

CM/rrp
01/29/2025
REVISED 02/10/2025

RESOLUTION NO 2025 - 018

CITY OF LAKE CITY, FLORIDA

A RESOLUTION OF THE CITY OF LAKE CITY, FLORIDA APPROVING THAT CERTAIN AGREEMENT BETWEEN THE CITY AND PFM FINANCIAL ADVISORS, LLC, A FOREIGN LIMITED LIABILITY COMPANY FOR BOND FINANCIAL ADVISORY SERVICES; MAKING CERTAIN FINDINGS OF FACT IN SUPPORT OF THE CITY APPROVING SAID AGREEMENT; RECOGNIZING THE AUTHORITY OF THE MAYOR TO EXECUTE AND BIND THE CITY TO SAID AGREEMENT; DIRECTING THE MAYOR TO EXECUTE AND BIND THE CITY TO SAID AGREEMENT; REPEALING ALL PRIOR RESOLUTIONS IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake City (“City”) solicited bids for Bond Financial Advisory Services (the “Services”); and

WHEREAS, PFM Financial Advisors, LLC, a foreign limited liability company (the “Vendor”) was awarded the bid to provide the Services; and

WHEREAS, the Vendor and the City desire to enter into that certain contract to provide the Services by adopting the terms of the proposed contract with Vendor in the form of the Exhibit attached hereto (the “Agreement”); and

WHEREAS, acquiring the Services by engaging the Vendor is in the public interest and in the interests of the City; now therefore

BE IT RESOLVED by the City Council of the City of Lake City, Florida:

1. Engaging the Vendor to provide the services in the Agreement to complete the Project is in the public or community interest and for public welfare; and
2. In furtherance thereof, the Agreement in the form of the Exhibit attached hereto should be and is approved by the City Council of the City of Lake City; and
3. The Mayor of the City of Lake City is the officer of the City duly designated by the City’s Code of Ordinances to enforce such rules and regulations as are adopted by the City Council of the City of Lake City; and

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4. The Mayor of the City of Lake City is authorized to execute on behalf of and bind the City to the terms of the Agreement; and
 5. The Mayor of the City of Lake City is directed to execute on behalf of and bind the City to the terms of the Agreement; and
 6. All prior resolutions of the City Council of the City of Lake City in conflict with this resolution are hereby repealed to the extent of such conflict; and
 7. This resolution shall become effective and enforceable upon final passage by the City Council of the City of Lake City.

APPROVED AND ADOPTED, by an affirmative vote of a majority of a quorum present of the City Council of the City of Lake City, Florida, at a regular meeting, this ___ day of February, 2025.

BY THE MAYOR OF THE CITY OF LAKE CITY,
FLORIDA

Noah E. Walker, Mayor

ATTEST, BY THE CLERK OF THE CITY COUNCIL
OF THE CITY OF LAKE CITY, FLORIDA:

Audrey E. Sikes, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Clay Martin, City Attorney

PFM FINANCIAL ADVISORS LLC
AGREEMENT FOR FINANCIAL ADVISORY SERVICES

This agreement (“Agreement”), made and entered into this ___ day of _____, 2025, by and between City of Lake City (“Client” or “City”) and PFM Financial Advisors LLC (hereinafter called “PFM” or “Contractor”), sets forth the terms and conditions under which PFM shall provide services.

WHEREAS, Client desires to obtain the services of a financial advisor to develop and assist in implementing Client’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, Client and PFM agree as follows:

I. SCOPE OF SERVICES

PFM shall provide, upon request of the Client, 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. Client acknowledges and agrees that most tasks requested by Client 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 Client and PFM. Upon the request of Client, an affiliate of PFM or a third party referred or otherwise introduced by PFM and/or designated by the Client may agree to additional services to be provided under a separate writing, including separate scope and compensation, between Client 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 Client 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 Client 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

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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 Client.

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 Client 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 Client 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 Client, 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 the date executed until January 31, 2028 (the "Initial Term") and shall automatically renew for additional one (1) 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.

If the Contractor fails to fulfill any of its obligations under this Agreement through no fault of the City, such failure shall be considered a default and shall entitle, but not obligate, the City to suspend performance under or to terminate this contract, in whole or in part, at the City's discretion, if the Contractor fails to cure such default within thirty (30) days after receipt of a written notice thereof from the City. Furthermore, either party shall have the right to terminate this contract, in whole or in part, without the Contractor being in default thereunder. Termination shall be affected by delivery of a written notice to the Contractor specifying whether termination is for default or for convenience, the extent to which services under this Agreement are to be

terminated, and the date upon which such termination becomes effective. After receipt of such written notice, and except as otherwise directed in writing by the City, the Contractor shall promptly stop work under this Agreement on the date and to the extent specified in the notice, terminate all subcontracts to the extent that they relate to the performance of services terminated by the notice, and complete performance of such services as shall not have been terminated by the notice.

In the event of termination for convenience, the City shall pay the Contractor (i) the full amount due for goods satisfactorily delivered and/or services satisfactorily rendered, (ii) approved costs and expenses incurred which remain unpaid at the time of such termination, and (iii) such other costs of termination, if any, as may be mutually agreed by the parties. The City shall have the right to set off against amounts otherwise owed the Contractor all amounts owed by the Contractor to the City under this Agreement or otherwise.

Effect of Termination – If this Agreement is terminated for any reason, finished or unfinished documents, data, studies, correspondence, reports and other products prepared by the Contractor pursuant to this Agreement shall be made available to and for the exclusive use of the CITY. Notwithstanding the above, the Contractor shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of this Agreement by the Contractor.

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 Client; 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 Client 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:

CITY OF LAKE CITY
205 N. Marion Ave.
Lake City, FL 32055
Attention: _____

PFM FINANCIAL ADVISORS LLC

1735 Market Street
42nd Floor
Philadelphia, PA 19103
Attention: Chief Executive Officer

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 Client. Subject to the exception described above, upon termination of this Agreement, at Client’s reasonable request no later than three (3) years after the termination of this Agreement, PFM shall deliver to the Client copies of any deliverables pertaining to this Agreement.

X. PFM’S REPRESENTATIVES

1. Advisory Team

The employees of PFM set forth below will provide the services set forth in this Agreement; provided that PFM may, from time to time, supplement or otherwise amend the advisory team members set forth below.

A. Professional Staff

- Jeremy Niedfeldt, Managing Director
- Julie Santamaria, Director
- Nicklas Rocca, Director
- Kevin Plenzler, Director
- Mara Lugo, Senior Managing Consultant

B. Administrative and Support Staff

- Omar Charbanou, Analyst
- Logan Hauser, Analyst

2. Changes in Advisory Team Requested by the Client

The Client has the right to request, for any reason, that PFM replace any member of the advisory team. Should the Client make such a request, PFM shall promptly suggest a substitute for approval by the Client.

XI. INSURANCE REQUIREMENTS

a. Prior to commencing work, the Contractor shall procure and maintain at the Contractor's own cost and expense throughout the Term of the Agreement the following types and limits of insurance coverage in relation to the negligent or intentionally wrongful

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performance of work or provision of services hereunder by the Contractor, its agents, representatives, employees or subcontractors:

(1) Commercial General/Umbrella Liability Insurance - \$1,000,000 limit per occurrence for property damage and bodily injury. The insurance shall include coverage for the following:

- Premise/Operations
- Explosion, Collapse and Underground Property Damage Hazard (only when applicable to the project)
- Products/Completed Operations
- Contractual
- Independent Contractors
- Broad Form Property Damage
- Personal Injury

(2) Business Automobile/Umbrella Liability Insurance- \$1,000,000 limit per occurrence for property damage and personal injury.

- Owned/Leased Autos
- Non-owned Autos
- Hired Autos

(3) Workers' Compensation and Employers'/Umbrella Liability Insurance -- Workers' Compensation coverage with benefits and monetary limits as set forth in Chapter 440, Florida Statutes. This policy shall include Employers'/Umbrella Liability coverage for \$1,000,000 per accident. Workers' Compensation coverage is required as a condition of performing work or services for the City whether or not the Contractor is otherwise required by law to provide such coverage.

(4) Professional Liability Insurance - \$1,000,000 or as per occurrence (ultimate loss value per occurrence). Adding the City as additional insured is not required for Professional Liability Insurance.

b. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City of Tallahassee, members of its City Commission, boards, commissions and committees, officers, agents, employees and volunteers ("City Insureds"); or the Contractor shall procure a bond guaranteeing payment of losses, related investigation, claim administration and defense expenses.

c. Other Insurance Provisions

(1) Commercial General Liability and Automobile Liability Coverage

(i) The City Insureds are to be covered as additional insured as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations

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of the Contractor; premises owned, leased or used by the Contractor or premises on which the Contractor is performing services on behalf of the City. The coverage shall contain no special limitations on the scope of protection afforded to the City Insureds.

(ii) The Contractor's insurance coverage shall be primary insurance as respects the City Insureds. Any other insurance or self-insurance maintained by or on behalf of the City Insureds shall be excess of the Contractor's insurance and shall not contribute with it.

(iii) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City Insureds.

(iv) Coverage shall state that the Contractor's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability.

(2) Workers' Compensation and Employers' Liability and Property Coverage

The insurer shall agree to waive all rights of subrogation against the City Insureds for losses arising from activities and operations of the Contractor in the performance of services under this contract.

(3) All Coverage

(i) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City Contract Administrator.

(ii) If the Contractor, for any reason, fails to maintain insurance coverage which is required pursuant to this contract, the same shall be deemed a material breach of contract. The City, at its sole option, may terminate this Agreement and obtain damages from the Contractor resulting from said breach.

(iii) Alternatively, the City may purchase such required insurance coverage (but has no special obligation to do so) and, further notice to the Contractor, the City may deduct any premium costs advanced by the City for such insurance from sums due to the Contractor.

d. Deductibles and Self-Insured Retention

Any deductibles or self-insured retention's must be declared to and approved by the City. At the option of the City, the insurer shall reduce or eliminate such deductibles or self-insured retention's as respects the City of Tallahassee, members of its City Commission, boards, commissions and committees, officers, agents, employees, and volunteers; or the Respondent shall procure a bond guaranteeing payment of losses, related investigation, claim administration and defense expenses.

e. Acceptability of Insurers

Insurance is to be placed with Florida admitted insurers rated B+X or better by A.M. Best's rating service.

f. Verification of Coverage

The Contractor is reminded that regardless of what the State of Florida requirements for insurance are (including the exemption for Workers Compensation Insurance), the insurance specified herein is the minimum requirement for entities wishing to enter into an Agreement with the City. The Contractor shall furnish the City with certificates of insurance and with original endorsements providing evidence of coverage required by this Section. The certificates and endorsements for each policy must be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements must be submitted and approved by the City before work commences. Certificates of Insurance must be annotated with the applicable contract number.

XII. LIMITATION OF LIABILITY; INDEMNIFICATION

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.

The Contractor shall indemnify and hold harmless the City, and its officials, officers, and employees, from and against all claims for infringement of any United States Patent and all other claims, damages, losses, and expenses (including without limitation costs of defending the same and attorney's fees) arising out of or resulting from the negligent or intentionally wrongful performance of the work, furnishing of services, or furnishing of materials, goods, or equipment (including but not limited to claims regarding defects in materials, goods, or equipment) which is caused in whole or in part by any breach of contract, act, or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

In any and all claims against the City, or any of its agents or employees by any employee of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this clause shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any subcontractor under any Workers' Compensation Act, Disability Benefit Act, or other Employee Benefit Act.

XIII. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY

The parties to this Agreement are independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint ventures of City and none of the provisions of this Agreement shall be interpreted or deemed to create any relationship between such parties other than that of independent contractors. Nothing contained in this Agreement shall be construed to create a relationship of employer and employee, master and servant, principal and agent, or coventurers between the City and the Contractor, between the City and any employee of the Contractor, or between the Contractor and any employee of the City. The City shall have no right to control or direct the details, manner, or means by which the Contractor performs the

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services or other requirements of this Agreement except to require compliance with requirements and standards stated in the contract. The Contractor, similarly, shall have no control over or management authority with respect to the City or its operations.

XIV. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of Florida, exclusive venue in Columbia County, Florida. PFM and the City agree that, should a disagreement arise 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 Client 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 Client and an affiliate of PFM or any third party referred or introduced by PFM and/or designated by Client 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, and that the execution and delivery of this Agreement has been duly authorized by all necessary governance, corporate, or other entity actions including, where applicable, approval by its applicable governing board. 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.

XVII. E-VERIFY

The Contractor, and its subcontractors, must register with and utilize the U.S. Department of Homeland Security’s E-Verify system to verify the work authorization status of all newly hired employees, pursuant to Section 448.095, Florida Statutes. Registration must take place prior to execution of this contract. If the Contractor enters into any agreement with a subcontractor for performance of services under this contract, the subcontractor must provide an affidavit to the Contractor which states that the subcontractor does not employ, contract with, or subcontract with any unauthorized aliens. The Contractor is required to maintain a copy of such affidavit throughout the term of this contract.

The Contractor agrees to adhere to the requirements of Section 448.095, Florida Statutes, and understands that failure to comply with the statute will result in termination of the contract. If such termination occurs, the Contractor will not be awarded another City contract for at least one (1) year from the date of contract termination and will be liable for any additional costs incurred by the City as result of the contract termination.

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XVIII. PUBLIC ENTITY CRIMES

As required by Florida Statute 287.133(2)(a) in part, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO [\$35,000] for a period of 36 months from the date of being placed on the convicted vendor list.

In accordance with Florida Statute 287.133(2)(b) a public entity may not award any contract to or transact any business in excess of the threshold amount provided in s. 287.017, F.S., for CATEGORY TWO with any person or affiliate on the convicted vendor list for a period of 36 months following the date that person or affiliate was placed on the convicted vendor list unless that person or affiliate has been removed from the list pursuant to paragraph (3)(f). A public entity that was transacting business with a person at the time of the commission of a public entity crime resulting in that person being placed on the convicted vendor list may not accept any bid, proposal or reply from, award any contract to, or transact any business with any other person who is under the same, substantially the same, control as the person whose name appears on the convicted vendor list so long as that person's name appears on the convicted vendor list.

In accordance with section 287.133, F.S., any person must notify the Department of Management Services within 30 days after a conviction of a public entity crime applicable to that person or to an affiliate of that person. Contractor must also notify the City of such conviction within 30 days of the conviction.

XIX. SCRUTINIZED COMPANY LIST

For contracts for goods or services of \$1 million or more, Contractor is not listed on either the Scrutinized Companies with Activities in Sudan List, the Scrutinized Companies in the Iran Petroleum Energy Sector List, and that Contractor does not have business operation in Cuba or Syria; and

For contracts in any amount, Contractor is not on the Scrutinized Companies that Boycott Israel List or engaged in any boycott of Israel.

Pursuant to section 287.135(3) and (5), F.S., Contractor agrees that City may at its option terminate this Agreement or file civil suit if the Contractor is found to have submitted a false certification or if Contractor is placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List or has been engaged in business operations in Cuba or Syria during the term of the contract.

XX. DISCRIMINATORY VENDOR LIST

In accordance with section 287.134(2)(a), F.S., an entity or affiliate who has been placed on the discriminatory vendor list may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity. In accordance with section 287.134(2)(b), F.S., a public entity

may not award any contract to, or transact any business with any entity or affiliate on the discriminatory vendor list for a period of 36 months following the date that entity or affiliate was placed on the discriminatory vendor list unless that entity or affiliate has been removed from the list pursuant to paragraph (3)(f). A public entity that was transacting business with an entity at the time of the discrimination resulting in that entity being placed on the discriminatory vendor list may not award any contract to, or transact any business with, any other entity who is under the same, or substantially the same, control as the entity whose name appears on the discriminatory vendor list so long as that entity's name appears on the discriminatory vendor list.

XXI. GIFTS FROM FOREIGN COMPANIES OF CONCERN

In accordance with section 286.101(3)(a), F.S., any entity that applies to a state agency or political subdivision for a grant or proposes a contract having a value of \$100,000 or more shall disclose to the state agency or political subdivision any current or prior interest of, any contract with, or any grant or gift received from a foreign country of concern if such interest, contract, or grant or gift has a value of \$50,000 or more and such interest existed at any time or such contract or grant or gift was received or in force at any time during the previous 5 years. Such disclosure shall include the name and mailing address of the disclosing entity, the amount of the contract or grant or gift or the value of the interest disclosed, the applicable foreign country of concern and, if applicable, the date of termination of the contract or interest, the date of receipt of the grant or gift, and the name of the agent or controlled entity that is the source or interest holder. Within 1 year before applying for any grant or proposing any contract, such entity must provide a copy of such disclosure to the Department of Financial Services.

XXII. PUBLIC RECORDS

Termination. The City may terminate the Agreement for refusal by the Contractor to comply with this section by not allowing access to all public records, as defined in Chapter 119, F.S., made or received by the Contractor in conjunction with the Agreement unless the records are exempt from s. 24(a) of Art. I of the State Constitution and section 119.071(1), F.S. 8.1.2 Statutory Notice.

Custodian of Public Records. Pursuant to section 119.0701(2)(a), F.S., for contracts for services with a contractor acting on behalf of a public agency, as defined in section 119.011(2), F.S., the following applies:

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE DEPARTMENT'S CUSTODIAN OF PUBLIC RECORDS AT:

Audrey E. Sikes, City Clerk,
City of Lake City custodian of public records
at 386-719-5756 or SikesA@lcfla.com
Mailing Address
205 North Marion Avenue,
Lake City, Florida 32055.

Contractors Acting on Behalf of a Public Agency. Pursuant to Section 119.0701(2)(b), F.S., for contracts for services with a contractor acting on behalf of a public agency as defined in section 119.011(2), F.S., the Contractor shall: (a) Keep and maintain public records required by the public agency to perform the service. (b) Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law. (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure are not disclosed except as authorized by law for the duration of the Agreement term and following the completion of the Agreement if the Contractor does not transfer the records to the public agency. (d) Upon completion of the Agreement, transfer, at no cost, to the public agency all public records in possession of the Contractor or keep and maintain public records required by the public agency to perform the service. If the Contractor transfers all public records to the public agency upon completion of the Agreement, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Agreement, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

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

CITY OF LAKE CITY

By: EXHIBIT-NOT FOR EXECUTION

Name: EXHIBIT-NOT FOR EXECUTION

Title: _____

PFM FINANCIAL ADVISORS LLC

By: Jeremy Niedfeldt

Name: EXHIBIT-NOT FOR EXECUTION

Title: Managing Director

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SCOPE OF SERVICES

1. Services related to the Financial Planning and Policy Development upon request of Client:

- Assist the Client in the formulation of Financial and Debt Policies and Administrative Procedures.
- Review current debt structure, identifying strengths and weaknesses of structure so that future debt issues can be designed to maximize ability to finance future capital needs. This will include, but not be limited to, reviewing existing debt for the possibility of refunding that debt to provide the Client with savings.
- Analyze future debt capacity to determine the Client's ability to raise future debt capital.
- Assist the Client in the development of the Client's Capital Improvement Program by identifying sources of capital funding.
- Assist the Client with the development of the Client's financial planning efforts and process by assessing capital needs, identifying potential revenue sources, analyze financing alternatives such as pay-as-you-go, lease/purchasing, short-term vs. long-term financings, assessments, user fees, impact fees, developer contributions, public/private projects, and grants and provide analysis of each alternative as required as to the budgetary and financial impact.
- Review the reports of accountants, independent engineers and other project feasibility consultants to ensure that such studies adequately address technical, economic, and financial risk factors affecting the marketability of any proposed revenue debt issues; provide bond market assumptions necessary for financial projections included in these studies; attend all relevant working sessions regarding the preparations, review and completion of such independent studies; and provide written comments and recommendations regarding assumptions, analytic methods, and conclusions contained therein.
- Develop, manage and maintain computer models for long-term capital planning which provide for inputs regarding levels of ad valorem and non-ad valorem taxation, growth rates by operating revenue and expenditure item, timing, magnitude and cost of debt issuance, and project operating and capital balances, selected operating and debt ratios and other financial performance measures as may be determined by the Client.
- Conduct strategic modeling and planning and related consulting.
- Attend meetings with Client's staff, consultants and other professionals and the Client.

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- Undertake financial planning and policy development assignments made by the Client regarding financings, and financial policy including budget, tax, cash management issues and related fiscal policy and programs.
- Assist the Client in preparing financial presentations for public hearings and/ or referendums.
- Provide special financial services as requested by the Client.

2. Services Related to Debt Transactions (Includes short term financings, notes, loans, letters of credit, line of credit and bonds); provided that if the transaction is competitive, the services of the financial advisor will be modified in advance in writing to reflect that process. Upon the request of the Client:

- Analyze financial and economic factors to determine if the issuance of bonds is appropriate.
- Develop a financing plan in concert with Client's staff which would include recommendations as to the timing and number of series of bonds to be issued.
- Assist the Client by recommending the best method of sale, either as a negotiated sale, private placement or a public sale. In a public sale, 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 selection.
- Advise as to the various financing alternatives available to the Client.
- Develop alternatives related to debt transaction including evaluation of revenues available, maturity schedule and cash flow requirements.
- Evaluate benefits of bond insurance and/or security insurance for debt reserve fund.
- If appropriate, develop credit rating presentation and coordinate with the Client the overall presentation to rating agencies.
- Review underwriter's proposals and submit a written analysis of same to the Client.
- Assist the Client 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 bond indentures, resolutions or other governing documents regarding security, creation of reserve funds, flow of funds,

redemption provisions, additional parity debt tests, etc.; review and comment on successive drafts of bond governing documents.

- Review the requirements and submit analysis to bond insurers, rating agencies and other professionals as they pertain to the Client's obligation.
- Review the terms, conditions and structure of any proposed debt offering undertaken by the Client and provide suggestions, modifications and enhancements where appropriate and necessary to reflect the constraints or current financial policy and fiscal capability.
- Coordinate with Client'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 published offering documents.
- As applicable, advise the Client 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 Client 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.
- Arrange for the closing of the transaction including, but not limited, to bond printing, signing and final delivery of the bonds.

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EXHIBIT B
COMPENSATION FOR SERVICES

PFM’s Price proposal has been uploaded into the portal and below is further explanation of fees. PFM proposes the following fees for services related to the issuance of debt, which will be included in the proceeds of any borrowing and calculated per \$1,000 of bond proceeds. These fees would be the same for fixed/variable rate debt, new money/refunding bonds, bank loans, and lines of credit.

BASIC FEES

Line Item	Description	Quantity	Unit of Measure	Unit Cost
1	MINIMUM FEE PER ISSUE	1	EA	\$19,500
2	UP TO \$10 MILLION, PER BOND	1	\$1,000.00	\$1.00
3	10 MILLION TO \$20 MILLION, PER BOND	1	\$1,000.00	\$0.90
4	Over \$20 million, per bond	1	\$1,000.00	\$0.70

PFM will be reimbursed by the City for out-of-pocket expenses at a flat fee of \$1,500 per transaction. This flat fee encompasses any travel, meals, lodging, data recovery fees, and all other costs incurred by PFM in the normal course of a transaction. Any out-of-state travel requested by the City will be billed at cost.

Out-Of-Pocket Expenses

Line Item	Description	Quantity	Unit of Measure	Unit Cost
1	Out-of-pocket Expenses	1	EA	\$1,500

Certain projects that are more in-depth may be subject to a separately negotiated fee. For such special projects, a fixed fee is typically agreed to in advance and documented in a written agreement. Any requested services provided by PFM affiliates are subject to separate agreements and fees.

SPECIAL SERVICES

Line Item	Description	Quantity	Unit of Measure	Unit Cost
1	Special Services	1	EA	TBD

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Hourly Project Fees (Non-Transaction Related)

PFM will not charge for general advice between financings. In the event the Client requests that PFM perform significant special projects (capital planning, creation of new financing programs like the installment sale concept, etc.), fees will be negotiated in advance of the project generally based upon the following hourly rates for the indicated levels of experience or their equivalents will apply. Additionally, in the event a financing is started, but cancelled at the Client’s request, accrued time will be billed as follows:

<u>Experience Level</u>	<u>Hourly Rate</u>
Managing Director	\$350
Director	\$300
Senior Managing Consultant	\$300
Senior Analyst	\$250
Analyst	\$200
Administrative Support	\$0

Retainer

For general advice between financings, PFM shall receive an annual fee in the amount of \$8,000 (“Retainer”), payable in quarterly installments. The Retainer shall be reviewed and revised upon mutual agreement.

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**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 – City of Lake City, Florida

To Our knowledge, following reasonable inquiry, we are not aware of any 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.

From time to time We may represent a Municipal Entity client and an Obligated Person on the same side of a transaction. This situation may present a potential conflict of interest if Our fiduciary duty to the Municipal Entity and duty of care owed to the Obligated Person represent competing interests. Accordingly, We mitigate this conflict of interest by disclosing it to clients, requiring separately negotiated agreements between Us and each client, and 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.

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.

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