



## CITY COUNCIL STAFF REPORT

DATE: December 17, 2014

CONSENT CALENDAR

SUBJECT: APPROVAL OF AMENDMENT NO. 1 TO AGREEMENT 6288 WITH NBS GOVERNMENT FINANCE GROUP FOR ASSESSMENT DISTRICT, LIGHTING & LANDSCAPE MAINTENANCE DISTRICT, COMMUNITY FACILITIES DISTRICT, AND COUNTY SERVICE AREA ADMINISTRATION SERVICES

FROM: David H. Ready, City Manager

BY: Department of Finance and Treasury

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### SUMMARY

The City Council will consider an amendment to the current agreement with NBS to provide professional services for annexations to Community Facilities Districts.

### RECOMMENDATION:

1. Approve Amendment No. 1 to Agreement No. 6288 with NBS Government Finance Group, for Community Facilities District annexation services for the remainder of the current contract term through June 30, 2017, per the schedule of fees as provided in Exhibit A-1.
2. Authorize the City Manager to execute all necessary documents.

### STAFF ANALYSIS:

An agreement with NBS was approved by the City Council in October, 2012, with extension options through June 30, 2017 to provide the City with Assessment District, Lighting & Landscape Maintenance District, Community Facilities District and County Service Area administration services.

The City has 5 Assessment Districts (AD), 9 Lighting & Landscape Maintenance Districts (LLMD), 2 Community Facilities Districts (CFD), and 1 County Services Area (CSA). NBS currently performs administration services for these districts in accordance with the Scope of Services as per their agreement. The administration of the districts includes a variety of services related to the reporting of assessment information to the County of Riverside Assessor's Office, researching levy rejects, providing delinquency management services, closeout services, and detailed audits of individual districts.

The current agreement does not provide for services related to the annexations into the Community Facilities districts. Amendment No. 1 to the Agreement allows for NBS to

provide professional services for CFD annexations. NBS has the experience and expertise required to complete these tasks.

The current agreement is for an initial term of three years through FY 2014-15, with two one-year renewal options. Either party may cancel the agreement at any time by providing 30 days written notice.


**FISCAL IMPACT:**

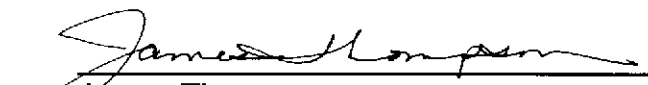
The fees for anticipated CFD annexations services are as follows:

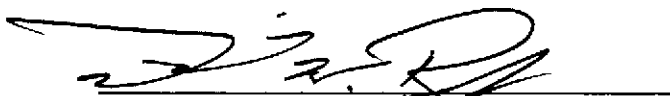
<b>No. of Concurrent Annexations <sup>(1)</sup></b>	<b>Consulting Fees <sup>(2, 3)</sup></b>
1 Annexation	\$7,500
2 Concurrent Annexations (per annexation)	6,000
3 Concurrent Annexations (per annexation)	5,000
4 Concurrent Annexations (per annexation)	4,250
5 or more Concurrent Annexations (per annexation)	3,750

- (1) "Concurrent" means annexations occur on the same timeline and same City Council dates.
- (2) Plus expenses - see description of expenses below.
- (3) Fiscal Impact analysis is not included in the scope listed above, and if required will be priced separately.

All fees will be paid for by the developers of the new projects through the CFD. The costs will be budgeted for using matching revenue in accounts 140-3026-43200 and 140-3526-43200. The budget in these accounts for future years will be adjusted as appropriate.

  
Geoffrey S. Kiehl, Director of Finance

  
James Thompson  
Chief of Staff / City Clerk

  
David H. Ready, City Manager

Attachment:

Agreement Amendment No. 1

**AMENDMENT NO. 1  
TO  
District Administration, Tax Roll Billing and Related Services  
(Agreement No. 6288)**

THIS FIRST AMENDMENT to the Contract Services Agreement No. 6288 for District Administration, Tax Roll Billing and Related Services is made and entered into on \_\_\_\_\_, 201\_ by and between the City of Palm Springs, a California charter city and municipal corporation (hereinafter referred to as the "City"), and NBS Government Finance Group (dba NBS), (hereinafter referred to as the "Consultant") collectively, the "Parties".

**RECITALS**

A. City and Consultant previously entered into a contract services agreement for District Administration, Tax Roll Billing and Related Services, which was made and entered into on November 13, 2012 (the "Agreement") for three years with two one year renewal options through FY 16-17 in accordance with the schedule of fees set forth in Exhibit "A".

B. Section 3.3, "Changes" allows for changes in the Scope of Services/Work via executed written Amendment.

C. City and Consultant desire to amend the Agreement (Amendment #1) to add Community Facilities District (CFD) annexation services for the remainder of the term of the agreement through FY 16-17 pursuant to the Scope of Services and Schedule of Compensation in Exhibit A-1.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

**AGREEMENT**

1. Section 1.1 "Scope of Services" of the Agreement is hereby amended as follows:

"In compliance with all terms and conditions of this Agreement, Consultant shall provide District Administration, Tax Roll Billing and Related Services, including CFD Annexation Services, to the City as described in the Scope of Services/Work attached to this Agreement as Exhibits "A" and "A-1" and incorporated by reference (the "services" or "work"). Exhibits "A" and "A-1" include the agreed upon schedule of performance and the schedule of fees. Consultant warrants that all services and work shall be performed in a competent, professional, and satisfactory manner consistent with prevailing industry standards. In the event of any inconsistency between the terms contained in the Scope of Services/Work and the terms set forth in this Agreement, the terms set forth in this Agreement shall govern."

Section 3.1 "Compensation of Consultant" of the Agreement is hereby amended as follows:

"Consultant shall be compensated and reimbursed for the services rendered under this Agreement in accordance with the schedule of fees set forth in Exhibits "A" and "A-1".

2. **Full Force and Effect.** This modifying Amendment is supplemental to the Agreement and is by reference made part of said Agreement. All of the terms, conditions, and provisions, thereof, unless specifically modified herein, shall continue in full force and effect. In the event of any conflict or inconsistency between the provisions of this Amendment and any provisions of the Agreement, the provisions of this Amendment shall in all respects govern and control.

3. Corporate Authority. The persons executing this Amendment on behalf of the Parties hereto warrant that (1) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Amendment on behalf of said party, (iii) by so executing this Amendment, such party is formally bound to the provisions of this Amendment, and (iv) the entering into this Amendment does not violate any provision of any other agreement to which said party is bound.

**[SIGNATURES ON NEXT PAGE]**

**IN WITNESS WHEREOF**, the parties have executed this Amendment as of the dates stated below.

**ATTEST:**

**"CITY"**  
**CITY OF PALM SPRINGS, CA.**

By \_\_\_\_\_  
James Thompson, City Clerk

By \_\_\_\_\_  
David H. Ready, City Manager

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

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

**APPROVED AS TO FORM:**

By \_\_\_\_\_  
City Attorney

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

**"CONSULTANT"**  
**NBS Government Finance Group (dba NBS)**

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

By: \_\_\_\_\_

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

\_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1180**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
Date Here Insert Name and Title of the Officer  
personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Signature \_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document  
Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_  
Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s)  
Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  Partner —  Limited  General  
 Individual  Attorney in Fact  Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_ Signer is Representing: \_\_\_\_\_

## EXHIBIT A-1

### CONSULTANT SCOPE OF SERVICES

#### **CFD Annexation**

Consultant will complete all tasks required to annex territory to a CFD, as listed below.

**Kick-Off Meeting, Project Schedule.** Consultant will meet with Client staff, legal counsel, the financial advisor and other interested parties to:

- Establish lines of communication.
- Clarify the specific project goals and criteria that will meet the Client's preference.
- Identify and resolve any special circumstances regarding the annexation of the CFD.
- Develop project schedule to meet legal requirements and provide for effective interaction of all involved parties.
- Establish meeting dates consistent with schedule to achieve project milestones.

**Data Collection.** Consultant will gather and review data relevant to the annexation of territory to a CFD. Data will be obtained from various sources, including Client records, Assessor's parcel maps, and County Assessor information.

**District Boundaries.** Consultant will make determinations of the property subject to the Special Tax.

- Establish boundaries for the annexation area of the CFD, giving consideration to both the project area and peripheral lands.
- Verify ownership based on last equalized tax roll.

**Cost Estimate.** Consultant will obtain the estimate of project costs and incidental expenses and prepare a total project Cost Estimate.

**Rate and Method of Apportionment.** Consultant will work with Client staff, legal counsel, the financial advisor and other interested parties to determine if any changes are to be made to the Rate and Method of Apportionment of the CFD.

**Mapping.** Consultant will prepare the Annexation Boundary Map and related documents and present to Client staff as required by the Mello-Roos Community Facilities Act of 1982.

**Special Tax Report.** Based on the results of the aforementioned reviews, discussions and modifications, Consultant will prepare a detailed written report (Special Tax Report) including the Cost Estimate, the Rate and Method of Apportionment and the Boundary Map and present to Client staff, legal counsel, and property owners. Consultant will also file the Special Tax Report with the City Clerk and will include a signed Special Tax Certificate.

**Notices and Ballots.** Consultant will prepare and mail notices and ballots to all property owners or will coordinate with the County Registrar of Voters to mail notices

and ballots to registered voters within the territory to be annexed to a Community Facilities District. The notices and ballots will comply with "Proposition 218, The Right to Vote on Taxes Act", the Mello-Roos Community Facilities Act of 1982 and all applicable provisions of the Elections Code. Final form of notices and ballots will be approved by Client staff and legal counsel. Consultant will also tabulate all property owner ballots or provide any necessary assistance to the County Registrar of Voters in the tabulation of registered voter ballots. Consultant will file a written summary of the election results with Client staff.

**Public Hearing.** Consultant will present all necessary testimony and respond to public comments regarding the annexation proceedings.

**Filing CFD Documents.** Consultant will record the Annexation Boundary Map with County Recorder in compliance with the Mello-Roos Community Facilities Act of 1982. Consultant will record the Notice of Special Tax Lien, including the Rate and Method of Apportionment, with County Recorder in compliance with the Mello-Roos Community Facilities Act of 1982.

## COMPENSATION FOR SERVICES

### CFD Annexation

No. of Concurrent Annexations <sup>(1)</sup>	Consulting Fees <sup>(2, 3)</sup>
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(2) Plus expenses - see description of expenses below.

(3) Fiscal Impact analysis is not included in the scope listed above, and if required will be priced separately.

### Expenses

Customary out-of-pocket expenses will be billed to the Client at actual cost to Consultant. These expenses may include, but not be limited to, mailing fulfillment, postage, reproduction, telephone, travel, meals and various third-party charges for data, maps, and recording fees.

### Terms

Services will be invoiced monthly. Expenses will be itemized and included in the next regular invoice. Payment shall be made within 30 days of submittal of an invoice. If payment is not received within 90 days simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel contracts with 30 days written notice.