



## MEMORANDUM

To: Bruce Colby

From: Rich Malone *RJM*

Date: June 15, 2018

Re: Scope of Work to Provide Financial Advisory Services for the Issuance of Tax and Revenue Anticipation Notes

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Bruce, we appreciate the opportunity to assist the District with addressing potential cash flow shortfalls in the General Fund during fiscal year 2018-19 through the issuance of a tax and revenue anticipation note (TRANs).

We anticipate our firm would be involved with the following tasks:

- Review and provide feedback on the District's General Fund (and other unrestricted funds, if any) cash flow projections
- Evaluate alternative methods of addressing a projected General Fund cash flow shortfall, including interfund borrowing, County Treasurer borrowing, and tax and revenue anticipation notes (TRANs)
- Based upon the District's requirements and preferences, develop a specific cash flow financing plan for the District

Should the District decide to move forward with an independently-issued TRANs, our services would include the following:

- Develop and manage the schedule of events
- Assist with identifying and selecting other members of the financing team as appropriate (e.g., bond counsel, credit rating agency, etc.)
- Manage the costs of issuance budget
- Recommend an appropriate size for the TRANs consistent with IRS and legal requirements
- Structure the financing to meet the District's goals
- Based on GFOA best practices and market research, advise the District regarding the optimal method of sale
  - If a competitive sale process is selected, conduct a competitive bidding process to select the underwriter of the TRANs
  - If a negotiated sale process is selected, assist with both selecting the underwriter of the TRANs and negotiating the financing terms
- Review and comment on the authorizing resolutions and legal documents
- Draft the preliminary and final official statements
- Coordinate the credit rating process, including preparing materials for and participating in rating calls and/or meetings
- Prepare the closing wire instructions, including coordinating the flow of funds and deposit of TRANs proceeds

June 15, 2018

Bruce Colby

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- Provide a post-sale presentation and/or memorandum to the District summarizing the sale process and results
- In connection with the above, provide Board presentation(s), attend meetings, and coordinate with District staff, other members of the financing team and outside entities as needed

We would work on a fixed fee of \$23,500 plus expenses (\$1,000), payable from TRANs proceeds when the TRANs closes. Consistent with our fiduciary duty to the District, in order to be able to provide independent advice to the District, if the financing process is not completed (e.g., the District decides not to issue TRANs), then our fee would be based on the hours worked (at our hourly rate of \$225) and expenses incurred to that point.

It is our goal to provide the best financial advisory services in the most economical fashion. We look forward to providing the District with this high level of service.

If the scope of work is acceptable, please sign and date below and return a copy to me.

Thank you.

REM/abm

Signed:

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Bruce Colby  
Chief Business and Operations Officer  
Davis Joint Unified School District

Date: \_\_\_\_\_