

BINGHAM

ARBITRAGE  
REBATE  
SERVICES

September 6, 2023

**VIA EMAIL TRANSMISSION**

Mr. Matthew Wilson, Director of Finance  
City of West Monroe  
West Monroe, Louisiana  
[mwilson@westmonroe.la.gov](mailto:mwilson@westmonroe.la.gov)

RE: First Installment Period Arbitrage Rebate Compliance

\$25,000,000  
City of West Monroe  
Sales Tax Bonds  
Series 2015

\$11,245,000  
City of West Monroe  
Sales Tax Bonds  
Series 2018

Dear Mr. Wilson,

Bingham Arbitrage Rebate Services, Inc. ("Bingham"), a woman-owned, nationally accredited small business, is pleased to submit this proposal for arbitrage rebate services on the above-referenced tax-exempt issues. This proposal confirms the nature and scope of the services Bingham will provide, the terms and conditions under which Bingham will provide such services and the associated fees.

**NATURE AND SCOPE OF SERVICES**

The U. S. Congress has long considered the use of tax-exempt bond proceeds to invest in higher yielding taxable obligations to be abusive. In enacting Section 148 of the Internal Revenue Code of 1986 (the "Tax Code"), Congress adopted an approach to controlling the abuse. Section 148(a) generally prohibits the investment of tax-exempt bond proceeds in taxable obligations with a yield materially higher than the bond yield. Section 148(f) requires the "rebate" to the United States Treasury of any allowable arbitrage profits. There are, of course, certain specific exceptions to both the yield restriction and the rebate requirements.

Within 45 – 60 days following the next ensuing computation date for the Bonds or on such other day as we may mutually agree, Bingham will prepare and provide the following:

1. A written report (the "Report") setting forth a calculation of any arbitrage rebate and yield reduction payments and any related interest or penalties due to the United States Treasury with respect to the Bonds in compliance with Section 148 of the Internal Revenue Code of 1986 (the "Tax Code"); and
2. Form 8038-T for filing with the Internal Revenue Service ("IRS"), if the Report indicates that amounts are owed to the United States Treasury.

The Reports and the Form 8038-T's (if required) will cover the period from May 21, 2015 through December 1, 2019 for Series 2015; and December 4, 2018 through December 1, 2023 for Series 2018.

In the preparation of the Reports and, if required, the Form 8038-T's, Bingham will among other things determine the amount of the gross proceeds of the Bonds (including the investment proceeds) and the dates and amounts of the expenditures of such gross proceeds and assess whether such gross proceeds may qualify for the spending and other exceptions to the rebate and yield restriction requirements of Section 148 of the Tax Code.

**Please note that you will have the ultimate responsibility for obtaining the signature of an authorized representative of the Issuer on the Form 8038-T and ensuring it is filed with the Internal Revenue Service by the date specified in the Report, along with the required payment.**

#### **CLIENT RESPONSIBILITIES**

For Bingham to provide you with the highest level of service, we must rely on you to provide, in a timely manner, the transcript of the financing documents and closing certificates for the Bonds, including the tax or arbitrage certificate and the IRS Form 8038, 8038-G or 8038-GC, any amendments to or modifications of such documents and certificates and the information regarding the investment and expenditure of the gross proceeds of the Bonds that we may request. You may have to obtain, or arrange for Bingham to obtain, such information from your bond counsel, the trustee for the Bonds or other professionals.

For the Reports, we will need all the bank/trust statement history from May 21, 2015 through the first installment date for Series 2015, and December 4, 2018 through current date for Series 2018. For future statements, please ask the bank to set Bingham up for online access. The documentation and information requested for the arbitrage rebate calculations should cover the entire history of the Bonds. Any investment changes that occurred during our review period would be considered necessary.

We will not audit or otherwise independently verify the correctness of the information you provide. However, we may ask you to clarify any of the information.

#### **PERIOD OF THE ENGAGEMENT**

We expect to begin the preparation of your Reports and Form 8038-T's (if required) upon receipt of a signed copy of this proposal and all of the documents and information requested.

Our services will conclude upon our delivery to you of the Reports and 8038-T's (if required) in a form suitable for execution by your authorized representative and filing with the IRS. You are responsible for reviewing the accuracy of Form 8038-T and any accompanying schedules and statements prior to filing.

Having worked with a wide variety of issues, our firm already understands the accounting practices and debt structure to be utilized. Our project team stands ready to begin this engagement without delay. We welcome the opportunity to serve your office in this important tax compliance requirement. Please do not hesitate to contact me at (804) 864-9564 if you have any questions.

Sincerely,



Kim A. Hoyt  
President

**Proposal for Arbitrage Rebate Compliance Services for  
City of West Monroe, Louisiana**

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
1. Bingham Qualifications and Experience .....	4 - 11
2. Bingham's Work Plan .....	12 - 17
3. Partial Client List – Louisiana Clients .....	18
4. Evaluation Date and Bingham's Fee Schedule .....	19
5. Signatures .....	20



**Past and Current Accomplishments**

<p><b>Company History and Woman Owned (Minority) Firm</b></p>	<p><b>Bingham has provided arbitrage rebate and related compliance services for 35 years.</b></p> <ul style="list-style-type: none"> <li>➤ 1985 - Bingham &amp; Company Capital Markets, Inc. of St. Louis and Kansas City, Missouri established.</li> <li>➤ 1988 -Arbitrage Rebate Service Division added to the St. Louis office.</li> <li>➤ 1989 -Arbitrage Rebate Service Division transferred to Richmond, Virginia.</li> <li>➤ 1995 -Division incorporated as Bingham Arbitrage Rebate Services, Inc. ("Bingham"), a wholly owned subsidiary, with Kim A. Hoyt as President.</li> <li>➤ 1996 -Ms. Hoyt purchased the firm from Bingham &amp; Company Capital Markets, Inc.</li> <li>➤ 1997 - Virginia Women's Business Enterprise (VWBE) Certified</li> <li>➤ 2005 - Small, Women and Minority (SWaM) Certified</li> <li>➤ 2018 - National Women's Business Enterprise Certification (WBENC)</li> </ul> <p><b>Since Ms. Hoyt's acquisition of Bingham in 1996, Bingham has been and remains a certified woman-owned minority firm.</b> Bingham has chosen to remain an independent firm, with the same ownership, organizational structure, and name, rather than merge with other firms. This strategy has allowed Bingham to experience deliberate, steady growth and earn a national reputation for expertise and excellence in arbitrage rebate services.</p>
<p><b>Calculation Savings for Clients</b></p>	<p>There are various instances of arbitrage rebate savings for Bingham's clients.</p> <p>For Variable Rate Issues only, the Bond Year Method can be applied which allows annual bond years with the bond yield and arbitrage liability being calculated separately for each bond year. By utilizing the Bond Year Method, the fluctuation of the yield and arbitrage liability is eliminated. Bingham has been able to save millions of dollars for clients by knowing how to properly apply this method under Variable Rate Issues.</p> <p>Bingham has worked with numerous clients on Requests for Recovery of Overpayments (Tax Form 8038-R) with total refunds exceeding \$2,900,000. In all cases, overpayments were due to errors from previous provider calculations, errors resulting from in-house calculations, installment period payment refunds when final calculation results in overpayment from earlier installment periods.</p>
<p><b>Professional Affiliations</b></p>	<p>Bingham is a member of the National Government Finance Officers' Association (GFOA). Additionally, Bingham is a member of the GFOA within the states of North Carolina, Virginia, Georgia, Maryland and Louisiana.</p> <p>Bingham is a member of the National Association of Bond Lawyers.</p>
<p><b>Legal and Other Professional Resources</b></p>	<p>Bingham not only brings highly experienced and expert staff to every client transaction, but we also work closely with</p> <ul style="list-style-type: none"> <li>➤ A bond attorney who is a nationally recognized specialist in arbitrage rebate and tax compliance</li> <li>➤ The attorney/CPA who developed Bingham's proprietary software</li> <li>➤ Bond counsel for your transaction.</li> </ul> <p>The combination of Bingham staff experience and expertise, coupled with the assistance of these other experts, guarantees delivery of the most timely and accurate arbitrage rebate compliance reports to every client.</p> <p>Please note: The attorney and attorney/CPA mentioned above serve our firm in an advisory capacity and they are not subcontractors on Bingham contracts.</p>

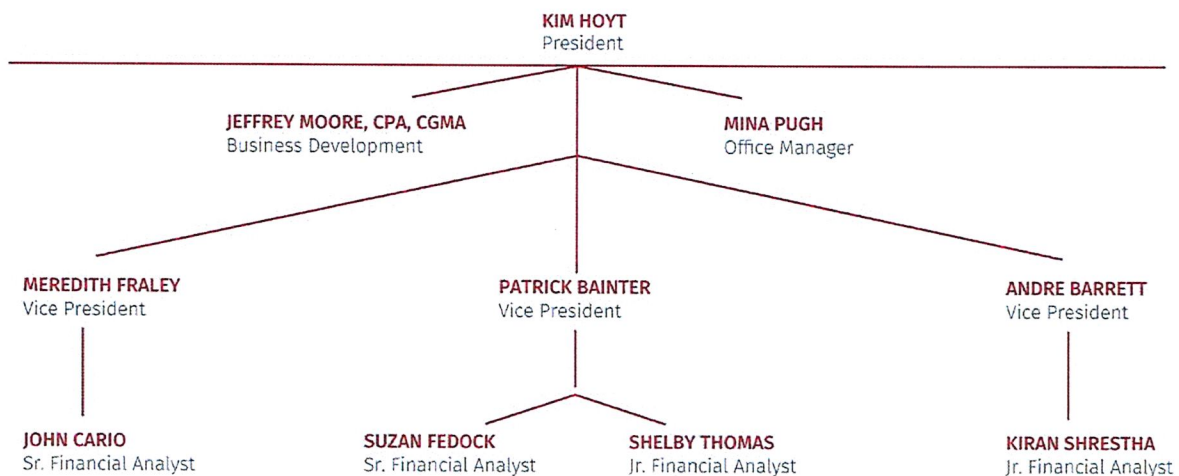


**Past and Current Accomplishments**

<b>IRS Experience</b>	<p>IRS inquiries by their very nature produce stress. Bingham is readily available to our clients and has experience dealing with IRS inquiries, audits, questionnaires, past due rebate liability, refund requests due to overpayment, and issuers that have gone before the IRS Voluntary Closing Agreement Program. We're here to help you with the IRS. Best of all, Bingham's calculations and reports have never been challenged by the IRS in any way, but rather have been accepted by the IRS and bond counsel as definitive.</p> <ul style="list-style-type: none"> <li>a) <u>IRS Audits/Examinations</u> – In each instance, upon client request Bingham sent information to client or IRS. In each instance, the client received an IRS letter stating, "No further action needed, and audit closed." There have never been any adverse findings by the IRS with any of Bingham's calculations or reports.</li> <li>b) <u>Overpayment Refunds</u> – As noted on the previous page, Bingham has worked with several clients on overpayment refund requests for arbitrage rebate, and excess investment yield, calculations exceeding \$2,900,000. Our office has worked with multiple IRS agents for all refund requests. None of Bingham's refund requests have resulted in further examinations or adverse findings.</li> <li>c) <u>Voluntary Closing Agreement Program (VCAP) and other IRS Interactions</u> – Bingham has assisted clients through the Voluntary Closing Agreement Program. VCAP factors have included missed 0% State and Local Government Securities (SLGs) within Escrow Funds, restructuring of Escrow Funds and errors from previous provider calculations.</li> <li>d) <u>Other IRS Interactions</u> - Many times Bingham is hired after the installment due date. If a payment is due, late penalties may accrue. In order for the IRS to waive an additional penalty equal to 50%, or 100%, the issuer must submit a detailed letter explaining why the payment is late and not due to willful neglect. The rebate payment and late penalties must be made within 180 days of discovering the failure to pay rebate on time. Bingham has assisted Bond Counsel and clients in the preparation of waiver of penalty letters. In all instances, the clients never heard further from the IRS and did not have to pay the additional 50% or 100% penalty.</li> </ul>
<b>Proprietary Software</b>	<p>A key component of Bingham's reliable and efficient service is our data processing capability and proprietary software developed by an attorney and CPA. The software has been closely reviewed and validated by our firm's CPAs to ensure compliance with Treasury Regulations and the Internal Revenue Code, as well as generally accepted accounting principles. Additionally, our software can be easily updated to comply with new amendments to laws and accompanying regulations as needed. For some specific client needs, our software has been customized and updated.</p>
<b>Data Management and Security</b>	<p>Bingham recommends to all clients that records related to arbitrage rebate calculations, reports, and payments (if any) be kept for six years after the final maturity date of the bonds. Upon request, Bingham can assist your office with developing and maintaining appropriate recordkeeping systems. Bingham recommends that all clients maintain bond closing documents, transaction activity, arbitrage rebate reports and related documentation. Bingham can provide your office with electronic back-up of all data and reports generated for a period extending at least six years after the redemption date or last maturity date of an Issue. Bingham's electronic back-up is created and moved off-site daily to a secured location.</p>

### **Organization**

Bingham is a small, highly experienced firm with ten full-time employees located in Richmond, Virginia. Having one location allows Bingham to provide the most efficient, accurate and client-responsive post-issuance compliance services in the arbitrage rebate industry.



**Key Personnel**

**Meredith Fraley**  
Vice President



Expertise:

Transferred Proceeds  
Parity Reserve Funds  
Uncommingling/  
Pro Rata Allocations  
Pooled Bond Issues  
Refund Requests  
Client Training

**With over three decades of experience in arbitrage rebate services, Meredith Fraley specializes in Municipal, Not-for-Profit[501(c)(3)s], University, and Multi-Family issues.**

Meredith performs the financial calculations necessary for the arbitrage rebate requirement and interprets corresponding Treasury Regulations, consistently ensuring compliance. Since 2012, she has produced over 2,500 comprehensive reports for complex arbitrage rebate calculations. Since 2005, she has successfully processed refund requests for over \$2 million dollars.

Meredith has been an integral part of Bingham's growth and client retention since the early years of the company. Clients trust and rely on her knowledge and support. As a result, she has numerous faithful clients who have consistently relied on her services for over ten years, including cities, counties, authorities, and universities. She is skilled at adapting and working with varying data formats the client provides — from Excel files or PDFs to a wide variety of bank statements. Meredith is not only a dedicated member of our team, but a dedicated team player with every client.

A recognized arbitrage specialist, Meredith leads instructional sessions at various financial conferences, providing clients and other professionals accurate, essential information on arbitrage rebate compliance. She also has led in sessions at an CPE accredited course, *Issuing Debt and Debt Management*, conducted by the Virginia Government Finance Officers' Association.

**Professional Memberships:**

GFOA - Virginia, Georgia, Louisiana, North Carolina, Maryland  
National Association of Bond Lawyers  
Women in Public Finance (Virginia Chapter)

B.S. Finance - Virginia Polytechnic Institute and State University



**Key Personnel**

**Patrick Bainter**  
Vice President



Expertise:

Parity Debt Service  
Reserve Funds &  
Commingled Funds  
Transferred Proceeds  
Interest Rate Swap  
Transactions  
Universal Cap Analysis  
P3 Projects

**With over 20 years of experience at Bingham, Patrick Bainter handles complex arbitrage rebate and comprehensive verification services. He specializes in municipal, university, assisted living facility, industrial development authority, public private partnerships (P3), and not-for-profit [501(c)(3)s] Issues.**

Patrick has consistently been at the forefront of Bingham's development and progress. Patrick leads Bingham's verification services. In 2012, he initiated and developed Bingham's verification analysis models with support from Bingham's CPA. For pre-bond closing transactions, Patrick provides verification services for refunding escrow funds and cash defeasance transactions, ensuring mathematical accuracy. With proven expertise and using customized software programs, he confirms the adequacy of cash, escrow yield, and securities placed in escrow for the retirement of the bond issues.

Patrick and his team have provided over 600 reports for a wide variety of clients, including a regional Authority, six international airports, over thirty universities/colleges, and major transportation projects. In 2022, Patrick led the completion of verification reports for transportation projects on \$1 billion and \$638 million Series 2022 Bonds.

Since 2015, Patrick has completed over 2,700 complex arbitrage rebate calculations, always playing close attention to the potential to reduce rebate liability. He has significant experience providing both arbitrage rebate and verification services to P3 (public private partnership) projects.

**Professional Memberships:**

GFOA - Virginia, Georgia, Louisiana, North Carolina, Maryland

B.B.A. Finance - Radford University

**Key Personnel**

**Andre Barrett**  
Vice President



**Expertise:**

Transferred Proceeds  
Parity Reserve Funds  
Uncommingling/  
Pro Rata Allocations  
Pooled Bond Issues  
Refund Requests

**With a strong background in banking and in-depth knowledge of the complexities of IRS arbitrage rebate tax compliance, Andre specializes in arbitrage rebate and verification services for municipalities and educational institutions, as well as hospitals, retirement homes, and housing.**

Proficient in all areas of arbitrage rebate account management, Andre has performed over 1,500 calculations with a total par value of over \$17 million since 2015. His strong expertise in municipal debt has resulted in exceptional arbitrage services for over 82 municipalities. He regularly assists clients with IRS Schedule K (Form 990) completion and consistently pays close attention to the potential to reduce rebate liability.

With solid financial experience, he is a valued resource in Bingham verification reporting. Andre assisted in verification reports for transportation projects on \$1 billion and \$638 million Series 2022 Bonds.

Andre often represents Bingham at local and state financial conferences, contributing up-to-date information regarding arbitrage rebate, verification, and IRS Schedule K (Form 990) services.

**Professional Memberships:**

GFOA - Virginia, Georgia, Louisiana, North Carolina, Maryland

B.S. Finance - Virginia Commonwealth University

### Key Personnel

Kim A. Hoyt  
President



Expertise:  
IRS and U.S. Treasury  
Regulations

Post-Issuance  
Compliance:  
Bond Yield  
Arbitrage Rebate  
Calculations  
Yield Reduction

Training

**As President and owner of Bingham since 1996, Kim is a recognized expert in the arbitrage compliance field. With an extensive accountant and analyst background in the banking industry, Kim provides the leadership that has earned Bingham a reputation for expertise and excellence in arbitrage rebate services.**

Kim has in-depth knowledge of all current IRS arbitrage rebate tax rules and regulations. With the evolution of U.S. Treasury regulations, she has effectively guided Bingham's account managers and staff through the resulting changes to post-issuance compliance. She maintains strong relationships with corporate trust banks, bond attorneys, and financial advisors to provide quality consultation on matters relating to verification service, post-issuance compliance, arbitrage rebate, and related IRS forms.

Kim provides oversight and support to the Bingham team in verification of calculations and reports. Her close scrutiny of the complex details associated with arbitrage rebate ensures regulatory compliance and precision reporting for every client.

As an active participant in financial conferences and seminars nationwide, Kim conducts specialized training and seminars for clients and the public finance industry on post-issuance compliance topics such as bond yield, arbitrage rebate calculations, yield reduction, and recordkeeping. She has presented sessions with representatives from the IRS Tax-Exempt Bond (TEB) compliance group.

Kim maintains a Preparer Tax Identification Number in order to sign IRS Tax Forms 8038-T for payments and 8038-R for overpayment refunds.

#### Professional Memberships:

GFOA - National, Virginia, Georgia, Louisiana, North Carolina, Maryland

Georgia Association of School Business Officials

National Association of Bond Lawyers

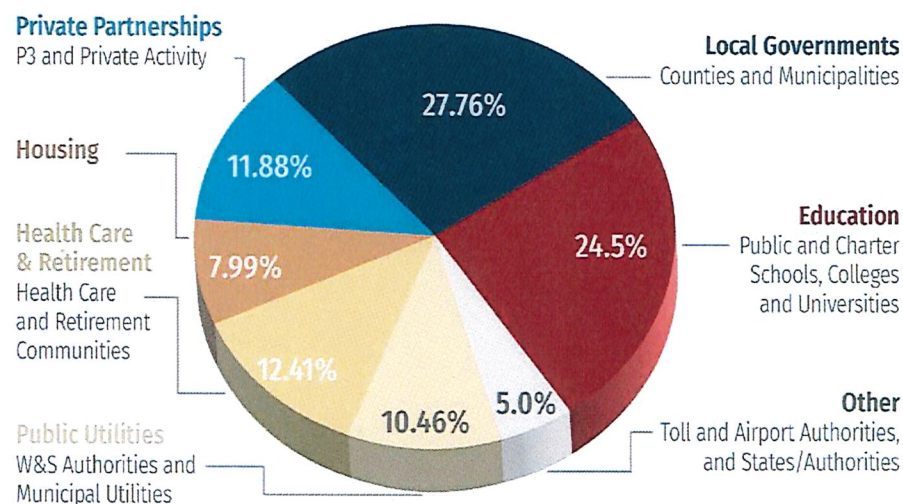
Women in Public Finance (Virginia and Louisiana Chapter)

B.S. Accounting - Pennsylvania State University



### Client Composition

**Bingham has provided arbitrage rebate compliance and related services for 35 years.** From its humble beginnings in 1988, Bingham has completed arbitrage rebate calculations on more than 6,500 bond issues throughout the United States. Bingham now has clients in forty-five states and the District of Columbia; and has successfully completed calculations amounting to more than \$140 billion in combined bond proceeds. Included among our clients are Municipalities, Counties, School Districts, Academic Institutions, Water and Sewer Authorities, Universities, Non-Profit Organizations, Foundations, Industrial Development Authorities, Transportation Authorities, Retirement Facilities, Housing Authorities, Hospitals, Airports and other Private Activity issuers.



Bingham has completed arbitrage rebate compliance reviews applying each of the various versions of Section 148 of the Internal Revenue Code (1986, 1989 Temporary, 1992 through and including the current 1993 U.S. Treasury Regulations), as appropriate to each client and issue.

Bingham has provided arbitrage rebate services including

- complex pooled financings involving multiple participants
- ongoing services for many large municipal and development authority debt issuers who have contracted with us for more than twenty years
- analysis of more than 300 swaps, swap termination and/or similar complex investment hedging arrangements.

Bingham has also served as verification agent on more than 750 refunding transactions in the past eleven years.

## Bingham's Work Plan

The following steps are a detailed account of Bingham's process to provide arbitrage rebate calculation services for City of West Monroe.

### **Step 1: Setup and maintain an arbitrage compliance summary for the issue.**

Bingham will review the closing documents and investment activity to determine which funds will need to be evaluated for arbitrage rebate compliance. Bingham will collect data from your office and confirm the Bond Year and relevant IRS filing dates. Bingham will set up and maintain an arbitrage rebate compliance summary for the issue, to monitor ongoing compliance requirements.

### **Step 2: Standard documentation and information provided to Bingham for these compliance reports:**

- a) IRS Form 8038-G
- b) Tax Compliance Certificate
- c) Official Statement
- d) Index to closing transcript
- e) All bank/trust statements from May 21, 2015 through first installment date for Series 2015, and December 4, 2018 through current date for Series 2018

The statements and documents noted above are necessary documents for our review. The actual length of time needed for completion of the review, analysis, calculations, and documentation is contingent upon the availability of the statements and documents listed above.

### **Step 3: Perform up-to-date arbitrage rebate compliance report and provide updated report on arbitrage issues, including:**

- a) Computation summary and analysis of relevant dates and assumptions
- b) Sources and Uses of funds
- c) Arbitrage yield and yield restriction requirements
- d) Rebate liability by fund and aggregate liability for the issue
- e) Arbitrage/Investment Yield Comparison
- f) Rebate Calculation by Fund
- g) Outstanding Investments Summary.

Bingham will account for all gross proceeds to confirm the Sources and Uses of the proceeds and determine the arbitrage rebate calculation requirements.

## Bingham's Work Plan (continued)

Bingham will initially test for an exception and special elections, as indicated in the bond documents. In order to meet one of the IRS' spending exceptions, the following rules must apply:

<b>Small Issuer Exception</b>	Issues less than \$5,000,000 in tax-exempt debt in one calendar year. Legislative changes increased the exception as follows: <ul style="list-style-type: none"> <li>Up to \$15,000,000, with at least \$10 million of the \$15 million used to finance public schools for bonds issued after December 31, 2001.</li> </ul>								
<b>Six-Month Spending Exception</b>	Proceeds spent within Six Months of Closing 100% <ul style="list-style-type: none"> <li>Under certain conditions, the Six-Month Exception can be extended to one year for governmental or 501(c)(3) bonds.</li> </ul>								
<b>Eighteen Month Spending Exception</b>	Proceeds spent: <table> <tr> <td>within Six Months of Closing</td><td>15%</td></tr> <tr> <td>within Twelve Months of Closing</td><td>60%</td></tr> <tr> <td>within Eighteen Months of Closing</td><td>100%</td></tr> </table> <ul style="list-style-type: none"> <li>Issues delivered after June 30, 1993</li> <li>A 5% retainage is allowed at eighteen months as long as the proceeds are fully expended by thirty months.</li> </ul>	within Six Months of Closing	15%	within Twelve Months of Closing	60%	within Eighteen Months of Closing	100%		
within Six Months of Closing	15%								
within Twelve Months of Closing	60%								
within Eighteen Months of Closing	100%								
<b>Two Year Construction Spending Exception</b>	Proceeds spent: <table> <tr> <td>within Six Months of Closing</td><td>10%</td></tr> <tr> <td>within Twelve Months of Closing</td><td>45%</td></tr> <tr> <td>within Eighteen Months of Closing</td><td>75%</td></tr> <tr> <td>within Twenty-Four Months of Closing</td><td>100%</td></tr> </table> <ul style="list-style-type: none"> <li>Issues delivered after December 20, 1989</li> <li>Qualifying issuers only</li> <li>A 5% retainage is allowed at twenty-four months as long as the proceeds are fully expended by thirty-six months.</li> </ul>	within Six Months of Closing	10%	within Twelve Months of Closing	45%	within Eighteen Months of Closing	75%	within Twenty-Four Months of Closing	100%
within Six Months of Closing	10%								
within Twelve Months of Closing	45%								
within Eighteen Months of Closing	75%								
within Twenty-Four Months of Closing	100%								

If a spending exception is missed, the arbitrage rebate calculation is required on all funds. If an issue maintains a funded Debt Service Reserve Fund, the arbitrage rebate calculation will be required for the life of the issue.



## Bingham's Work Plan (continued)

If the issue requires an arbitrage rebate calculation, Bingham will determine the evaluation date, and calculate the issue's arbitrage yield and, if applicable, the excess investment yield. As part of our analysis, Bingham will analyze the best calculation methodology to provide the lowest and most accurate arbitrage rebate liability for the issue.

<b>Bond Yield</b>	Bingham calculates the exact yield on the bonds, using a 30/360-day model and semi-annual compounding, taking the exact dates of receipts and disbursements as shown in statement summaries. For these purposes, the yield under the arbitrage regulations is that rate of interest which, when used to discount all future payments on the Bonds, produces a present value equal to the initial offering price to the public.
<b>Rebate Calculation</b>	<ul style="list-style-type: none"> <li>• All the moneys on deposit and any interest income earned on the date of evaluation (the last day upon which any interest or principal on the bonds is paid) are treated as a receipt on that date.</li> <li>• All receipts and disbursements occurring on or prior to the date of evaluation and the calculated receipts are future-valued to the date of evaluation using the yield on the bonds. The calculation is made using a 30/360-day model and semi-annual compounding, taking the dates of receipts and disbursements as shown in statement summaries.</li> <li>• The future value of the receipts and disbursements is subtracted from the future value of the earnings with the resulting balance being the amount to be rebated.</li> </ul>
<b>Yield Restriction Calculation</b>	<p><b>Capital Projects (if applicable)</b></p> <p>The Regulations require that any Project investment held beyond the three-year temporary period must be yield restricted to the bond yield, plus .125%. Any amount earned over the limit must be paid to the Internal Revenue Service in the form of a "yield reduction payment." Such payment is similar to an arbitrage rebate payment and is paid in the same manner and with the same frequency as arbitrage rebate; within 60 days of the fifth bond year [U.S. Treasury Regulations Section 1.148-5(c)(1) &amp; (2)]. If a factor, only one payment is made to the Internal Revenue Service, either an arbitrage rebate payment or a yield reduction payment, whichever amount is higher. Bingham will test for and run the excess investment yield calculation if applicable.</p> <p><b>Replacement Proceeds (if applicable)</b></p> <p>The U.S. Treasury Regulations require that replacement proceeds held beyond the respective temporary period must be yield restricted to the bond yield, plus .001%. Any amount earned over the limit must be paid to the Internal Revenue Service in the form of a "yield reduction payment." Such payment is similar to an arbitrage rebate payment and is paid in the same manner and with the same frequency as arbitrage rebate; within 60 days of the fifth bond year [U.S. Treasury Regulations Section 1.148-5(c)(1) &amp; (2)]. If a factor, only one payment is made to the Internal Revenue Service, either an arbitrage rebate payment or a yield reduction payment, whichever amount is higher.</p>

### **Bingham's Reports**

All Bingham reports include comprehensive detailed calculations, a thorough report, executive summary, and our professional opinion that all calculations were performed in compliance with federal tax law. Bingham's calculations, reports, computation summary and analysis of relevant dates and assumptions will be completed annually, as of the anniversary of the Bond Year or such other date as specified in the bond documents.

Bingham's reports provide both summary and detail of every aspect of the analysis we undertake and support the conclusions reached. As applicable, all Bingham reports and schedules will include the sources and uses of funds, the arbitrage yield, spending exception reports, arbitrage rebate calculations, excess investment yield calculations and yield restriction requirements, expiration dates for temporary and spend down periods, the next calculation date, and the rebate liability of any accruing arbitrage by fund. Our reports also provide a summary of outstanding investments. All Bingham reports exceed the industry standard and are comprehensive, mathematically accurate and consistent with Section 148(f) of the Internal Revenue Code.

Bingham has implemented a "Green Initiative," and all compliance reports are now sent to your office electronically. However, if you prefer an original hard copy of the installment date report, please let us know. We are happy to place one in the mail upon request.

### **RECORD RETENTION**

Bingham's policy is to return to you any information you transmit to us in original form or in hard copy as, or when, we complete this engagement. We ask that you pick up the originals or hard copies within 30 days after we notify you of their availability. After 30 days, you agree that we may return your information to you at your last known address via U.S. Mail or 2-day delivery service at your request. Our responsibility for your originals and hard copies ends when you pick them up or we deposit them in the U.S. Mail or with the 2-day delivery service.

Bingham's current policy is to keep our records related to this engagement in electronic format for six years from the end of this engagement.

### **USE OF THE INTERNET AND CLOUD SERVICES**

To facilitate the provision of our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet or allow access to data through third party vendors' secured portals or clouds. Your electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data. In using these data transmission and storage methods, Bingham employs reasonable measures designed to maintain data security and we require our third-party vendors to do the same.

You acknowledge and agree that Bingham has no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third party service providers during this engagement.

### **Step 4: Identify all gross and transferred proceeds allocated to the issues.**

In addition to the analysis detailed above, Bingham will analyze any other impacts on the arbitrage rebate calculation, including transferred proceeds or commingled funds. If at any time an issue is refunded and prior issue proceeds remain, transferred proceeds would result, and it may be necessary to uncommingle the fund.



**Step 5: Compare allowable arbitrage earnings to actual earnings to determine cumulative arbitrage liability. Prepare IRS Form 8038-T and filing instructions, as needed.**

Bingham compares the bond yield to the investment yield (arbitrage earnings to actual earnings) to determine cumulative arbitrage rebate liability.

Bingham will provide one electronic PDF copy of our report to your office, with copies to the trustee, if required. The installment period report will be a comprehensive summary of the years within the installment period. If an arbitrage rebate payment is due, Bingham will include a fully prepared IRS Form 8038-T for your signature. Bingham will provide filing instructions and any assistance needed to your office to submit the IRS form and payment.

**Step 6: Review and consider application of alternative regulatory provision that may improve the arbitrage liability.**

Internal Revenue Service regulations pertinent to arbitrage rebate were initially enacted as part of the Internal Revenue Code of 1986 (IRC 1986). Three amendments to IRC 1986 (1989 Temporary, 1992 and the current 1993 U.S. Treasury Regulations) have each impacted the manner in which arbitrage rebate liability is evaluated and computed. Bingham's President and Vice Presidents have each completed many arbitrage rebate calculations that required professional judgment to determine which version of the U.S. Treasury Regulations applies. For the issue, Bingham will determine which version of the U.S. Treasury Regulations applies and will also evaluate any other alternative computation methods that may reduce the arbitrage rebate liability.

**Step 7: Maintain up-to-date understanding of the rebate regulations, court decisions and other events that may affect arbitrage compliance requirements.**

For every client, Bingham employs a rigorous internal review to confirm the accuracy and completeness of our judgments before ever issuing a report. Throughout our many years of extensive experience, keeping current with the complex Tax Code rules and regulations remains an essential priority at Bingham. Remaining fully informed of Tax Code rules and regulation changes and varying interpretations translates into arbitrage rebate savings for our clients.

The IRS has continuing education and training for debt issuers. To maintain excellence in arbitrage rebate compliance, Bingham Account Managers and Analysts participate in ongoing programs of continuing education related to the IRS rulings and regulations that define and govern arbitrage rebate compliance, including participation in IRS Tax Exempt Bonds (TEB) Webinars and Telephone Forums. Our team has also participated in the Council of Development Finance Agencies' Advanced Bond Course.

Bingham's team regularly attends and participates in a variety of seminars and professional education conferences. Events are selected to engage with other individuals in public finance, to remain fully informed of industry trends and to remain current on specific arbitrage related topics. Additionally, each year Bingham's team participates in the following conferences:

Louisiana GFOA	Louisiana Association of School Business Officials
North Carolina GFOA	(LASBO)
Virginia GFOA	University of North Carolina Systems Conference
Georgia GFOA	Georgia Association of School Business Officials
Maryland GFOA	(GASBO)
National GFOA	

Bingham also receives periodic updates from the National Association of Bond Lawyers on matters relevant to public finance, including regulatory changes and court decisions that impact arbitrage rebate compliance.



**Step 8: Assist and defend calculations in the event of an audit.**

Bingham has extensive experience assisting our clients and defending our calculations during IRS audits. Bingham is readily available to your office in the event of an IRS audit. Bingham has experience dealing with IRS inquiries, audits, questionnaires, past due rebate liability, refund requests due to overpayment, and issuers that have gone before the IRS Voluntary Closing Agreement Program. Best of all, Bingham's calculations and reports have never been challenged by the IRS in any way, but rather have been accepted by the IRS and bond counsel as definitive.

## Partial Client List – Louisiana Clients

Ascension Parish School Board  
Bossier City  
Bossier Parish  
Cameron Parish  
East and West Jefferson General Hospitals  
Iberia Parish School Board  
Jefferson Parish  
Jefferson Parish Sheriff's Office  
City of Kenner  
Lafayette, City of  
Lafourche Parish School Board  
Lafourche Parish Law Enforcement District  
Lafourche Parish Water District No. 1  
Lake Charles, City of  
LCTCS Facilities Corporation  
Livingston Parish School Board  
Louisiana Community Development Authority (LCDA)  
Louisiana Public Facilities Authority (LPFA)  
Louisiana Tech University  
Nicholls State University  
Orleans Parish School Board  
Plaquemines Parish  
Red River Parish School District  
St. John the Baptist Parish  
St. Landry Parish School Board  
St. Martin Parish School Board  
St. Mary Parish School Board  
St. Mary Parish  
St. Charles Parish  
St. Bernard Port Harbor and Terminal District  
Terrebonne Parish Port Commission  
Tulane University  
University of Louisiana at Lafayette  
Vermillion Parish  
Zachary, City of  
Zachary Parish School Board

## Evaluation Date

**Series 2015: December 1**, with the first installment period ending December 1, 2019. Bingham will provide the first installment report now

**Series 2018: December 1**, with the first installment period ending December 1, 2023. Bingham will provide the first installment report as of the December 1, 2023, or once gross proceeds are spent in full whichever occurs first.

## Fee Schedule

These schedules only apply to the referenced bond issues. Our annual fee will apply even for a partial year of investment activity. If at any time bond proceeds are mixed with non-proceeds, it may be necessary to uncommingle the fund.

### FEES

#### Series 2015

– Arbitrage Rebate Calculation Services	Fee
Years 1 - 5	\$2,600

#### Series 2018

– Arbitrage Rebate Calculation Services	Fee
Years 1 - 5	\$2,000



## Signatures

Invoices will be sent along with our reports. Payment is expected within 30 days of the invoice date.

Bingham may withdraw or renegotiate this contract if our involvement is greater than originally anticipated. Examples of Bingham's increased time commitment include research into missing investment activity, gross proceeds remain outstanding longer than the quoted period, or bond proceeds are mixed with other non-proceeds funds.

### EXPIRATION

If Bingham has not received a signed copy of this proposal and all of the documents and information requested on page 12 – *Bingham's Work Plan, Step 2*, within 90 days after the date hereof, we will assume you no longer need or want our services. We may withdraw from this engagement without completing or delivering the Reports or Form 8038-T's to you. Such withdrawal will terminate our engagement.

### SEVERABILITY

If any term of this engagement letter is to any extent invalid, illegal or unenforceable, such term shall be excluded to the extent that it is invalid, illegal or unenforceable. All other terms shall remain in full force and effect.

### ENTIRE AGREEMENT

This engagement letter constitutes the entire agreement between Bingham and you regarding the calculation of any arbitrage rebate and yield reduction payments and any related interest or penalties due to the United States Treasury with respect to the Bonds. You acknowledge that there are no other agreements (either oral or written) with Bingham regarding such matters. No additional terms, or modification or waiver of any previously agreed-upon terms, are valid unless agreed to in writing by both Bingham and you.

### FINANCIAL ADVISOR DISCLAIMER

By engaging Bingham to provide the services described in this document, the City of West Monroe acknowledges that Bingham (1) is not recommending actions or providing advice to the City of West Monroe, and (2) does not owe a fiduciary duty to the City of West Monroe, as described by Section 15B of the Securities Exchange Act of 1934. The City of West Monroe should consult with the appropriate transaction professionals for legal and financial advice.

The documentation and information requested for the arbitrage rebate calculations should cover the entire history of the Bonds. Any investment changes that occurred during our review period would be considered necessary.

**Bingham Arbitrage Rebate Services, Inc.**

**City of West Monroe, Louisiana**



\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Kim A. Hoyt  
(Name Printed)

\_\_\_\_\_  
(Name Printed)

President  
Title

\_\_\_\_\_  
Title

September 6, 2023  
Date

\_\_\_\_\_  
Date