



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Finance	Aimee Tihonovich - Finance Director	February 18, 2025

AGENDA ITEM

Consent agenda – Contract with Ehlers and Associates, Inc. for municipal advisory services.

BACKGROUND

Municipalities often engage specialized advisors to provide expert guidance on matters such as investment management, rate studies, debt issuance, and the affordability of long-term plans. Recently, the City issued a Request for Qualifications (RFQ) for municipal advisory services and received five responses. A selection committee, consisting of four staff members and one finance committee representative, conducted interviews with the top four candidates. After careful consideration, the committee collectively determined that continuing the partnership with Ehlers and Associates, Inc. would best serve the City's needs. Ehlers has been the City's trusted municipal advisor for the past five years, and this process has reaffirmed that they are the ideal choice moving forward.

FISCAL NOTE

The agreed upon fee schedule is in the attached agreement. Generally, as a project need is determined, Ehlers will provide a cost estimate. Thus far, we anticipate engaging Ehler's to assist with the financing of the Poncha Interceptor project and the fees associated with that will be refined as we move forward. We do not anticipate any other project costs for 2025.

RECOMMENDATION

Staff recommends approval of the contract with Ehlers and Associates, Inc.

MOTION

A Councilmember should make a motion to “combine and approve the items on the consent agenda”, followed by a second and a roll call vote.



Salida Professional Service Agreement for Municipal and Investment Advisory Services

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") dated as of February 18, 2025, is entered into by and between Ehlers and Associates, Inc, whose business address is 3060 Centre Point Drive, Roseville, MN 55113, ("**Contractor**") and the City of Salida, Colorado, a **statutory municipality of the State of Colorado** ("**City**" and, together with the Contractor, "**Parties**").

RECITALS AND REPRESENTATIONS

WHEREAS, the City desires to have performed certain professional services as described in this Agreement; and

WHEREAS, the Contractor represents that the Contractor has the skill, ability, and expertise to perform the services described in this Agreement and within the deadlines provided by the Agreement; and

WHEREAS, the City desires to engage the Contractor to provide the services described in this Agreement subject to the terms and conditions of the Agreement.

NOW, THEREFORE, in consideration of the benefits and obligations of this Agreement, the Parties mutually agree as follows:

1. SERVICES AND CONTRACTOR PERFORMANCE

1.1. Services and Work Product. As directed by and under the supervision of the City Administrator or the Finance Director for the City of Salida, the Contractor shall provide the City with the services described in **Exhibit A, attached hereto and incorporated herein** ("**Services**"). For purposes of this Agreement, "**Work Product**" shall consist of deliverables and/or product to be created, provided, or otherwise tendered to the City as described in the Services.

1.2. Changes to Services. At any time, the City may request a change or changes in the Services. Any changes that are mutually agreed upon between the City and the Contractor shall be made in writing and upon execution by both Parties shall become an amendment to the Services described in this Agreement. To be effective, any written change must be signed by the Contractor and by the Salida City Council ("**City Council**").

1.3. Independent Contractor. The Contractor shall perform the Services as an independent contractor and shall not be deemed by virtue of this Agreement to have entered into any partnership, joint venture, employer/employee, or other relationship with the City other than as a contracting party and independent contractor. The City shall not be obligated to secure, and shall not provide, any insurance coverage or employment benefits of any kind or type to or for the Contractor or the Contractor's employees, sub-consultants, contractors, agents, or representatives, including coverage or benefits related but not limited to: local, state, or federal income or other tax contributions; insurance contributions (e.g., FICA);



workers' compensation; disability, injury, or health; professional liability insurance, errors, and omissions insurance; or retirement account contributions.

1.4. Standard of Performance. In performing the Services, the Contractor shall use that degree of care, skill, and professionalism ordinarily exercised under similar circumstances by members of the same profession practicing in the State of Colorado. Contractor represents to the City that the Contractor is, and its employees performing such Services are, properly licensed and/or registered within the State of Colorado for the performance of the Services (if licensure and/or registration is required by applicable law) and that the Contractor and employees possess the skills, knowledge, and abilities to competently, timely, and professionally perform the Services in accordance with this Agreement.

1.5. Patent Indemnification. Contractor shall indemnify, defend and hold City harmless from any and all claims, demands, and causes of action (including reasonable attorneys' fees and costs of suit) for actual or asserted infringement or actual or asserted appropriation or use by City of trade secrets, proprietary information, know-how, copyright rights, or patented inventions included in any design or specification furnished by Contractor or arising from the use or sale of materials, equipment, methods, processes, designs, and information, furnished by Contractor in connection with the Services. Contractor shall include the foregoing indemnification provision as a term of each agreement utilized by it in the performance of its work which shall extend expressly from the vendor or subcontractor to City.

1.6. Safety. When and to the extent that Contractor or any of its employees, agents, or subcontractors are working under the terms of this Agreement, Contractor will comply, and cause all its employees, agents, and subcontractors to comply, with applicable safety rules and security requirements.

1.7. Qualified Personnel. Contractor will make available all qualified Contractors, drafters, technical and clerical personnel necessary to fulfill its obligations under this Agreement. Prior to commencement of work, Contractor will provide City with the names of all Contractor personnel and their then current hourly rates, if applicable, whose services are to be employed in performance of the Services. Removal or re-assignment of personnel by Contractor will only be done with prior written approval of City.

1.8. Removal of Personnel by City. City may, in its discretion, require Contractor to dismiss from performance of the Services any personnel of Contractor or any subcontractor for any reason, effective upon written notice from City of such dismissal. City will not be required to pay salary, or any other costs associated with dismissed personnel effective upon Contractor's receipt of notice to dismiss from City.

1.9. Representations and Warranties. Contractor represents and warrants that the Services will be performed in a manner consistent with other reasonable professionals providing similar services under similar circumstances. Contractor will complete the Services in accordance with the Agreement and applicable United States laws, regulations, ordinances, and codes in existence at the time the Agreement is executed.

1.10. Maintenance of and Access to Records. Contractor will maintain detailed records of all matters relating to the Services during the term of the Agreement and for a period after its cancellation or termination of not less than five (5) years. City will have the right to copy and audit during regular business



hours all records of any kind which in any way related to the Services, whether created before, during, or after the termination of this Agreement. Access to such records will be provided to City at no cost.

1.11. Colorado Open Records Act. The parties understand that all material provided or produced under this Agreement may be subject to the Colorado Open Records Act, § 24-72-201, et seq., C.R.S. In the event of the filing of a lawsuit to compel such disclosure, the City shall inform the Contractor and will tender all such material to the court for judicial determination of the issue of disclosure and the Contractor agrees to intervene in such lawsuit to protect and assert its claims of privilege and against disclosure of such material or waive the same

1.12. Disclosure of Adverse Information. Contractor will promptly disclose to City any and all information which Contractor may learn, or which may have a material adverse impact on the Services or the Work Product or City's ability to utilize the Work Product in the manner and for the purpose for which the Work Product is intended.

2. COMPENSATION

2.1. Commencement of and Compensation for Services. Following execution of this Agreement by the City, the Contractor shall be authorized to commence performance of the Services as described in **Exhibit A** subject to the requirements and limitations on compensation as provided by this **Section 2.0 COMPENSATION** and its Sub-Sections.

A. For Time and Materials Task Orders. The CONTRACTOR shall perform the Services and shall invoice the CITY for work performed based on the rates described in **Exhibit B**.

B. Reimbursable Expenses. The following shall be considered "Reimbursable Expenses" for purposes of this Agreement and may be billed to the City without administrative mark-up but which must be accounted for by the Contractor and proof of payment shall be provided by the Contractor with the Contractor's monthly invoices:

- Vehicle Mileage (billed at not more than the prevailing per-mile charge permitted by the Internal Revenue Service as a deductible business expense)
- Printing and Photocopying Related to the Services
- Charges incidental to securing needed information (e.g., charges imposed to obtain recorded documents)
- Postage and Delivery Services
- Lodging and Meals (only with prior written approval of the City as to dates and maximum amount permitted)

C. Non-reimbursable Costs, Charges, Fees, or Other Expenses. Any fee, cost, charge, penalty, or expense incurred by the Contractor not otherwise specifically authorized by this Agreement shall be deemed a non-reimbursable cost and shall be borne by the Contractor and shall not be billed or invoiced to the City and shall not be paid by the City.



- D. Increases in Compensation or Reimbursable Expenses.** Any increases or modification of compensation or Reimbursable Expenses shall be subject to the approval of the City and shall be made only by written amendment of this Agreement executed by both Parties.

2.2. Payment Processing. The Contractor shall submit invoices and requests for payment in a form acceptable to the City. Invoices shall not be submitted more often than once each month unless otherwise approved by this Agreement or in writing by the City. Unless otherwise directed or accepted by the City, all invoices shall contain sufficient information to account for all Contractor time (or other appropriate measure(s) of work effort) and all authorized Reimbursable Expenses for the Services during the stated period of the invoice. Following receipt of a Contractor's invoice, the City shall promptly review the Contractor's invoice.

2.3. City Dispute of Invoice or Invoiced Item(s). The City may dispute any Contractor time, Reimbursable Expense, and/or compensation requested by the Contractor described in any invoice and may request additional information from the Contractor substantiating any and all compensation sought by the Contractor before accepting the invoice. When additional information is requested by the City, the City shall advise the Contractor in writing, identifying the specific item(s) that are in dispute and giving specific reasons for any request for information. The City shall pay the Contractor within forty-five (45) days of the receipt of an invoice for any undisputed charges or, if the City disputes an item or invoice and additional information is requested, within thirty (30) days of acceptance of the item or invoice by the City following receipt of the information requested and resolution of the dispute. To the extent possible, undisputed charges within the same invoice as disputed charges shall be timely paid in accordance with this Agreement. Payment by the City shall be deemed made and completed upon hand delivery to the Contractor or designee of the Contractor or upon deposit of such payment or notice in the U.S. Mail, postage prepaid, addressed to the Contractor.

3. CONTRACTOR'S GENERAL RESPONSIBILITIES

3.1. The Contractor shall become fully acquainted with the available information related to the Services. The Contractor is obligated to affirmatively request from the City such information that the Contractor, based on the Contractor's professional experience, should reasonably expect is available and which would be relevant to the performance of the Services.

3.2. The Contractor shall perform the Services in accordance with this Agreement and shall promptly inform the City concerning ambiguities and uncertainties related to the Contractor's performance that are not addressed by the Agreement.

3.3. The Contractor shall provide a proposal will cost estimates outlining the work to be done and the anticipated fee for such services.

3.4. The Contractor shall provide all the Services in a timely and professional manner.

3.5. The Contractor shall promptly comply with any written City request from the City or any of the City's duly authorized representatives to reasonably access and review any books, documents, papers, and



records of the Contractor that are pertinent to the Contractor's performance under this Agreement for the purpose of the City performing an audit, examination, or other review of the Services.

3.6. The Contractor shall comply with all applicable federal, state, and local laws, ordinances, regulations, and resolutions.

3.7. The Contractor shall be responsible at the Contractor's expense for obtaining, and maintaining in a valid and effective status, all licenses and permits necessary to perform the Services unless specifically stated otherwise in this Agreement.

4. TERM AND TERMINATION

4.1. Term. The provision of services under this Agreement shall commence on February 18, 2025 (the "**Effective Date**") and continue for consecutive automatically renewing one-year periods ending on December 31, 2029 (cumulatively, the "**Term**"), unless sooner terminated as provided herein or extended by mutual agreement of the Parties. The Contractor understands and agrees that the City has no obligation to extend this Agreement's Term or contract for the provision of any future services, and makes no warranties or representations otherwise. Any Party may choose not to renew this Agreement upon sixty (60) days written notice to the other Party prior to the expiration of the annual term (i.e. by November 1st).

4.2. Continuing Services Required. The Contractor shall perform the Services in accordance with this Agreement commencing on the Effective Date until such Services are terminated or suspended in accordance with this Agreement. The Contractor shall not temporarily delay, postpone, or suspend the performance of the Services without the written consent of the City Council.

4.3. City Unilateral Termination. This Agreement may be terminated by the City for any or no reason upon written notice delivered to the Contractor at least ten (10) days prior to termination. In the event of the City's exercise of the right of unilateral termination as provided by this paragraph:

- A.** Unless otherwise provided in any notice of termination, the Contractor shall provide no further services in connection with this Agreement after receipt of a notice of termination; and
- B.** All finished or unfinished documents, data, studies, and reports prepared by the Contractor pursuant to this Agreement shall be delivered by the Contractor to the City and shall become the property of the City, subject to the ownership restrictions in **Section 6.0** of this Agreement; and
- C.** The Contractor shall submit to the City a final accounting and final invoice of charges for all outstanding and unpaid Services and Reimbursable Expenses performed prior to the Contractor's receipt of notice of termination and for any services authorized to be performed by the notice of termination as provided by **Sub-Section 4.3(A)** above. Such final accounting and final invoice shall be delivered to the City within thirty (30) days of the date of termination; thereafter, no other invoice, bill, or other form of statement of charges owing to the Contractor shall be submitted to or accepted by the City.



4.4. Termination for Non-Performance. Should a party to this Agreement fail to materially perform in accordance with the terms and conditions of this Agreement, this Agreement may be terminated by the performing party if the performing party first provides written notice to the non-performing party which notice shall specify the non-performance, provide both a demand to cure the non-performance and reasonable time to cure the non-performance and state a date upon which the Agreement shall be terminated if there is a failure to timely cure the non-performance. For purposes of this **Sub-Section 4.4**, “reasonable time” shall be not less than five (5) business days. In the event of a failure to timely cure a non-performance and upon the date of the resulting termination for non-performance, the Contractor shall prepare a final accounting and final invoice of charges for all performed but unpaid Services and authorized Reimbursable Expenses. Such final accounting and final invoice shall be delivered to the City within fifteen (15) days of the date of termination; thereafter, no other invoice, bill, or other form of statement of charges owing to the Contractor shall be submitted to or accepted by the City. Provided that notice of non-performance is provided in accordance with this **Sub-Section 4.4**, nothing in this **Sub-Section 4.4** shall prevent, preclude, or limit any claim or action for default or breach of contract resulting from non-performance by a Party.

4.5. Unilateral Suspension of Services. The City may suspend the Contractor's performance of the Services at the City's discretion and for any reason by delivery of written notice of suspension to the Contractor which notice shall state a specific date of suspension. Upon receipt of such notice of suspension, the Contractor shall immediately cease performance of the Services on the date of suspension except: (1) as may be specifically authorized by the notice of suspension (e.g., to secure the work area from damage due to weather or to complete a specific report or study); (2) for the submission of an invoice for Services performed prior to the date of suspension in accordance with this Agreement or (3) as required by law.

4.6. Reinstatement of Services Following City's Unilateral Suspension. The City may at its discretion direct the Contractor to continue performance of the Services following suspension. If such direction by the City is made within thirty (30) days of the date of suspension, the Contractor shall recommence performance of the Services in accordance with this Agreement. If such direction to recommence suspended Services is made more than thirty-one (31) days following the date of suspension, the Contractor may elect to: (1) provide written notice to the City that such suspension is considered a unilateral termination of this Agreement pursuant to **Sub-Section 4.3**; or (2) recommence performance in accordance with this Agreement; or (3) if suspension exceeded sixty (60) consecutive days, request from the City an equitable adjustment in compensation or a reasonable re-start fee and, if such request is rejected by the City, to provide written notice to the City that such suspension and rejection of additional compensation is considered a unilateral termination of this Agreement pursuant to **Sub-Section 4.3**. Nothing in this Agreement shall preclude the Parties from executing a written amendment or agreement to suspend the Services upon terms and conditions mutually acceptable to the Parties for any period of time.

4.7. Delivery of Notice of Termination. Any notice of termination permitted by this **Section 4.0 TERM AND TERMINATION** and its subsections shall be addressed to the persons identified in **Section 9.17** herein and at the addresses provided therein or such other address as either party may notify the other of and shall be deemed given upon delivery if personally delivered, or forty-eight (48) hours after deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested.



5. INSURANCE

5.1. Insurance Generally. The Contractor shall obtain and shall continuously maintain during the Term of this Agreement insurance of the kind and in the minimum amounts specified in this **Sub-Section 5.1**. The Required Insurance shall be procured and maintained with insurers with an A- or better rating as determined by Best's Key Rating Guide. All Required Insurance shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Contractor.

The Contractor shall secure and maintain the following ("**Required Insurance**"):

- A. Worker's Compensation Insurance in the minimum amount required by applicable law for all employees and other persons as may be required by law. Such policy of insurance, if any, shall be endorsed to include the City as a Certificate Holder.
- B. Comprehensive General Liability insurance with minimum combined single limits of One Million Dollars (\$1,000,000.00) Dollars for each occurrence and of Two Million Dollars (\$2,000,000.00) aggregate. The policy shall be applicable to all premises and all operations of the Contractor. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall contain a severability of interests provision. Coverage shall be provided on an "occurrence" basis as opposed to a "claims made" basis. Such insurance shall be endorsed to name the City as Certificate Holder and name the City, and its elected officials, officers, employees, and agents as additional insured parties.
- C. Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury of not less than of One Hundred Thousand Dollars (\$100,000.00) each person and each accident and for property damage of not less than Fifty Thousand Dollars (\$50,000.00) each accident with respect to each of the Contractor's owned, hired and non-owned vehicles assigned to or used in performance of the Services. The policy shall contain a severability of interests provision. Such insurance coverage must extend to all levels of subcontractors. Such coverage must include all automotive equipment used in the performance of the Agreement, both on the work site and off the work site, and such coverage shall include non-ownership and hired cars coverage. Such insurance shall be endorsed to name the City as Certificate Holder and name the City, and its elected officials, officers, employees, and agents as additional insured parties.
- D. Professional Liability (errors and omissions) Insurance with a minimum limit of coverage of One Million Dollars (\$1,000,000.00) per claim and annual aggregate. Such policy of insurance shall be obtained and maintained for one (1) year following completion of all Services under this Agreement. Such policy of insurance shall be endorsed to include the City as a Certificate Holder.

5.2. Additional Requirements for All Policies. In addition to specific requirements imposed on insurance by this **Section 5.0 INSURANCE** and its subsections, insurance shall conform to all of the following:



- A. For Required Insurance and any other insurance carried by Contractor ("**Contractor Insurance**"), all policies of insurance shall be primary insurance, and any insurance carried by the City, its officers, or its employees shall be excess and not contributory insurance to that provided by the Contractor; provided, however, that the City shall not be obligated to obtain or maintain any insurance whatsoever for any claim, damage, or purpose arising from or related to this Agreement and the Services. The Contractor shall not be an insured party for any City-obtained insurance policy or coverage.
- B. For both Required Insurance and Contractor Insurance, the Contractor shall be solely responsible for any deductible losses.
- C. For Required Insurance, no policy of insurance shall contain any exclusion for bodily injury or property damage arising from completed operations.
- D. For Required Insurance, every policy of insurance shall provide that the City will receive notice no less than thirty (30) days prior to any cancellation, termination, or a material change in such policy.

5.3. Failure to Obtain or Maintain Insurance. The Contractor's failure to obtain and continuously maintain policies of insurance in accordance with this **Section 5.0 INSURANCE** and its subsections shall not limit, prevent, preclude, excuse, or modify any liability, claims, demands, or other obligations of the Contractor arising from performance or non-performance of this Agreement. Failure on the part of the Contractor to obtain and to continuously maintain policies providing the required coverage, conditions, restrictions, notices, and minimum limits shall constitute a material breach of this Agreement upon which the City may immediately terminate this Agreement, or, at its discretion, the City may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the City shall be repaid by Contractor to the City immediately upon demand by the City, or at the City's sole discretion, the City may offset the cost of the premiums against any monies due to the Contractor from the City pursuant to this Agreement.

5.4. Insurance Certificates. Prior to commencement of the Services, the Contractor shall submit to the City applicable certificates of insurance for all Required Insurance. Insurance limits, terms of insurance, insured parties, and other information sufficient to demonstrate conformance with this **Section 5.0 INSURANCE** and its subsections shall be indicated on each certificate of insurance. Certificates of insurance shall reference the "Project Name" as identified on the first page of this Agreement. The City may request, and the Contractor shall provide within three (3) business days of such request a current certified copy of any policy of Required Insurance and any endorsement of such policy. The City may, at its election, withhold payment for Services until the requested insurance policies are received and found to be in accordance with the Agreement.

6. OWNERSHIP OF DOCUMENTS

6.1. Work Product is Property of City. Upon complete payment for services rendered, the Work Product, as defined in **Sub-Section 1.1**, shall be deemed work made for hire and made in the course of Services performed under this Agreement and will be the exclusive property of the City. City will have unlimited right to make, have made, use, reconstruct, repair, modify, reproduce, publish, distribute and sell



the Work Product, in whole or in part, or combine the Work Product with other matter, or not use the Work Product at all, as it sees fit. Any reuse of the Work Product produced under this Agreement for any purpose not directly related to this Agreement will be at the sole risk of City.

6.2. Obligations of Contractor's Personnel and Subcontractors. Contractor warrants it has enforceable written agreements with all of its personnel and subcontractors to be involved in performing the Services that:

- A. assign to Contractor ownership of all patents, copyrights, and other proprietary rights created in the course of their employment or engagement; and
- B. obligate such personnel or subcontractors, as the case may be, upon terms and conditions no less restrictive than are contained in this **Section 6.0 OWNERSHIP OF DOCUMENTS**, not to use or disclose any proprietary rights or information learned or acquired during the course of such employment or engagement including, without limitation, any Work Product, all Contractor property and any other information pursuant to this **Section 6.0 OWNERSHIP OF DOCUMENTS**.

6.3. Assignment of Proprietary Rights. To the extent that any title to any Work Product may not, by operation of law, vest in City, or such Work Product may not be considered to be work made for hire, Contractor hereby irrevocably transfers and assigns to City in perpetuity all worldwide right, title and interest in and to the patent rights, copyrights, trade secrets, and other proprietary rights in and ownership of, the Work Product.

6.4. City Furnished Information. Title to all materials and all documentation furnished by the City to Contractor will remain in the City. Contractor will deliver to the City any all Work Products and property, including copies thereof on whatever media rendered, upon the first to occur of:

- A. the City's written request; or
- B. completion of the Services under this Agreement; or
- C. termination of this Agreement.

6.5. The Contractor waives any right to prevent its name from being used in connection with the Services.

6.6. Notwithstanding the foregoing, the Contractor shall retain all rights, titles, and interests, including but not limited to all ownership and intellectual property rights, in all inventions, improvements, discoveries, methodologies, models, formats, software, algorithms, processes, procedures, designs, specifications, findings, and other intellectual properties developed, gathered, compiled or produced by the Contractor prior to or independently of any of its services under this Agreement ("Background IP"), including such Background IP that the Contractor may employ in the performance of this Agreement, or may incorporate into any part of the Work Product. The Contractor grants the City an irrevocable, non-exclusive, transferable, royalty-free license in perpetuity to use, disclose, and derive from such Background IP, but only as an inseparable part of the Work Product. Third-party content that may be used or incorporated in



the Work Product shall not become the property of the City. The Contractor shall secure all licenses necessary to any third-party content incorporated into the Contractor's Work Product for the City to utilize the Contractor's services and the Work Product for their intended purposes.

7. CONFLICT OF INTEREST

The Contractor shall refrain from providing services to other persons, firms, or entities that would create a conflict of interest for the Contractor with regard to providing the Services pursuant to this Agreement. The Contractor shall not offer or provide anything of benefit to any City official or employee that would place the official or employee in a position of violating the public trust as provided by C.R.S. §24-18-109, as amended, the Salida City Code of Ethics, as amended or the City's ethical principles.

8. REMEDIES

In addition to any other remedies provided for in this Agreement, and without limiting its remedies available at law, the City may exercise the following remedial actions if the Contractor substantially fails to perform the duties and obligations of this Agreement. Substantial failure to perform the duties and obligations of this Agreement shall mean a significant, insufficient, incorrect, or improper performance, activities, or inactions by the Contractor. The remedial actions include:

- 8.1.** Suspend the Contractor's performance pending necessary corrective action as specified by the City without the Contractor's entitlement to an adjustment in any charge, fee, rate, price, cost, or schedule; and/or
- 8.2.** Withhold payment to the Contractor until the necessary services or corrections in performance are satisfactorily completed; and/or
- 8.3.** Deny payment for those services which have not been satisfactorily performed, and which, due to circumstances caused by the Contractor, cannot be performed, or if performed would be of no value to the City; and/or
- 8.4.** Terminate this Agreement in accordance with this Agreement.

The foregoing remedies are cumulative and the City, in its sole discretion, may exercise any or all of the remedies individually or simultaneously.

9. MISCELLANEOUS PROVISIONS

9.1. No Waiver of Rights. A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either Party. The City's approval or acceptance of, or payment for, services shall not be construed to operate as a waiver of any rights or benefits to be provided under this Agreement. No covenant or term of this Agreement shall be deemed to be waived by the City except in writing signed by the City Council or by a person expressly authorized to sign such waiver by resolution of the City Council of the City of Salida,



and any written waiver of a right shall not be construed to be a waiver of any other right or to be a continuing waiver unless specifically stated.

9.2. No Waiver of Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify any governmental immunity that may be available by law to the City, its officials, employees, contractors, or agents, or any other person acting on behalf of the City and, in particular, governmental immunity afforded or available pursuant to the Colorado Governmental Immunity Act, Title 24, Article 10, Part 1 of the Colorado Revised Statutes.

9.3. Affirmative Action. Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. Contractor will take affirmative action to ensure applicants are employed, and employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

9.4. Americans with Disabilities Act. Contractor understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this contract or from activities provided for under this contract. As a condition of accepting and executing this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. §35.130, and all other regulations promulgated under Title II of The Americans with Disabilities Act.

9.5. Binding Effect. The Parties agree that this Agreement, by its terms, shall be binding upon the successors, heirs, legal representatives, and assigns; provided that this **Section 9.5** shall not authorize assignment.

9.6. No Third-Party Beneficiaries. Nothing contained in this Agreement is intended to or shall create a contractual relationship with, cause of action in favor of, or claim for relief for, any third party, including any agent, sub-consultant, or sub-contractor of Contractor. Absolutely no third-party beneficiaries are intended by this Agreement. Any third-party receiving a benefit from this Agreement is an incidental and unintended beneficiary only.

9.7. Article X, Section 20/TABOR. The Parties understand and acknowledge that the City is subject to Article X, § 20 of the Colorado Constitution ("TABOR"). The Parties do not intend to violate the terms and requirements of TABOR by the execution of this Agreement. It is understood and agreed that this Agreement does not create a multi-fiscal year direct or indirect debt or obligation within the meaning of TABOR and, therefore, notwithstanding anything in this Agreement to the contrary, all payment obligations of the City are expressly dependent and conditioned upon the continuing availability of funds beyond the term of the City's current fiscal period ending upon the next succeeding December 31. Financial obligations of the City payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available in accordance with the rules, regulations, and resolutions of the City, and other applicable laws. Upon the failure to appropriate such funds, this Agreement shall be terminated.



9.8. Governing Law, Venue, and Enforcement. This Agreement shall be governed by and interpreted according to the law of the State of Colorado. Venue for any action arising under this Agreement shall be in the appropriate court for Chaffee County, Colorado, and the parties consent and agree to the jurisdiction of such courts. To reduce the cost of dispute resolution and to expedite the resolution of disputes under this Agreement, the Parties hereby waive any and all right either may have to request a jury trial in any civil action relating primarily to the enforcement of this Agreement. The Parties agree the rule providing ambiguities in a contract are to be construed against the drafting party shall not apply to the interpretation of this Agreement. If there is any conflict between the language of this Agreement and any exhibit or attachment, the language of this Agreement shall govern.

9.9. Survival of Terms and Conditions. The Parties understand and agree that all terms and conditions of the Agreement that require continued performance, compliance, or effect beyond the termination date of the Agreement shall survive such termination date and shall be enforceable in the event of a failure to perform or comply.

9.10. Assignment and Release. All or part of the rights, duties, obligations, responsibilities, or benefits set forth in this Agreement shall not be assigned by Contractor without the express written consent of the City Council. Any written assignment shall expressly refer to this Agreement, specify the particular rights, duties, obligations, responsibilities, or benefits so assigned, and shall not be effective unless approved by resolution or motion of the City Council. No assignment shall release the Applicant from performance of any duty, obligation, or responsibility unless such release is clearly expressed in such written document of assignment.

9.11. Paragraph Captions. The captions of the paragraphs are set forth only for the convenience and reference of the Parties and are not intended in any way to define, limit or describe the scope or intent of this Agreement.

9.12. Integration and Amendment. This Agreement represents the entire and integrated agreement between the City and the Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. Any amendments to this must be in writing and be signed by both the City and the Contractor.

9.13. Severability. Invalidation of any of the provisions of this Agreement or any paragraph sentence, clause, phrase, or word herein or the application thereof in any given circumstance shall not affect the validity of any other provision of this Agreement.

9.14. Incorporation of Exhibits. Unless otherwise stated in this Agreement, exhibits, applications, or documents referenced in this Agreement shall be incorporated into this Agreement for all purposes. In the event of a conflict between any incorporated exhibit and this Agreement, the provisions of this Agreement shall govern and control.

9.15. Non-Liability of City for Indirect or Consequential Damages or Lost Profits. Parties agree that the City shall not be liable for indirect or consequential damages, including lost profits that result from the City's declaration that the Contractor is in default of the Agreement, so long as the City acts in good faith.



9.16. Indemnity. To the fullest extent permitted by law, Contractor shall indemnify and defend the City, its members, affiliates, officers, directors, partners, employees, and agents (collectively referred to as the “City” for the purposes of this **Section 9.16**) from and against all claims, damages, losses, and expenses, including but not limited to reasonable attorney’s fees (collectively referred to “Losses”), arising out of the performance of the Services, provided that (a) any such claim, damage, loss or expense is caused by any negligent act or omission of (i) Contractor, (ii) anyone directly or indirectly employed by Contractor or (iii) anyone for whose acts Contractor may be liable; and (b) such indemnification shall not apply to the extent that such Losses are caused by the negligence of the City or other party indemnified hereunder. If Contractor is providing architectural, engineering, or surveying services; design; construction; alteration; repair; or maintenance of any building, structure, highway, bridge, viaduct, water, sewer, or gas distribution system, or other works dealing with construction, or any moving, demolition, or excavation connected with such construction, the extent of Contractor’s obligation to indemnify and defend the City is enforceable only to the extent and for an amount represented by the degree or percentage of negligence or fault attributable to the Contractor or the Contractor’s agents, representatives, subcontractors, or suppliers. If the Contractor is a person or entity providing architectural, engineering, surveying, or other design services, then the extent of Contractor’s obligation to indemnify and defend the City may be determined only after the Contractor’s liability or fault has been determined by adjudication, alternative dispute resolution, or otherwise resolved by mutual agreement between the Contractor and City. The indemnification in this **Section 9.16** shall be construed to comply with C.R.S. § 13-50.5-102(8) et. seq.

9.17. Notices. Unless otherwise specifically required by a provision of this Agreement any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage and fees prepaid, addressed to the Party to whom such notice is to be given at the address set forth below or at such other address as has been previously furnished in writing, to the other Party. Such notice shall be deemed to have been given when deposited in the United States Mail and properly addressed to the intended recipient. Written notice may also be provided by electronic mail which shall be deemed delivered when receipt is acknowledged by reply of the recipient.

If to the City:

City of Salida
Christy Doon, City Administrator
448 E. First Street, Suite 112
Salida, CO 81201
christy.doon@cityofsalida.com

If to the Contractor:

Ehlers and Associates, Inc.
Bruce Kimmel, Senior Municipal Advisor
3060 Centre Point Drive
Roseville, MN 55113
bkimmel@ehlers-inc.com

With Copy to:

City Attorney
Nina P. Williams
Wilson Williams Fellman Dittman
1314 Main Street, Suite 101
Louisville, CO 80027
nina@wwfdlaw.com



Aimee Tihonovich, Finance Director
448 E. First Street, Suite 112
Salida, CO 81201
aimee.tihonovich@cityofsalida.com

10. AUTHORITY

The individuals executing this Agreement represent that they are expressly authorized to enter into this Agreement on behalf of City of Salida and the Contractor and bind their respective entities.

THIS AGREEMENT is executed and made effective as provided above.

CITY OF SALIDA

CONTRACTOR

By: _____

By: _____

Name: Christy Doon

Name: _____

Title: City Administrator

Title: _____



EXHIBIT A

("Services")

JANUARY 15, 2025

PROPOSAL TO PROVIDE MUNICIPAL & INVESTMENT ADVISORY SERVICES TO:

The City of Salida, Colorado



Ehlers & Associates, Inc.
3060 Centre Point Drive
Roseville, MN 55113

Municipal Advisor Registration Number: K0165
SEC CIK Number: 0001604197

ehlers-inc.com

Ehlers Investment Partners
3060 Centre Point Drive
Roseville, MN 55113

SEC#: 801-69849
CRD#: 146385

ehlers-inc.com

EHLERS' ADVISORS:

Bruce Kimmel

Senior Municipal Advisor
bkimmel@ehlers-inc.com
651-697-8572

Dan Tienter

Municipal Advisor
dtienter@ehlers-inc.com
651-697-8537

Ryan Miles, CPFIM

Senior Investment Adviser
Managing Director
rmiles@ehlers-inc.com
651-697-8590

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January 15, 2025

Aimee Tihonovich
Finance Director
City of Salida
448 E. First Street, Suite 112
Salida, Colorado 81201



RE: Proposal to provide municipal advisory services to the City of Salida, CO

Ehlers is pleased to present this proposal to provide independent municipal advisory, investment advisory, and consulting services to the City of Salida. From 2019 to present, Ehlers had the extraordinary privilege to serve as the City's municipal advisor, and expand this work to include investment advisory services in 2020. Over the course of our relationship, we have advised Salida on the entirety of the requested scope of services, including numerous fiscal planning efforts and studies to support the City's strategic initiatives.

Given our history with Salida, we can confidently state that Ehlers has a strong understanding of the City's current and planned debt, key fiscal factors, investing profile and community engagement needs. Our commitment to delivering exceptional service is demonstrated by our assigned team, which includes personnel who collectively have over 200 years of advisory and direct government experience. As you will read in our proposal, Ehlers can effectively provide every aspect of the scope of work in the Request for Proposals. We believe our extensive knowledge of the City, commitment to client service, and breadth of expertise will deliver the highest value to you.

Ehlers brings together the strongest collaborative model of debt issuance and management, development and redevelopment, investment management, and fiscal advisory services. We are excited about the opportunity to continue demonstrating Ehlers' passion for what we do and our preparedness to be the City's full-service municipal advisor for years to come.

For 70 years, Ehlers has helped municipal clients build strong and vibrant communities through financial planning, debt issuance and management, economic development, and investment management services. In the last five years alone, our firm has:

- » Advised on nearly 2,500 debt issues totaling more than \$15 billion
- » Completed nearly 100 long-term financial plans
- » Established over 200 TIF districts and provided guidance on hundreds of economic development & redevelopment projects ranging from \$500,000 to \$640 million
- » Advised on the development of more than 4,000 affordable housing units (over 3 years)
- » Completed more than 225 utility rate studies (regulated and non-regulated entities)
- » Delivered investment advisory services to more than 230 clients with total assets under management (AUM) of \$2.6 billion
- » Provided arbitrage consulting services to 420 clients with more than 1,750 issues under current monitoring

- » Prepared & disseminated continuing disclosures for more than 700 clients, monitoring all their respective debt issues

We believe the following factors position us as the advisor most qualified to deliver the services requested:

Our Independence. Independence is simply another way of saying we always place your best interests above our own throughout every engagement, not just debt issuance.

Independence has been at the heart of our firm long before it was codified in the municipal advisor rule, and we stay true to that principle to this day. Because we don't represent investors, underwriters, or private developers, you can rest assured working with Ehlers will result in solutions that deliver the highest unbiased value to you.

The City can choose to engage a municipal advisor that is affiliated with a broker-dealer (underwriter). Certainly, that firm and its advisors must provide advice that puts the City's interests above its own, which is a regulatory requirement of any municipal advisor. However, engaging a municipal advisor that is affiliated with a broker-dealer means that firm cannot underwrite the City's bond offerings. This reduces the number of potential capital providers available to the City. Is it really in your interest to limit the number of firms that can buy your bonds? The City's largest cost when issuing debt is not costs of issuance; it is interest expense. As such, the City's primary objective should be to engage with a municipal advisor that presents no conflict between providing unbiased advice and affording the widest pool of bond purchasers in the marketplace.

As an independent advisory firm, Ehlers is not affiliated with a broker-dealer, and therefore will not reduce the number of capital providers available to the City. A small difference of even a few basis points can mean tens or even hundreds of thousands of dollars in interest expense over the life of an issue. Municipal advisors who are affiliated with a broker-dealer will state that having access to their underwriting desk is a benefit to their issuer clients. Engaging directly with underwriting desks is indeed an excellent way to gather feedback and market insight. That's why we don't limit ourselves to a single underwriting desk for information. Rather, we consistently interact with all major underwriting desks across the country, increasing our ability to seek the best possible execution for your debt issues.

Our Process. A pioneer in the municipal advisory business, Ehlers leverages bond market knowledge and industry best practices to proactively guide our clients through the debt issuance and management process from start to finish. Every transaction on which we advise goes through a rigorous internal quality assurance process prior to the publication of the preliminary official statement (POS) and well in advance of the sale date. We similarly bring this level of rigor to our financial planning and economic development services. In all occasions, our client work is reviewed by one or more senior team members prior to delivery.

Our Integrated Approach. Ehlers isn't in this business simply to complete transactions. We're here to help you realize a vision and act as an extension of your organization in all aspects of our engagements. Our integrated, best practice, high-value client service model empowers clients to collaborate with a single advisory firm for:

- » Capital & financial planning
- » Debt issuance & management
- » Post-issuance compliance, monitoring & reporting
- » Economic development & redevelopment
- » Tax increment financing, monitoring & reporting
- » Utility rate analysis & structuring
- » Investment advisory & arbitrage consulting
- » Housing finance & asset management

We rely on our deep and knowledgeable bench strength when creating client teams. Our Senior Municipal Advisors lead each client relationship, leveraging the specialty expertise of their colleagues, including our Fiscal Consultants and Financial Analysts, Bond Marketing and Sales Team, Disclosure and Compliance Team, Investment Advisers and Arbitrage Consultants to deliver exactly the right solution - exactly when needed.

Our Performance. Our qualifications can best be illustrated by our performance. According to Bloomberg data from January 1, 2023 to September 30, 2024, Ehlers ranks second nationally for the number of competitive bond sales advised and first in number of bond sales of \$10 million or less.

Our Client-First Values. Ehlers prides itself on transparent communication, proactive service and an unwavering dedication to helping clients deploy resources in the most efficient and effective way possible. Ultimately, we propose to provide value to the City with ongoing dialogue and idea-sharing, insightful analysis, options customized to your situation and a competitive fee structure.

Thank you for including Ehlers in this RFQ process. We greatly appreciate your consideration and look forward to discussing how Ehlers can continue to partner with and even better serve the City of Salida.

Respectfully submitted,



Bruce Kimmel
Senior Municipal Advisor
bkimmel@ehlers-inc.com
651-697-8572



Dan Tienter
Municipal Advisor
dtienter@ehlers-inc.com
651-697-8537



Ryan Miles, CPFIM
Senior Investment Adviser
Managing Director
rmiles@ehlers-inc.com
651-697-8590



SECTION 2:

COMPANY PROFILE

Company Profile

BUILDING COMMUNITIES. IT'S WHAT WE DO.

Ehlers helps public sector clients build outstanding places to live, work, learn and play by delivering focused, fully-integrated municipal financial advisory services.

We build strong, long-lasting client relationships - working directly and collaboratively with your staff - to complete projects and drive initiatives forward.

We leverage decades of industry experience, deep market and community knowledge, and our unique team-based approach to successfully guide clients through all facets of public finance.

Ehlers' services include:



SECTION 2: COMPANY PROFILE

Founded in Minnesota in 1955, Ehlers consists of more than 85 advisors, fiscal consultants, financial analysts and client support staff. Ehlers is an S-Corporation, 100% employee-owned by all staff members with at least one year of service. We are headquartered in Roseville, Minnesota with an additional, fully-staffed office in Waukesha, Wisconsin.

Our firm and each of its municipal advisors are registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board, and meet all professional testing standards and continuing education requirements. **Our registration credentials are located on the cover page of this proposal.**

Today, Ehlers serves more than 1,500 public sector and non-profit clients across five states. We do not represent developers, investors, broker-dealers or any for-profit clientele.

Experience Working with Comparable Clients

Since Ehlers began serving Colorado clients in 2013, we have provided comprehensive municipal advisory services to several mountain and river communities with characteristics similar to the City of Salida. While not an exhaustive list, some of those comparable municipalities – in addition to the City itself – include Basalt, Winter Park, Fraser, and Granby. Proposed lead Advisor Bruce Kimmel also serves as the primary relationship advisor for Mountain Village, Pueblo County, Pueblo Urban Renewal Authority, Pueblo West Metro District and Fossil Ridge Metro District. **Ehlers stands alone in its ability to effectively advise clients like Salida across all areas of public finance.** Our fully integrated, team-based business model allows us to craft holistic strategies that seamlessly weave all public finance disciplines together to provide our clients with pragmatic and executable solutions.

Our experience in communities similar to the City reflects the fundamental nature of our fiduciary approach to advising clients on how best to fund projects using a.) a pay-as-you-go approach, b.) an application of reserves or c.) from debt proceeds. One of the most important and valuable aspects of our advisory practice is engaging with clients on how to effectively access capital – issuing in the capital markets through competitive or negotiated underwriting or bank financing through direct purchase. Bond underwriting firms and commercial banks throughout Colorado and the country have a strong appetite for municipal credit. We have found that competitive sales draw a broad audience from underwriting firms across the country. We carefully consider the quantitative and qualitative attributes of each issuance method for each financing as they relate to the specifics of a project and the revenue source(s) supporting the debt. And, because Ehlers is an independent advisor, our engagement does not eliminate a source of capital for the City and preserves all options when seeking to secure financing at the lowest cost and most favorable terms.

Experience Providing Scope of Services

Ehlers brings decades of experience to fulfilling all the services detailed in the City's RFQ. As we mentioned in our cover letter, over the last five years alone, we have:

- » Advised on nearly 2,500 debt issues totaling more than \$15 billion
- » Completed nearly 100 long-term financial plans
- » Established over 200 TIF districts and provided guidance on hundreds of economic development & redevelopment projects ranging from \$500,000 to \$640 million
- » Advised on the development of more than 4,000 affordable housing units (over 3 years)
- » Completed more than 225 utility rate studies (regulated and non-regulated entities)
- » Delivered investment advisory services to more than 230 clients with total assets under management (AUM) of \$2.6 billion
- » Provided arbitrage consulting services to 420 clients with more than 1,750 issues under current monitoring
- » Prepared & disseminated continuing disclosures for more than 700 clients, monitoring all their respective debt issues

What's more, our clients engage Ehlers - and stay with Ehlers - because we can provide effective and efficient advisory services for every facet of public finance under one roof. Unlike certain peer firms, Ehlers has no need to subcontract any advisory or analysis work. We have all the necessary expertise to complete it in-house, which provides our clients with assurance of our highly collaborative approach with expert resources available for every client engagement.

Financial Management Planning

Whether it's creating an annual budget, developing a capital improvement plan, assessing financial policies and procedures or crafting alternative financing plans, Ehlers delivers strategic, yet practical fiscal guidance - with an emphasis on transparency and diligent process - to help the City achieve both its immediate and long-term financial goals.

We work with our clients to create dynamic plans that give leaders a "road map" to help determine needs and viable options and make prudent decisions based on impacts and benefits.

Our general approach to fiscal projects appears on the following page:



Ehlers frequently assists clients with measuring the fiscal repercussions of important financial decisions using forecasting and modeling, tax impact analyses and utility rate studies.

Financial Modeling

Ehlers Fiscal Consultants have decades of experience developing and customizing financial modeling tools that help our clients make informed decisions. We regularly leverage flexible financial models to deliver practical, easy-to-understand situation analyses for our clients. Our models are designed to be “living documents” that can be regularly updated to reflect unexpected challenges and new opportunities.

Debt Planning, Issuance & Oversight

Planning & Development

Ehlers leverages deep market knowledge, strong relationships with the rating agencies, daily engagement with underwriters and commercial banks, and industry best practices to proactively guide clients through the debt issuance and oversight process from start to finish.



Financing Plan Considerations

Ehlers collaborates with clients to ensure the following factors are incorporated into each debt issuance:

- » Legal options, tax-exemption & arbitrage considerations
- » Revenue sources identified to repay debt
- » Credit rating impact
- » Method of sale: competitive, negotiated or private placement
- » Current indebtedness & future capital plans
- » Alternatives including combined issues, delayed or accelerated principal payments
- » Parity considerations or indenture requirements
- » Refunding opportunities
- » Market conditions & direct feedback from underwriters and direct purchasers on various structures
- » Pricing structures, bidding parameters & optional redemption provisions

Method of Sale Advisory

Ehlers is and always has been a strong proponent of competitive bond sales for our local government clients as we believe they generally result in the lowest available interest costs for certain types of offerings. While we advise on hundreds of competitive bond sales each year, we also assist with dozens of negotiated and private placement transactions.

In a negotiated sale, the paramount consideration of an independent municipal advisor is to represent - at times relentlessly - the anticipated needs and best interests of the issuer while staying true to the spirit of collaboration with all other parties involved in the transaction.

Given today's market and economic uncertainties, along with regulatory changes, we believe representation by an independent municipal advisor in negotiated transactions and direct purchase is more important than ever for local governments to secure the most advantageous structure and terms.

Coordination of the Financing Team, including Bond Counsel

We have cultivated strong working relationships with all outside professionals that must work as a cohesive team in conducting a successful debt issuance. This includes bond and other legal counsel, bond purchasers, external auditors, paying agents, trustees, bond insurers, etc. As the City's Municipal Advisor, we will work closely with all team members to coordinate services, including reviewing transaction and disclosure documents.

Credit Rating Consultation

One of Ehlers' distinguishing strengths is its relationship with the major rating agencies - relationships built on trust and credibility. We know the mechanics and nuances of each firm's methodology. In fact, we have reverse-engineered each firm's scorecard and are adept at adjusting for anticipated notching factors. We advise on hundreds of public offerings each year, the vast

SECTION 2: COMPANY PROFILE

majority of which are rated. As such, we are in nearly constant contact with the rating agencies and their analysts. We understand the “hot-button” issues and can readily anticipate the points of discussion that will be addressed during the rating call and rating committee review because of the level of familiarity with our issuer clients.

Ehlers’ standard approach with respect to ratings on a new debt issue is - there is no standard approach. Instead, we gain a detailed understanding of an issuer’s credit profile and the security for the issue which helps us anticipate the likely conversations with rating analysts. At times, the analyst may simply ask boilerplate general questions during the rating call. However, there may be times when certain “stressors” need to be identified and addressed with additional information or a prepared presentation. We also understand and can help you mitigate how a particular metric may lead to notching factors if not properly explained. Finally, there are instances where an almost adversarial position needs to be taken due to any number of factors. On these occasions, the rating agency relationship may be in question (i.e. “do we switch?”), or a site visit may be in order.

Bond Marketing

A well-designed bond issue takes into consideration not only the issuer’s goals and needs but also the requirements of underwriters and municipal market investors.

Market & Pricing Information

Ehlers is active in the market every day. As such, our best set of information comes from the hundreds of public offerings we advise on each year. Few firms in the country can rely on their own transactions as being representative of “the market.” This volume of work puts us in near-daily contact with all major underwriting desks in the United States and gives us keen insight into both dealer and investor demand and any shifts across the municipal market.

Ehlers uses a variety of market-monitoring tools to provide our personnel and clients with the most current, complete and relevant pricing information. They include Bloomberg, EMMA, our established network of underwriter contacts and banks, and our internal database. Using a combination of these tools helps us ensure the marketing and pricing of our clients’ bonds remain uncompromised. Our proven track-record of identifying the proper method of sale, relevant trading activity, and market trends can result in more aggressive, on-market pricing for our clients.

We also leverage communication among all our advisors and analysts to gather insight into pricing and transactional details of private market transactions so we can knowledgeably evaluate all options on behalf of our clients. This also includes regularly communication with regional and national commercial lenders regarding direct purchase pricing.

Quality Control

For each bond sale, Ehlers conducts a comprehensive quality control process involving municipal advisors, disclosure coordinators, financial analysts and investment and arbitrage specialists. We hold a Quality Control (QC) meeting to review and analyze the bond structure, terms, market rate estimates, sale parameters and federal and state statutory considerations.

SECTION 2: COMPANY PROFILE

We are highly-experienced with the level of communication market participants require to be attracted to our clients' debt issues. We will serve as the City's lead agent in all communication and coordination with underwriters and potential investors. We provide market participants with timely and accurate offering documents and legal instruments. We post the issuer's Official Statement on our website, www.ehlers-inc.com/bond-sales, and disseminate it with other information about the issue to regional and national underwriters and information repositories.

Bond Sale

Our full-time bond sale team conducts a comprehensive, hands-on sale process for every issue.

For competitive issues, we:

- » Distribute sale details & preliminary official statements to national & regional underwriters as well as various information repositories for posting
- » Arrange for the method, time & place for the receipt of bids/proposals
- » Analyze each bid for compliance with the terms & conditions
- » Compile the bid tabulation & make a formal recommendation regarding the award or rejection of such bids/proposals
- » Communicate throughout the day with the issuer & other team members on the status of the process
- » Attend any necessary public meetings to present the sales results & answer questions

Given the volume of bond issues conducted in our offices each year, we have developed a seamless process for conducting and executing a sale. Time matters to underwriters and the other professionals involved in a debt issue, and we take pride in our ability to meet and exceed expectations on behalf of our clients.

For negotiated issues, we:

- » Evaluate & prioritize desired financing characteristics
- » Assemble the financing team, including assistance in preparing & evaluating Request for Proposals for professional services
- » Solicit & evaluate proposals from investment banking or placement agent firms
- » Review underwriter's disclosures
- » Assist the issuer with underwriter/capital provider due diligence efforts
- » Negotiate & establish material terms, conditions and covenants
- » Assist with drafting all legal & disclosure documents
- » Assist with the rating process, including pitch book & strategy
- » Evaluate & recommend credit support options/alternatives
- » Review pre-pricing comparables with the issuer & underwriter
- » Establish preliminary pricing & sales strategy before order period

SECTION 2: COMPANY PROFILE

- » Finalize bond size & structure on day of sale, including analysis of couponing alternatives
- » Review bond purchase agreement & order allocations, if applicable
- » Complete a post-pricing analysis to review quality of underwriting & to certify tax-exempt status
- » Coordinate all closing activities with the underwriter & other parties

Bond Closing

Ehlers' goal is to make bond closing as "invisible" as possible for our clients. We coordinate the closing with all parties - bond counsel, Depository Trust Company (DTC) and the purchaser (underwriter) - to minimize your workload. Our Investment Services team assists with preparation of draw schedules and the creation of investment options, as requested. Our detailed closing document provides clear and concise information to support preparation of financial statements, guides the administration of the City's debt portfolio, and summarizes important details in one place for convenient reference.

Post-Issuance Debt Oversight

Ehlers' fully integrated service model empowers clients to work with a single, independent advisory firm to complete all fundamental debt management tasks. Our experienced post-issuance professionals partner with Ehlers' Municipal Advisors to ensure strong management of debt proceeds, payments and mandatory reporting. Services include:

Investments

Ehlers' investment advisors construct and manage investment portfolios that seek to optimize allowable earnings, maintain liquidity, and comply with federal regulations. We currently work with 230+ clients and manage approximately \$2.6 billion in assets. We believe appropriately managing debt proceeds throughout the lifecycle of a project is as important, if not more so, than the debt issuance itself. Our priority in meeting clients' investment needs is to adhere to the principles of safety, liquidity and yield - in that order - so we can help them seek optimal allowable earnings. Our Investment team also provides bidding agent services for advance and current refunding escrows, as well as cash defeasance. Services include:

- » Policy development & evaluation
- » Strategy development & implementation
- » Cash flow analysis & forecasting
- » General & Enterprise funds investments
- » Treasury management consulting
- » Compliance monitoring

Continuing Disclosures (Dissemination Agent)

Ehlers provides disclosure services for several hundred clients consisting of thousands of underlying issues. In 2014, we responded immediately to the SEC MCDC program by hiring additional staff and conducting our own research prior to the September deadline for underwriters

SECTION 2: COMPANY PROFILE

to report. Our efforts were able to prevent underwriters from reporting dozens of our clients to the SEC because the underwriters either had faulty data or did not understand the evolution of disclosure rules since 1995 (i.e. limited disclosure vs. full disclosure).

Arbitrage Rebate Management

Arbitrage strategy and management is a key component of the City's' debt proceeds management toolkit. Ehlers boasts a highly experienced arbitrage staff and a process-oriented practice to ensure clients remain in full compliance with the Internal Revenue Service. We work collaboratively with you to:

- » Create arbitrage strategies, policies & procedures
- » Monitor debt obligations subject to yield restriction
- » Collect & maintain records necessary for compliance
- » Prepare arbitrage reports & IRS forms
- » Deliver IRS audit guidance & support
- » Provide client training & work support

Paying Agent Services

Changes in DTC requirements make it critical that your bond principal and interest payments are constructed and submitted carefully via a strictly prescribed method. Ehlers offers complete paying agent services to clients so you can rest assured knowing debt payments are made accurately and on time. Our services include:

- » Paying agent
- » Registrar
- » Fiscal agent
- » Payment deadline reminders
- » Call notice/ redemption filing
- » Mandatory term bond redemptions

Ongoing Debt Monitoring & Management

As a value-add, no-fee service, we help our clients manage their existing debt and plan for future financing needs. Ehlers routinely reviews our clients' existing debt well in advance of the call date and prepares quarterly reports detailing current and future refunding opportunities.

Economic Development & Redevelopment

Ehlers has more economic development, redevelopment and housing experience than our peer firms. **We advise communities across a wide spectrum of redevelopment/economic development processes, with projects ranging from \$500,000 to \$640 million.** In the last three years, we have **assisted our clients with creation of over 115 tax increment districts**, along with dozens of modifications.

Our general approach for development initiatives is as follows:



Our Performance

At Ehlers, we believe our experience is best demonstrated by the work we’ve done. As we mentioned in our cover letter, we’ve been privileged to advise the City on the following initiatives:

- » Debt
 - » 2023 Certificates of Participation
- » Arbitrage reporting
- » Continuing disclosure
- » Fiscal Planning & Studies
 - » 2020 Poncha Springs Interceptor Study
 - » 2020 Utility Rate Studies
 - » 2020 Financial Management Plan
 - » 2021 Utility Rate Studies
 - » 2021 System Development Fee Update
 - » 2023 Financial Management Plan
 - » 2023 System Development Fee Update
 - » 2024 Sewer Rate Study
- » Investments
 - » 2020 Relationship Inception
 - » 2020 Banking Services RFQ
 - » 2023 COP Bonds Proceeds Investment
 - » \$13.8 Million of General Reserves & \$1.8 Million of Bond Funds Under Management

In addition, we offer two relationship overviews of Colorado clients with characteristics and needs similar to those of the City:

The Town of Basalt, Colorado (2013 - Present)
<ul style="list-style-type: none">» Advised on seven GO Bond and COP issuances to-date, totaling \$30.5 million. Projects include river floodplain mitigation and community pool enhancements, downtown streetscape, green infrastructure, affordable housing, and public works facility.» Constructed a comprehensive financial management plan, including capital and operating budget projections.» Completed over 20 housing and economic development projects, including analyzing developer pro formas and negotiating City participation.» Provide continuing disclosure services for outstanding debt issuances.» Deliver arbitrage rebate management services.

The Town of Winter Park, Colorado (2013 - Present)

- » Advised on four COP issuances totaling \$28 million for the Town amphitheater and stage, parking garage, workforce housing, and public works facility.
- » Completed multiple iterations of a financial management plan with a particular focus on cash and debt funding solutions for capital projects.
- » Held discussions and facilitated negotiations with developers regarding additional workforce housing developments.
- » Provided both continuing disclosure and arbitrage rebate management services.



SECTION 3:

KEY PERSONNEL

Key Personnel

Primary Relationship Contact & Client Service Team

Mr. Bruce Kimmel and Mr. Dan Tienter will serve as Salida's primary relationship contacts. They will be joined by another advisor to ensure exceptional client service and technical expertise. To fulfill all needs identified in the City's RFQ, we recommend the following client service team:

MUNICIPAL ADVISORS

Bruce Kimmel

Senior Municipal Advisor & Primary Contact
Debt Planning, Structure & Issuance, Economic Development & Financial Planning

Dan Tienter

Municipal Advisor & Secondary Contact
Debt Support, Financial Planning

Brian Reilly, CFA

Senior Municipal Advisor | Managing Director
Debt Support

PROFESSIONAL STAFF

Alicia Gage

Senior Financial Analyst
Debt Structure & Monitoring Analysis

Annie Mallon

Lead Public Finance Analyst
Continuing Disclosures

Jeanne Vogt

Senior Fiscal Consultant
Financial Management Planning, Utility Rate Analysis & Fiscal Studies

April Weller

Senior Fiscal Consultant
Financial Management Planning, Utility Rate Analysis & Fiscal Studies

INVESTMENT & ARBITRAGE MANAGEMENT STAFF

Ryan Miles, CPFIM

Investments Managing Director
Investment Policy, Strategy & Portfolio Creation

Jim Groetsch

Investment Adviser
Portfolio Creation & Management

Stephen Broden

Arbitrage Managing Director
Arbitrage Rebate Monitoring & Reporting

Joel Melstrom, CFA

Senior Arbitrage Consultant
Arbitrage Rebate Monitoring & Reporting

As mentioned in our transmittal letter, instead of assigning a single advisor to manage client relationships and day-to-day needs, we take a team approach to ensure we're delivering the most appropriate solutions and technical expertise in the most effective and cost efficient way. Our philosophy and commitment is simple: **We're here for you whenever and however you need us.**

Professional biographies for each team member assigned to the City's relationship follow below:



Bruce Kimmel

Senior Municipal Advisor | Primary Relationship Contact

Bruce brings 25 years of municipal and financial advisory experience to his clients in Minnesota, Colorado and Kansas. His practice focuses on financing public utility infrastructure and other capital improvements, as well as analyzing and negotiating many forms of public participation in private development projects. His knowledge of capital budgeting and infrastructure finance helps Ehlers' clients find creative, effective ways to fund essential improvements while also mitigating future fiscal risks for the community.



Dan Tienter

Municipal Advisor

Dan is a Municipal Advisor who regularly assists clients with municipal debt transactions, economic development and redevelopment initiatives, long-term financial planning, fiscal studies and utility rate analyses. Dan brings 10 years of direct local government experience to his role with the firm, most recently serving as the Director of Finance for the City of Fridley. He also worked in leadership and administrative roles for the City of Winsted and Dakota County. Dan has exceptional experience in developing and executing capital improvement plans, crafting and managing multi-million dollar budgets and managing public investment portfolios in excess of \$40 million.



Brian Reilly, CFA

Senior Municipal Advisor | Managing Director

Brian is a Senior Municipal Advisor and works with local units of government, special districts, authorities, and public agencies in the areas of debt issuance, fiscal planning, special studies, economic development and tax increment. He has advised clients on billions of dollars in debt issuance and also has experience with non-profit and municipally owned healthcare financing. He currently leads Ehlers' Minnesota Municipal Team as one of the firm's Managing Directors and serves as the President of our Investment Management Team. Brian has been with Ehlers since 2003. He holds the Series 50, 54 and 65 licenses, and carries the Chartered Financial Analyst designation.



Alicia Gage

Senior Financial Analyst

Alicia is a Senior Financial Analyst with our Minnesota Team. Prior to joining Ehlers in 2011, she served as a Municipal Finance Project Manager working with local governments in Iowa, Kansas, Minnesota, Missouri, North Dakota and Wisconsin. She leverages extensive experience with financial analysis software to develop tailored models that exceed our clients' expectations. Alicia helps governmental clients construct and implement long-term debt management strategies. Her special areas of expertise include debt structure and documentation, refundings and cash defeasances, multi-issue and multi-purpose debt structures, and financial analysis using Munex and Excel.



Annie Mallon

Senior Public Finance Analyst

Annie serves as a Senior Public Finance Analyst on our Continuing Disclosure team, serving all of Ehlers' client regions. She regularly assists our clients with their disclosure compliance needs, including verifying past filings, and compiling and submitting required filings. Annie also helps our Wisconsin clients prepare legal and financial documentation related to Tax Incremental Financing (TIF) districts. She has been with Ehlers for 10 years.



Jeanne Vogt

Senior Fiscal Consultant

Jeanne works on our Minnesota Municipal Finance Team. She partners with cities, Cityships, counties, public utilities and special districts to develop and implement long-term financial planning, particularly in the area of sewer and water rates studies. Prior to joining Ehlers in 2008, she worked for more than a decade as an Accountant for Ramsey County and most recently as Finance Director for the City of Vadnais Heights. Clients rely on Jeanne for her general accounting expertise, as well. She regularly assists her clients with budgeting, bond accounting and audit preparation.



April Weller

Senior Fiscal Consultant

April, a Senior Fiscal Consultant with our Minnesota Municipal Finance team, regularly assists clients with long-term financial management planning, utility rate studies, and tax increment financing administration and reporting. Prior to joining Ehlers, April amassed more than seven years of direct local government experience, most recently serving as the Finance Manager for the City of St. Louis Park, Minnesota.



Ryan Miles, CPFIM

Senior Investment Adviser | Managing Director

Ryan joined Ehlers in 2018 as a Senior Investment Adviser, bringing over 10 years' financial and investment management experience to that role. As Managing Director, he oversees our Investment Advisers, client service personnel and trading desk activities. Ryan received his Bachelor of Arts in Business Administration from Eastern Washington University and earned his MBA in Finance through LSU-Shreveport. Ryan holds his Series 65 license and is a Certified Public Funds Investment Manager (CPFIM).



Jim Groetsch

Investment Adviser

Jim serves as an Adviser on our Investment team, where he helps clients with public funds portfolio strategy, development and management. He brings more than 14 years of retail and institutional investment experience to the firm, most recently working as a Vice President and Financial Consultant with a national brokerage firm, where he managed a practice of 300 high-value relationships totaling over \$500,000,000 in assets.



Stephen Broden

Senior Arbitrage Consultant

Stephen brings more than 15 years' experience in providing arbitrage calculations and bond compliance training to his role as a Senior Arbitrage Consultant. Prior to joining the firm in 2018, Stephen managed the national arbitrage practice at Arbitrage Compliance Specialists, Inc. and spent an additional decade working in the financial services industry. His proactive approach to arbitrage compliance guides clients through the complexities of Internal Revenue Service reporting requirements and rebate analysis.



Joel Melstrom

Senior Arbitrage Consultant

Joel joined Ehlers in 2019 as a Senior Arbitrage Consultant. Previously, he held a managerial position with a nationally recognized arbitrage firm where he provided arbitrage consulting and related bond compliance services to issuers across the nation. Joel holds Bachelor of Science degree in Finance, as well as the Chartered Financial Analyst designation.



SECTION 4:

APPROACH & METHODOLOGY

Approach & Methodology

Ehlers has been privileged to partner with the City as its municipal advisor since 2019. During that time, we have had the opportunity to perform the stated scope of services and assist the City's staff and Council craft and implement its long-term vision through thoughtful planning, stakeholder engagement, and financing execution. Our work with the City has been grounded in achieving fiscal sustainability in light of the constraints many Colorado communities must grapple with.

Our goal has been to act as an extension of the City's staff, providing expert resources across multiple disciplines. This holistic approach to our relationship affords Ehlers the ability to deliver independent advice that is greater than the sum of its parts. Our Municipal Advisors have an intimate understanding of the City's fiscal profile, including the general and enterprise funds, which enhances our ability to structure debt, facilitate credit discussions, and provide recommendations on accessing capital. Additionally, this institutional knowledge lends itself to collaborating with our Investment Advisors who can craft an investment strategy that takes into consideration the City's liquidity needs and risk profile, as well as integrate investment of bond proceeds into the overall financing strategy with the guidance of our Arbitrage Consultants.

While we have set out an assigned City service team, please know that Salida has access to all Ehlers' resources, which spans more than 40 Municipal Advisors, over a dozen Fiscal Consultants, including former City Administrators/Managers and Finance Directors, and six registered investment advisers. In fact, we have added Dan Tienter to enhance our lead municipal advisory team. Dan is a former City Administrator for a rural community and Finance Director of a major metro city. Assigning Dan as a primary contact recognizes the large role we've played specifically related to the City finance function and its long-term fiscal planning efforts. Mr. Tienter's knowledge expands into policy formation and organizational structure, should the City wish to explore these areas more intently. Dan will buttress Ehlers service continuity, adding another trusted resource to an already-strong team.

We are confident that few, if any, other firms serving Colorado municipalities can offer a comparable breadth and depth of professional experience and technical aptitudes. As stated in our cover letter, we feel strongly that our independence is of great value to Salida. With Ehlers representing the City as municipal advisor, you will not lose access to what could be an important source of investment banking capital, nor will we ever seek to excuse ourselves as your fiduciary to sit across the table from you to purchase your debt. Similarly, our investment advice will never be colored by any tinge of conflict as a direct transaction counterparty in a principal transaction. You will always retain the full universe of options, relying on our independent viewpoints as a guide in your decision making.

We propose to continue serving Salida from our Minnesota-based office and wish to re-emphasize our collective commitment to deliver any in-person needs the City has. As always, if you need any members of our team to come to City offices, we are happy to be there for you.



EXHIBIT B

("Rates")



SECTION 6: **FEES**

Fees & Compensation

Ehlers may not always be the price leader for financial advisory services. **We are the value leader.** The following attributes demonstrate the value that sets us apart from competing firms:

- » Unsurpassed technical skill sets across all aspects of the City's desired scope of services with personnel who work collaboratively to deliver creative, yet practical solutions
- » Firm-wide commitment to client service, with advisory and support teams structured to provide the highest level of availability to ensure client needs are met
- » First-hand experience in governmental leadership roles, including finance and community development
- » An integrated and comprehensive suite of advisory solutions that make the whole greater than the sum of its parts. One call solves it all

Please note: All fees are negotiable. We believe our fees are competitive in the marketplace, but would always prefer to have an open dialogue about fees if it is determined Ehlers is the firm best suited to meet your needs.

Our fee/cost schedules relative to the City's requested scope of services is as follows:

Debt Issuance Fees

Ehlers' debt issuance fees are based on the amount issued. The below schedule applies to both competitive and negotiated transactions:

Par Value	Fee/\$1,000
First \$500,000	\$21.00
Next \$500,000	\$11.25
Next \$1,000,000	\$6.50
Next \$3,000,000	\$3.25
Next \$5,000,000	\$2.75
Next \$5,000,000	\$1.50
Next \$5,000,000	\$1.25
Next \$5,000,000	\$1.10
Greater than \$25,000,000	\$0.50

- » Multi-purpose issues are charged at 75% of fee schedule by statutory purpose or distinct repayment source, but in no case greater than 150% of the applicable fee based on issue par amount.
- » Contemporaneously sold issues with the same security are charged with the largest issue at full fee and all other issues at 85% of the fee schedule.

SECTION 6: FEES & COMPENSATION

- » Advance refunding issues require an additional \$2,500 for added technical support per issue.
- » Use of open market securities within a defeasance escrow requires an additional \$1,000 per escrow.

The Client will be responsible for credit rating fees, legal services, publication of notices (if any), paying agent fees (if any), escrow agent fees (if any), verification agent (if any), and any fees charged by third parties for information required for the official statement.

Non-Bond Related Fees

Most non-bond related advisory services requested by Clients will be billed on an hourly basis, according to the following rates:

Position	Hourly Rate
Senior Municipal Advisor	\$300 - \$350
Municipal Advisor	\$275 - \$300
Financial Analyst	\$275
Senior Fiscal Consultant	\$295 - \$310
Fiscal Consultant	\$265 - \$295
General Staff	\$150
Developer-Funded Pro Forma Review	\$400

Estimated ranges for specific scopes of non-bond related work are detailed on the following page:

Project	Fee Range
Long-Term Financial Management Plan	\$10,000 - \$85,000
Utility Rate Study	\$10,000 - \$70,000
Renovation & Renewal TIF District Creation	\$12,500 - \$18,000
Housing TIF District Creation	\$10,500 - \$12,500
Economic Development TIF District Creation	\$10,500 - \$12,500
Other TIF District Creation	\$10,500 - \$18,000
Tax Abatement	\$3,500 - \$5,000

Continuing Disclosure Fees

Ehlers will assess Continuing Disclosure fees as follows:

Continuing Disclosure Undertakings (CDUs)	Annual Fee
1-3 CDUs	\$3,150
4-6 CDUs	\$3,700
7+ CDUs	\$4,250
Limited Disclosures	\$850
Periodic Filings	\$500

Arbitrage Consulting Fees

Ehlers will assess fixed fees for the following analyses:

Fee	Analysis	Services
\$1,000	<i>Spending Exceptions</i>	
\$3,750	<i>Arbitrage Reporting</i>	<ul style="list-style-type: none"> » Per 5-year analysis period » Prorated for interim reports
\$1,000	<i>Arbitrage Review</i>	<ul style="list-style-type: none"> » Per analysis » Up to 5 years

Ehlers will charge \$300 per hour for Arbitrage Consulting services outside of the fixed-fee analysis schedule.

Paying Agent Service Fees

Ehlers will assess paying agent fees annually on a per-issue basis:

Fee	Item	Services
\$450	<i>Initial Set-up (one-time fee)</i>	<ul style="list-style-type: none"> » Review final bond documents » Communicate with bond counsel & municipal advisor » Coordinate delivery of bonds for closing » Establish necessary accounts & records
\$475	<i>Annual Administration (per issue)</i>	<ul style="list-style-type: none"> » Invoice & collect debt service payments from issuer » Document & transmit bond payments per schedule » Coordinate with the Depository Trust Company » Maintain issuer's account » Process optional redemption notices, as needed

Fee	Item	Services
\$100	Additional Services <i>(per notice)</i>	» Process mandatory sinking fund notices

Investment Management Fees

Ehlers proposes the following fee schedule for managing the City’s generally investable assets, as well as debt proceeds:

Assets Under Management	Annualized Fee
Up to \$5 million	0.250%
Next \$5 million	0.225%
Next \$5 million	0.200%
Next \$5 million	0.175%
Next \$5 million	0.150%
Over \$25 million	0.125%

Please note that investment managerment services are provided under a separate engagement agreement with Ehlers Investment Partners, LLC.