Suite 6000
Newport Beach, CA 92660

Section 7.2 This Agreement and exhibits hereto supersede any and all agreements, either oral or written, between the parties hereto with respect to the rendering of the Consulting Services by DTA for City and contains all of the covenants and agreements between the parties with respect to the rendering of such services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, regarding the Consulting Services which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement (including any exhibit hereto) will be effective if it is in writing and signed by the party against whom it is sought to be enforced.

Section 7.3 If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

Section 7.4 The prevailing party in any arbitration or legal action brought by one party against the other and arising out of this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees, including fees for use of in-house counsel by a party. The non-prevailing party shall be liable, to the extent allowable under law, for all fees and expenses of the arbitrator(s) and all costs of the arbitration.

Section 7.5 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

EXHIBIT A

MELLO-ROOS SPECIAL TAX ADMINISTRATION SERVICES

COMMUNITY FACILITIES DISTRICT NO. 2003-1 OF THE CITY OF REDLANDS

SCOPE OF WORK

David Taussig & Associates, Inc. ("DTA") shall provide financial consulting services to assist the City of Redlands ("City") in the administration of City's Community Facilities District ("CFD") No. 2003-1. The focus of these services shall be to determine the special tax rates and to facilitate the collection of the special taxes in fiscal year 2019-20 by the County of San Bernardino.

The specific activities and tasks to be performed under this Scope of Work include the following:

Task 1 Land Use Research

This task involves determining, gathering and organizing the land use data required to apportion and collect special taxes, and includes the following subtasks:

- 1.1 Subdivision Research:** Identify and obtain copies of all final tract or parcel maps for CFD No. 2003-1. Determine acreage for each parcel.
- 1.2 Development Research:** Review current Assessor Parcel maps to determine which parcel numbers will be valid for each fiscal year.
- 1.3 Database Management:** Create automated parcel database to include all parcels. Data items will include Assessor Parcel Number, corresponding tract and lot number, acreage, and building permit issuance date.

Task 2 Classification of Property

This task involves application of the Rate and Method of Apportionment of the Special Tax to determine the appropriate special tax classification for each parcel located within CFD No. 2003-1, and includes the following subtasks:

- 2.1 Exempt Property:** Identify all property owned by public agencies or entities otherwise exempt from the special tax and classify as exempt property.
- 2.2 Taxable Property:** Identify all taxable properties and classify each as "Taxable Development Property," "Taxable Public Property" or "Taxable Property Owner Association Property." Assign each "Taxable Development Property" to the appropriate zone.

Task 3 Financial Analysis

This task involves calculating the Special Tax Requirement for each fiscal year and allocating it to property in CFD No. 2003-1, and includes the following subtasks:

- 3.1 Determine Special Tax Requirement:** Assist City with the preparation of an administrative expense budget. Confirm interest and principal payments. Determine any other charges or credits to tax levy.
- 3.2 2019-20 Special Tax Rates:** Based on tax classifications and special tax requirement, compute the fiscal year 2019-20 special tax rates for all classifications of taxable property.

Task 4 Report Preparation

This task includes the preparation of an Annual Special Tax Report containing the findings of the financial analysis and an explanation of the methodology employed to apportion the special taxes for CFD No. 2003-1. Included in the report is a list of special taxes by Assessor's Parcel which can be used as the exhibit to the resolution authorizing the levy and collection of special taxes for fiscal year 2019-20.

Task 5 Submittal of Special Taxes to County of San Bernardino

This task involves submitting the special tax levy on or before August 10, of each year, or such other date specified by the County of San Bernardino to the Auditor-Controller for inclusion on the fiscal year 2019-20 consolidated property tax bills. The special tax levy will be submitted on magnetic tape or other media as specified by the County.

Task 6 Delinquent Property Owner Research

This task involves the review and research of County records to determine which parcels are delinquent in the payment of property and special taxes, and includes the following subtasks:

- 6.1 Delinquent Special Tax Report:** Review special tax payment information from the County of San Bernardino. Determine which parcels are delinquent and the corresponding amount of delinquent special taxes. Prepare report summarizing the amount of delinquent special taxes.
- 6.2 Collection of Delinquent Special Taxes:** Assist City with the development of procedures to cure delinquent special taxes. Assist with the preparation of demand letters as necessary.

Task 7 Roll Changes and Adjusted Property Tax Bills

This task involves monitoring any changes to the secured tax roll which necessitate new or adjusted property tax bills. This task includes the calculation of new or adjusted bills and the preparation of requests to the County to prepare such bills.

Task 8 Responses to Property Owner Questions

This task involves the provision of information to individuals and other interested parties regarding the amount and calculation of the special tax.

Task 9 Monthly Review of All Funds and Accounts

This task involves continuous monitoring of fiscal agent financial statements for all funds and accounts for CFD No. 2003-1 to assure the fiscal agent is adhering to the "Bond Indenture." Prepare monthly report of financial activity for all funds showing account balances, interest earnings and other revenues, and expenditures.

Task 10 Meetings

DTA will attend the City Council meeting at which the resolution authorizing the levy and collection of special taxes is scheduled for adoption.

Task 11 CFD Disclosure

This task involves assisting City meet the annual disclosure requirements and includes the following subtasks:

- 11.1** Submit required data to the California Debt and Investment Advisory Commission each October in compliance with Section 53359.5 of the Government Code as stated in SB 1464.
- 11.2** Provide special tax disclosure documents to City for resale properties pursuant to Section 1102.6b of the Civil Code and Section 53340.2 of the Government Code as stated in SB 1464.
- 11.3** Assist City in the preparation of material required by the District Continuing Disclosure Agreement.
- 11.4** Assist City in the preparation of material in compliance with Section 53411 of the Government Code as stated in SB 165.
- 11.5** Assist City in the preparation of material in compliance with SB 1029.
- 11.6** Assist City in the preparation of material in compliance with Section 12463.2 of the Government Code as stated in AB 2109.
- 11.7** Assist City posting of material on City website in compliance with Section 53343.2 of the Government Code as stated in AB 1666.

EXHIBIT B

MELLO-ROOS SPECIAL TAX ADMINISTRATION SERVICES

COMMUNITY FACILITIES DISTRICT NO. 2003-1 OF THE CITY OF REDLANDS

FEE SCHEDULE

Professional Services Fee

DTA shall charge the following hourly fees for services related to Tasks 1 through 11:

Managing Director	\$215/Hour
Vice President/Engineer	\$205/Hour
Manager	\$190/Hour
Senior Associate II	\$170/Hour
Senior Associate I	\$165/Hour
Associate II	\$160/Hour
Associate I	\$150/Hour
Research Associate II	\$135/Hour
Research Associate I	\$110/Hour

Subject to the limitations below, fees related to Tasks 1 through 11 shall not exceed \$6,000 for fiscal year 2019-20. Monthly progress payments will be made by City upon presentation of invoice by DTA providing details of services rendered and expenses incurred. At City's request services in addition to those identified in the Scope of Work may be provided if the total fee required to complete Tasks 1 through 11 is less than \$6,000. Alternatively, if the Scope of Work can be completed for less than the maximum amount, only the hours actually expended will be billed.

In addition to fees for services, City will reimburse DTA for travel, photocopying, database services or materials, facsimile and telephone calls, clerical services, and other out-of-pocket expenses, in an amount not to exceed \$1,000.

LIMITATIONS

If the maximum amount has been exceeded as a result of "extraordinary" consulting services required in connection with Task 8 or 9, such additional services in excess of the maximum shall be billed at the hourly rates listed above. For the purposes of this section, services rendered in connection with Task 8 or 9 which exceed \$1,000 shall be considered extraordinary.

Additional services other than those necessary to amend errors on the part of DTA in Tasks 1 through 11 are not covered by the maximum fee listed above.

[http://localhost/resources/Proposals/ADMIN/CALIF/redlands.cit/CFD2003-1Agreement 19-20 \(Redlands\).doc](http://localhost/resources/Proposals/ADMIN/CALIF/redlands.cit/CFD2003-1Agreement 19-20 (Redlands).doc)