



## REPORT TO AGOURA HILLS IMPROVEMENT AUTHORITY

**DATE:** JANUARY 22, 2020

**TO:** HONORABLE PRESIDENT AND AUTHORITY COMMISSIONERS

**FROM:** GREG RAMIREZ, EXECUTIVE OFFICER 

**BY:** CHRISTY PINUELAS, DIRECTOR OF FINANCE 

**SUBJECT:** ADOPT RESOLUTION NO. IA20-05 APPOINTING A SUCCESSOR BOND TRUSTEE FOR THE IMPROVEMENT AUTHORITY'S LEASE REVENUE BONDS

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The Agoura Hills Improvement Authority (the "Authority") has two bond issues outstanding. Each bond issue has a trustee. Among other duties, the trustee is responsible for insuring that the payments are made in a timely manner, as scheduled, and managing the reserve funds.

The two outstanding bond issues are currently managed by the Bank of New York Mellon. It has been over ten years since Bank of New York Mellon was chosen, therefore, staff sent out a Request for Proposal to review costs and servicing. Three banks responded, our existing trustee, Zions Bank, and US Bank. Staff has reviewed the proposals with the Finance Committee, and consulted with our Financial Advisor, and the Finance Committee is recommending that US Bank be chosen as our new trustee.

US Bank has 35% of the market share of issues and received excellent ratings from other municipalities. Furthermore, they are assigning Martin Meza, a Los Angeles-based relationship manager with 32 years of experience in the banking business.

Their bid was very competitive with our current provider. The annual cost is \$750 for each issue (\$3,000 total). The total contract price is estimated at \$43,500.

US Bank relies on the bond indentures for the two outstanding bond issues. The bond indentures include the terms under which the bond trustee operates, including handling of fees and indemnification, among other terms. Therefore, our attorney is recommending that we do not adopt a separate agreement, which could conflict with the terms of the indentures.

Upon adoption of the resolution, staff will file a thirty-day termination notice with Bank of New York Mellon.

### RECOMMENDATION

It is recommended that the Board adopt Resolution No. IA20-05, appointing a successor bond trustee for the Authority's Lease Revenue Bonds.

Attachments: US Bank Proposal  
Resolution No. IA20-05

## RESOLUTION NO. IA 20-05

### A RESOLUTION OF THE AGOURA HILLS IMPROVEMENT AUTHORITY, APPOINTING A SUCCESSOR BOND TRUSTEE FOR THE AUTHORITY'S LEASE REVENUE BONDS

#### RECITALS:

WHEREAS, pursuant to Resolution No. IA13-02, adopted on August 28, 2013, the Agoura Hills Improvement Authority (the "Authority") has previously issued its Lease Revenue Bonds, Series 2013 (the "2013 Bonds"), to assist the City of Agoura Hills (the "City") in financing a portion of the costs of the community recreation center project and the related improvements; and

WHEREAS, pursuant to Resolution No. IA16-04, adopted on October 26, 2016, the Authority has previously issued its Lease Revenue Refunding Bonds, Series 2016 (the "2016 Bonds"), to assist the City in refinancing the costs of the acquisition and construction of the city hall and library facilities and to finance the costs of the acquisition and construction of the Reyes Adobe Road freeway interchange and the related improvements, and other public infrastructure and public facilities; and

WHEREAS, pursuant to Resolutions Nos. IA13-02 and IA16-04, the Authority appointed The Bank of New York Mellon Trust Company, N.A. ("BNY Mellon"), as trustee under the Indentures (together, the "Indentures") with respect to the 2013 Bonds and the 2016 Bonds, respectively; and

WHEREAS, the Indentures provide that the Authority, at any time, may remove the trustee thereunder upon 30 days' notice, provided that the Authority promptly appoints a successor trustee; and

WHEREAS, pursuant to a request for proposals process, the Authority has determined to appoint U.S. Bank National Association as successor trustee and to remove BNY Mellon as trustee with respect to the 2013 Bonds and the 2016 Bonds;

NOW, THEREFORE, THE AGOURA HILLS IMPROVEMENT AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. The Authority hereby directs the Executive Director/Chief Administrative Officer to provide written notice to BNY Mellon to effectuate the removal of BNY Mellon as trustee under the Indentures with respect to the 2013 Bonds and the 2016 Bonds. The Authority hereby appoints U.S. Bank National Association as successor trustee under the Indentures with respect to the 2013 Bonds and the 2016 Bonds, such appointment to be effective 30 days after written notice has been provided to BNY Mellon pursuant to the foregoing sentence.

Section 3. The Executive Director/Chief Administrative Officer and all other officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution, and any such actions previously taken by such officers are hereby ratified and confirmed.

Section 4. This Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED, and ADOPTED** this 22nd day of January, 2020, by the following vote to wit:

AYES: ( )  
NOES: ( )  
ABSTAIN: ( )  
ABSENT: ( )

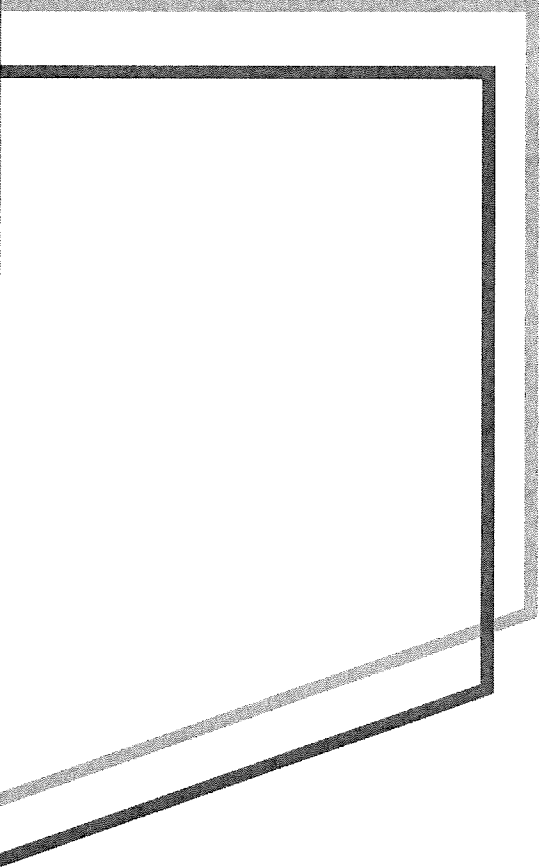
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Illece Buckley Weber, President

ATTEST:

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Kimberly M. Rodrigues, Authority Secretary



Proposal presented to

The City of Agoura Hills

November 7, 2019

Linda Verstuyft  
Managing Director, Business Development  
213.615.6052  
[linda.verstuyft@usbank.com](mailto:linda.verstuyft@usbank.com)





Linda Verstuyft  
Managing Director, Business Development Officer  
U.S. Bank National Association  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, CA 90071

November 7, 2019

Christy Pinuelas  
Director of Finance  
City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, CA 91301

Dear Christy,

On behalf of U.S. Bank, I am pleased to submit the following proposal for successor bond trustee services and dissemination agent services for The City of Agoura Hills (The City). We are highly qualified to handle the service needs involved in the transaction and have substantial experience performing similar tasks.

We are a leader in the banking industry. Our outstanding track record of financial performance coupled with our sound ethical business practices have earned us the honor of being named Fortune's "most admired superregional bank" for the ninth consecutive year in 2019 and one of the World's Most Ethical Companies® by the Ethisphere Institute for the fifth consecutive year in 2019.

We have over \$5.1 trillion in assets under administration and more than 144,000 debt issuances; therefore, we bring substantial experience as bond trustee for municipal bond financings. We are proud to have been ranked the No. 1 national municipal trustee since 2012 by Thomson Financial Services, continuing our more than 10-year history of being ranked in the top one or two municipal trustees. We are also the No. 1 municipal trustee in California and have been for the past several years.

Our extensive experience in administering bond trusteeships has provided us with valuable insight into the core requirements needed to negotiate agreements, maintain accounts and records, efficiently transfer and invest funds, and provide additional services as needed by The City. Our knowledgeable staff, including the assigned relationship manager, Martin Meza, is one of the most experienced in the industry.

We appreciate the opportunity to work with The City. Should you have any questions, please call me at 213.615.6052 or email me at [linda.verstuyft@usbank.com](mailto:linda.verstuyft@usbank.com).

Sincerely,

Linda Verstuyft  
Managing Director, Business Development Officer

## **Work Description**

**The City is soliciting the services of a bond trustee. The City currently has four bond issues outstanding and all trustee services are provided by BNY Mellon. The City may continue to use BNY Mellon or consider other qualified municipal bond trustees as successor trustees.**

**The firm selected during this RFP process will be expected to provide bond trustee services in connection with the transaction including, but not limited to:**

- 1. Establish and maintain various funds as required by bond indenture.**
- 2. Perform complete trustee functions for one or more future bond issues.**
- 3. Act as registrar, paying agent, and tender agent.**
- 4. Manage all funds and accounts according to the provisions of the indenture and in compliance with federal tax law.**
- 5. Provide a short-term investment vehicle for uninvested balances in custody/trust accounts.**
- 6. Provide monthly activity statements and reports including the market value of all portfolio holdings.**
- 7. Provide online web access to account and investment information related to transactions, balances, market values, etc.**
- 8. Prepare and confirm bond redemption calculations and monitor key dates and reporting requirements.**
- 9. Monitor reserve funds to ensure that amounts required by the Bond Indentures are maintained.**
- 10. Pay or transfer funds to issuer or others as requested by the City for costs.**
- 11. Participate as a member of and in meetings with the financing team which will also include the financial advisor, underwriter, and City staff.**

**The Trustee will provide services required to carry out all administrative functions required of it under the trust indenture pertaining to the Bonds. The Trustee selected shall have extensive experience administering bonds.**

U.S. Bank National Association (The Trustee) confirms that we can provide The City all the above bond trustee services in connection with this transaction.

## Format of Proposals

All responses to this RFP must follow substantially the outline presented below. The Trustee must be a commercial bank or trust company, organized or incorporated under the laws of the United States of America, licensed to operate in California, duly authorized to execute corporate trust powers, subject to supervision or examination by federal or state authorities, subject to regulation regarding fiduciary funds on deposit when acting in its fiduciary capacity, Trustee which is (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets, or (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets. Please do not submit any information not specifically requested.

### A. *Statement of Interest.*

Please provide a brief summary of your firm's interest in providing trustee services and detailing your firm's pertinent experience providing these services including the following:

We are highly qualified to handle the service needs involved in the transaction and have substantial experience performing similar tasks. Our municipal trustee clients put U.S. Bank on top of industry league tables as a direct result of our commitment and quality service. We are the No. 1 national municipal trustee the past five years by Thomson Financial Services, continuing our more than 10-year history of being ranked the top one or two municipal trustee. U.S. Bank has served as trustee on more new tax-exempt deals launched since 2012 than any other municipal trust provider (source: Thomson Reuters SDC). As trustee for more than 144,000 debt issues aggregating over \$5.1 trillion in principal issued, U.S. Bank has the experience and resources to meet and exceed the expectations regarding service standards.

We provide the following trust services:

- Bond trustee
- Fiscal agent
- Registrar
- Escrow agent
- Paying/exchange agent
- Calculation agent
- Tender agent
- Dissemination agent
- Collateral custodian
- Auction agent
- Intercreditor agent
- Collateral agent
- Distribution agent
- Depository

Since 1903, U.S. Bank has been a premier provider of corporate trust services in the United States, serving government and tax-exempt entities across the nation. Our dominant presence in corporate trust can be tied to our commitment to superior service, in-depth expertise and continuous innovation. Where national call centers are a standard for customer service among bank peers, we offer full transparency through access to online tools and local one-to-one direct communication for quick and efficient problem solving. We invest in long-term relationships and are continuously looking to leverage the power of technology to enhance and improve the way we do business. That's why we are consistently ranked as the No. 1 municipal bond trustee in the United States.



Our national municipal trustee market share is:

Rank	Trustee	# of Issues	Proceeds (US\$ million)	Market share % on Issues
1	U.S. Bank	672	40,524	35%
2	Bank of New York	455	52,857	24%
3	UMB Bank	172	3,656	9%
4	Zions First National Bank	111	9,778	6%
5	Wilmington Trust	98	3,224	5%
	Total w/Trustee	1,921	134,182	26%

Our extensive experience in administering bond trusteeships has provided us with valuable insight into the core requirements needed to negotiate agreements, maintain accounts and records, efficiently transfer and invest funds, and provide additional services as needed by the City. Our knowledgeable staff, including the assigned Los Angeles-based relationship manager, Martin Meza, is one of the most experienced in the industry.

**1. List of trust officers and relationship managers serving California accounts including their years of municipal trustee experience.**

We are highly qualified to handle the service needs involved in the transaction and have substantial experience performing similar tasks. Our municipal trustee clients put U.S. Bank on top of industry league tables as a direct result of our commitment and quality service. We are the No. 1 national municipal trustee the past five years by Thomson Financial Services, continuing our more than 10-year history of being ranked the top one or two municipal trustee. U.S. Bank has served as trustee on more new tax-exempt deals launched since 2012 than any other municipal trust provider (source: Thomson Reuters SDC).

Although we have over \$5.1 trillion in assets under administration and more than 144,000 debt issuances and a sizeable team at your disposal, the ultimate responsibility for the service we provide will remain with your relationship manager, Martin Meza. Please see below for his biography and the biography of your backup relationship manager, Bertha Mares.

**Martin Meza, Vice President, Relationship Manager**

Martin has 32 years of experience in the banking industry, 25 of those years in corporate trust. He has been with U.S. Bank for 22 years. His portfolio includes cities, counties, school districts and hospitals. Martin's responsibilities include the overall administration of about 200 existing bond issues and reviewing documents for new bond or note issues. The complexity level of these bond and note issues includes: multifamily housing, revenue and tax allocation bonds, community facilities districts, general obligation bonds, escrows and custody accounts. Martin earned a bachelor's degree from the University of Phoenix. He is located in Los Angeles.

**Bertha Mares, Vice President, Relationship Manager**

Bertha is a relationship manager in our Los Angeles corporate trust office. She is responsible for a variety of municipal bond trustee and paying agent appointments. Bertha has a high level of expertise with many types of debt structures and has administered all types of debt transactions, including community facilities districts, Marks Roos and Mello Roos bonds, certificates of participation, tax allocation bonds, revenue bonds, general obligation bonds and single-family and multifamily housing bonds. Bertha has 35 years of corporate trust experience.

**2. List of five California Cities with under 50,000 residents that the bank provides bond trustee services. Include name of assigned trust officer and contact person at the City.**

Please see below for a list of five California cities with under 50,000 residents for which we provide bond trustee services:

*City of Monrovia*

**Buffy J. Bullis**  
Administrative Services Director  
Phone: 626.932.5513  
Fax: 626.932.5566  
bbullis@ci.monrovia.ca.us

Martin Meza is the relationship manager for the City of Monrovia.

*City of Westlake Village*

**Daniel Jordan, Ph.D, CGFM, CPFO**  
Director of Finance  
31200 Oak Crest Drive  
Westlake Village, CA 91361  
Phone (work): 818.706.1613  
Phone (cell): 626.590.4633  
Fax: 818.706.1391  
dan@wlv.org

Julia Hommel is the relationship manager for the City of Westlake Village.

*City of Norco*

**Gina M. Schuchard**  
Finance Director  
Fiscal & Support Services  
City of Norco  
951.270.5650

Lauren Costales is the relationship manager for the City of Norco.

*City of La Mirada*

**Melissa Pascual**  
Finance Manager  
City Hall  
13700 La Mirada Blvd  
La Mirada, CA 90638  
562.943.0131  
www.cityoflamirada.org

Lauren Costales is the relationship manager for the City of La Mirada.

*City of Chowchilla*

**Rod Pruett**

Director of Finance  
Finance Department  
130 S Second Street  
Chowchilla, CA 93610  
RPruett@CityOfChowchilla.org

Michelle Knutson is the relationship manager for the City of Chowchilla.

**3. Please briefly describe how trust officer and relationship manager interact with city clients unless they are the same person. What are their roles and responsibilities?**

Customer service is of the utmost importance to U.S. Bank. You will have both a primary relationship manager and a backup relationship manager. Primary responsibilities of the relationship manager include accessibility to our clients, responsiveness and diligence. Once the bond is issued, the team that manages your account will work together daily to ensure all documents are followed and all funds are moved in accordance with the guidelines of your agreement.

Throughout the administration of your account, your relationship management team will communicate very closely to ensure timely coordination of all required tasks and responsibilities. Your relationship manager will be your primary point of contact, and we encourage your staff to work closely with the other members of our team that are dedicated to this significant relationship.

We use a team approach in administering every client relationship. Each of our corporate trust clients have at least three professionals assigned to their accounts. Our structure ensures that we deliver high-quality, customer-focused administration of account relationships and includes the following distinct functions:

**Relationship Management**

Martin Meza will serve as your primary contact. He will negotiate and execute the governing documents and serves in all aspects of account administration, helping ensure client satisfaction. His other responsibilities include:

- Reviewing and negotiating all governing documents
- Preparing account acceptance documentation in accordance with current policies and procedures
- Obtaining written investment directions
- Handling fee billing and collection
- Facilitating initial setup and verification on all trust accounting and bond payment systems
- Performing pre-closing and closing-day activities and paying cost of issuance disbursements
- Resolving problems with all interested parties

**Martin Meza, Vice President, Relationship Manager**

633 West Fifth Street, 24th Floor, Los Angeles, CA 90071  
213.615.6062 | martin.meza@usbank.com

Martin has 32 years of experience in the banking industry, 25 of those years in corporate trust. He has been with U.S. Bank for 22 years. His portfolio includes cities, counties, school districts and hospitals. Martin's responsibilities include the overall administration of about 200 existing bond issues and reviewing documents for new bond or note issues. The complexity level of these bond and note issues includes: multifamily housing, revenue and tax allocation bonds, community facilities districts, general obligation bonds, escrows and custody accounts. Martin earned a bachelor's degree from the University of Phoenix. He is located in Los Angeles.

Martin is supported by staff members from two servicing teams, Product Operations and Trust Review (Compliance).

**4. Number of California City clients administered by your corporate trust department.**

As of third quarter 2019, we provide bond trustee service for 40% of the California market.

**5. The ratings of your financial institution by nationally recognized rating agencies.**

We are proud of our history of financial strength and stability. U.S. Bancorp, the holding company of U.S. Bank National Association (U.S. Bank N.A.), carries S&P's A+ rating and Moody's A1 rating at the holding-company level. The long-term issuer rating of U.S. Bank N.A. is A1 from Moody's, AA- from S&P and AA- from Fitch. Even in periods of volatility, we have remained consistently profitable, posting 155 years of continuous shareholder dividends.

**6. Disclosure of pending mergers, sales or consolidations.**

At this time, there are no plans to alter the strategic direction of our corporate trust business that may impact existing or prospective clients. We have a solid strategic growth and development plan that closely aligns with the growth strategy of U.S. Bank overall. Our executive management team continually reviews the strategic direction of the corporate trust business to ensure we are meeting our revenue and development goals. While most adjustments would not directly impact our clients, we take a very proactive stance in keeping clients apprised of any upcoming changes—whether structural or strategic—that may impact the client or the client's relationship with us.

To the best of our knowledge, U.S. Bank is not involved with any pending mergers, sales or consolidations. It is common practice within the corporate trust industry to have nondisclosure agreements between the parties involved in mergers, sales or consolidations. This limits the information available to employees and customers regarding pending agreements until the agreements are completed and the transaction is made public.

**7. Provide a sample of your bond trustee statements.**

Please see Exhibit 1 for a sample of bond trustee statements.

## B. Assigned Personnel.

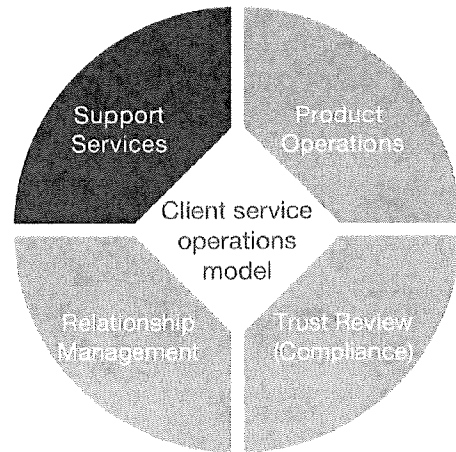
Please identify and provide brief resumes of the proposed relationship manager and if different the day to day trust officer who will be servicing the City's account. How often are trust officer's reassigned? Can the City interview and/or request specific trust officers?

We use a team approach in administering every client relationship. Each of our corporate trust clients have at least three professionals assigned to their accounts. Our structure ensures that we deliver high-quality, customer-focused administration of account relationships and includes the following distinct functions:

### Relationship Management

Martin Meza will serve as your primary contact. He will negotiate and execute the governing documents and serves in all aspects of account administration, helping ensure client satisfaction. His other responsibilities include:

- Reviewing and negotiating all governing documents
- Preparing account acceptance documentation in accordance with current policies and procedures
- Obtaining written investment directions
- Handling fee billing and collection
- Facilitating initial setup and verification on all trust accounting and bond payment systems
- Performing pre-closing and closing-day activities and paying cost of issuance disbursements
- Resolving problems with all interested parties



Biographies for your service team are shown below:

**Martin Meza, Vice President, Relationship Manager**  
633 West Fifth Street, 24th Floor, Los Angeles, CA 90071  
213.615.6062 | martin.meza@usbank.com

Martin has 32 years of experience in the banking industry, 25 of those years in corporate trust. He has been with U.S. Bank for 22 years. His portfolio includes cities, counties, school districts and hospitals. Martin's responsibilities include the overall administration of about 200 existing bond issues and reviewing documents for new bond or note issues. The complexity level of these bond and note issues includes: multifamily housing, revenue and tax allocation bonds, community facilities districts, general obligation bonds, escrows and custody accounts. Martin earned a bachelor's degree from the University of Phoenix. He is located in Los Angeles.

Martin is supported by staff members from two servicing teams, Product Operations and Trust Review (Compliance).

### Product Operations

The assigned dedicated product operations analyst is responsible for cash management functions, including:

- Managing debt service calculations, verifications and payments
- Bond redemptions, calculation of asset requirements and bond call notifications
- Cash transfers, disbursements and accounting
- Requisition processing and construction/project fund disbursements
- Investing, divesting and sweeping daily cash per liquidity requests
- Reserve fund monitoring and valuations

**Melanie Fijan, Officer, Product Operations Analyst**

633 West Fifth Street, 24th Floor, Los Angeles, CA 90071  
213.615.6025 | melanie.fijan@usbank.com

Melanie is a product operations analyst located in Los Angeles, California. She has four years of corporate trust experience. Melanie has gained much experience over the last four years and has been assigned increasingly difficult accounts per recommendations from relationship managers because of her responsiveness to clients. Melanie graduated from Northern Arizona University with a Bachelor of Science in marketing and business management.

**Trust Review (Compliance)**

An assigned trust review analyst maintains a working knowledge of assigned bond financings and applicable regulatory requirements to effectively monitor our obligation to identify and mitigate potential risk. Other responsibilities include:

- Performing secondary document reviews post-closing to confirm the document requirements
- Ensuring accuracy of account setup on our systems
- Managing all compliance items on our Account Control System (e.g., ticklers)
- Monitoring outstanding ticklers to ensure the timely receipt of required compliance items
- Verifying compliance items with the governing document requirements
- Focusing on high-risk compliance items, such as letters of credit, credit facility contracts, uniform commercial code (UCC) financing statements and insurance documents
- Monitoring regulatory requirements, such as arbitrage rebate calculations, dissemination agent notifications and audit confirmations
- Interacting with the relationship manager and product operations analyst as a unified team to effectively manage each bond program

**Andrea Freeman, Trust Review Analyst**

633 West Fifth Street, 24th Floor, Los Angeles, CA 90071  
p. 213.615.6020 | f. 213.615.6199 | andrea.freeman@usbank.com

Andrea is responsible for maintaining a working knowledge of assigned bond financings and applicable regulatory requirements to effectively monitor our fiduciary obligations to identify and mitigate any potential risk. She has been with U.S. Bank since 1996 and has extensive experience working with the compliance aspects of municipal, corporate and other various bond accounts and financings. Prior to joining U.S. Bank, Andrea worked in corporate and real estate escrow at the Bank of America. She is located in Los Angeles, California.

**Support Services**

Our Support Services group provides bond operations support such as principal and interest payment processing and registration transfer, as well as funds control and bondholder services.

We value the strength and reliability that only long-term client relationships can provide. As such, we infrequently reassign our relationship managers and carefully balance the number of key client relationships they manage. However, we would be willing to allow The City to interview or request specific relationship managers in the event of a reassignment.

## Administration of bond trusteeships

We are recognized as a leading corporate trust services provider, with the size, experience and, most importantly, commitment to the corporate trust industry that guarantees continued service over the life of your bond programs.

### Personalized client service

While we live in a world where technology allows us to interact across great distances, we ultimately believe that corporate trust is a people business, and there is no substitute for the direct personal communication that happens within the structure of our business model. You will have the benefit of a dedicated Los Angeles-based relationship manager and can expect responsive communication and meetings at your preferred frequency. We have physical presence in Los Angeles and in San Francisco.

Continuous investment in state-of-the-art technology benefits our clients through increased transparency and access to account documentation, transactions and critical reporting functions, as well as improved efficiency in deal operations. The most recent system release is Pivot, our online client reporting system, which was created exclusively for U.S. Bank clients.

Relationship Manager Martin Meza will review and comment on all closing documents, close the transaction and work with the assigned product operations analyst to establish the required trust accounts and provide instructions to our Operations group for setup on our bondholder recordkeeping system, Stream Transfer Agency. Shortly after closing, Martin will establish required ticklers to monitor all duties and responsibilities of the trustee (including compliance items required to be furnished to the trustee). The ticklers are generated well in advance of any due date or payment date to provide us with sufficient time to prepare for the required item. These account setup functions are then passed on to a trust review analyst, who performs a secondary review to ensure that all information has been established accurately and completely pursuant to the governing documents.

In addition to oversight by Martin, each bond issue is reviewed by our team of Trust Review professionals upon closing of the transaction and periodically throughout the life of the issue as it pertains to monitoring compliance requirements. Each account is set up on our Account Control System and fully ticklerized to identify all required compliance items. As a courtesy, we email or mail our clients reminder letters regarding the compliance items that are required to be submitted regularly. We do not release a tickler until we have received, reviewed and permanently filed the required item. Martin is also supported by specialized units responsible for monitoring compliance with all due diligence items required in the financing documents.

For debt service, the established verified tickler(s) will generate well in advance of the payment due date and is/are the first trigger point for action by the relationship team. With Martin's oversight, a determination will be made as to the interest and principal (if applicable) due for each specific bond issue based on reports from our bondholder recordkeeping system received from our Operations group. We will verify the payment amounts and will provide a debt service invoice to the borrowers in advance of the payment dates stating the amounts, due dates and the issue descriptions.

As debt service is one of the trustee's most critical responsibilities, on the payment date, our primary focus for that day is debt service on all issues paying on that date. Communication occurs throughout the actual payment date between Martin and the Operations group to ensure that all funds have been received for payment to the bondholders.

### Trustee counsel

We will engage Dennis Wong of Dorsey & Whitney LLP as trustee counsel. Dennis has over 30 years of experience representing financial institutions, acting as corporate trustee and as agent for financings. He has represented clients in their capacities as trustee or agent on a wide variety of municipal and corporate debt

financings throughout the country. Dennis also assists U.S. Bank with matters arising under existing transactions, including review and administrative interpretation of governing documents. We have been told by many law firms that having Dennis involved with bond financings on behalf of U.S. Bank is valuable to all parties due to his experience and willingness to assist. Dennis is keenly able to find solutions that are acceptable to U.S. Bank and the financing team for issues that may arise in pending and existing bond financings. His contact information is:

**Dennis Wong**

Dorsey & Whitney LLP  
600 Anton Boulevard, Suite 2000  
Costa Mesa, CA 92626  
wong.dennis@dorsey.com  
P: 714.800.1457

**Online reporting**

The City will have direct access to account information using our powerful and sophisticated online reporting system, Pivot, which was created exclusively for U.S. Bank clients. Pivot provides an updated, streamlined, user-friendly interface through a centralized, secure online platform. Through Pivot, you can:

- Access bond-related information (down to the CUSIP level)
- View, schedule, run and download reports on account activity and holdings in Excel, CSV and PDF
- Analyze asset holdings
- Retrieve monthly statements
- View current-day and month-to-date summary-level cash and holdings
- Search for individual accounts or account groups
- View detailed cash and holdings data at the account level
- Navigate to debt payments and debt schedule to see what will be paid in the future
- Drill down into account activity to see individual holdings in each account



Pivot allows you to download the following current-date information at the account- or CUSIP-level in Excel:

- Transaction history
- Asset holdings
- Tax lot reporting
- Cash balances
- Pending trades
- Account summaries
- Account lists

Pivot is available 24/7 at no additional charge to U.S. Bank clients. Cash, holding and trade information is updated in real time. Debt information is updated overnight. The City can view a demo of Pivot at: [pivot.usbank.com](http://pivot.usbank.com).



### **C. Legal and Regulatory History.**

**Please disclose any regulatory action, state or federal offense, or paid any civil judgment, settlement, or fine in connection with the assigned trust officers in their professional practice. If so, please provide a narrative describing the events and the resolution, if any. Under what circumstances had the trust department resigned or been removed from a trusteeship in the last three (3) years? Have there been any losses with respect to funds held in trusts in connection with your trust operations during the past five (5) years (including, without limitation, any losses covered by errors and omission insurance)? Is yes, provide by attachment annual losses and complete details on individual losses exceeding \$10,000.**

#### **Litigation against the bank**

While at any given time, including the present, U.S. Bank is involved in disputes and litigation which normally occur in banking operations and which often involve claims for money damages, these pending cases are generally not considered unusual in number or amount, and, based on past experiences in similar litigation, should not have a material adverse effect on the financial position of U.S. Bank, nor impact the delivery of banking services to The City. As a practice, we do not comment on any past or pending litigation, unless pending litigation is significant. For additional public information about U.S. Bank, please refer to our most recent annual report, available on our Investor Relations page at [usbank.com/about/investor](http://usbank.com/about/investor).

#### **Investigations**

From time to time, U.S. Bancorp and its affiliates (U.S. Bank) are subject to various regulatory examinations, inquiries and investigations (matters) by bank regulators as well as other government agencies. U.S. Bank does not currently believe that the ultimate resolution of any existing matter will have a material adverse effect on the financial condition of U.S. Bank or our ability to perform in connection with this proposal. Such matters and other interactions with government agencies often are highly confidential and we may thus be limited in our ability to disclose detailed information. Nevertheless, for further information regarding certain current matters, please see our most recent 10-K and 10-Q, available on our Investor Relations page at [usbank.com/about/investor](http://usbank.com/about/investor).

As one of the largest trustees in the nation, we get occasional requests to resign as trustee as the result of a potential conflict of interest arising in connection with serving for multiple priorities of liens or lending relationships.

From time to time, U.S. Bank cannot fulfill its duties for which a contract was issued due to a variety of reasons. Contract terms are highly confidential, and we are thus limited in our ability to disclose detailed information. We do not believe that the failure to complete work in these few instances will have a material adverse effect on our ability to perform the duties in connection with this RFP.

It is our standard policy not to disclose this information. U.S. Bank National Association agrees to indemnify customers and hold them harmless from and against any and all claims arising out of our breach of agreements, willful misfeasance, bad faith or gross negligence in the performance of our duties, or any loss of assets, including by theft or destruction, but expressly excluding investment losses or other diminution of assets resulting from the proper performance of our duties.

#### **D. Conflicts of Interest.**

**Please disclose any existing or potential conflicts of interest related to the firm's engagement on this transaction.**

U.S. Bank does not foresee any potential conflicts of interest with The City.

We will advise The City immediately to address any direct or indirect conflicts of interest that arise while providing services pursuant to this request for proposal.

We will comply with all conflict of interest laws, statutes and regulations applicable to it. In addition, we offer some affirmative statements regarding conflicts of interest:

- We will not be in contact regarding this procurement with any official or employee or evaluation team of The City other than the designated contact from the time of issuance of this solicitation until the end of the protest period.
- We will not have any contacts with other bidders—directly or indirectly regarding the amount, terms or conditions of the proposal.
- We will not influence any employee or members of the proposal or evaluations team of The City.
- We affirm that we have no interest and shall not acquire any interest, direct or indirect, that would conflict in a manner or degree with the performance of the work and services included in this procurement.
- We affirm that if a potential conflict of interest develops in the future we will report such to the official who is managing this procurement.

## Fee Schedule

The cost proposal should contain all pricing information relative to performing the trustee engagement as described in the Request for Proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all our-of-pocket expenses.

Please provide a fee and expense schedule as part of your proposal. Please address the costs to:

1. Set up and transfer bond trustee services from BNY Mellon if your bank is selected as the City's successor trustee.

\$0/waived

2. Provide annual trustee, paying agent and register services for the transferred bond issues as described herein.

\$750

3. Provide annual trustee, paying agent and register services for new municipal bond transactions should they occur.

\$1,000

4. Please identify the cost of any trustee legal counsel services related to the items above.

\$0 for transferred bonds and \$1,200 for new bond issue.

5. Fees. Please provide the following as they apply: new bond issues
  - i. Acceptance fees.

\$200

- ii. Annual fees.

\$1,000

- iii. Any transaction fees associated with the occurrence of particular events (redemption of bonds, etc.).

\$0

- iv. Any and all other fees and expenses anticipated to be charged to the City (please list each separate fee/expense).

\$0

### Extraordinary administration services:

Extraordinary administration services (EAS) are duties, responsibilities or activities not expected to be provided by the trustee or agent at the outset of the transaction, not routine or customary, and/or not incurred in the ordinary course of business and may require analysis or interpretation. Billing for fees and expenses related to EAS is appropriate in instances where particular inquiries, events or developments are unexpected, even if the possibility of such circumstances could have been identified at the inception of the transaction, or as changes in law, procedures, or the cost of doing business demand. At our option, EAS may be charged on an hourly (time expended multiplied by current hourly rate), flat or special fee basis at such

rates or in such amounts in effect at the time of such services, which may be modified by us in our sole and reasonable discretion from time to time. In addition, all fees and expenses incurred by the trustee or agent, in connection with the trustee's or agent's EAS and ordinary administration services and including without limitation the fees and expenses of legal counsel, financial advisors and other professionals, charges for wire transfers, checks, internal transfers and securities transactions, travel expenses, communication costs, postage (including express mail and overnight delivery charges), copying charges and the like will be payable, at cost, to the trustee or agent. EAS fees are due and payable in addition to annual or ordinary administration fees. Failure to pay for EAS owed to U.S. Bank when due may result in interest being charged on amounts owed to U.S. Bank for extraordinary administration services fees and expenses at the prevailing market rate.

**General terms and conditions:**

Your obligation to pay under this fee schedule shall govern the matters described herein and shall not be superseded or modified by the terms of the governing documents and survive any termination of the transaction or governing documents and the resignation or removal of the trustee or agent. This fee schedule shall be construed and interpreted in accordance with the laws of the state identified in the governing documents without giving effect to the conflict of laws principles thereof. You agree to the sole and exclusive jurisdiction of the state and federal courts of the state identified in the governing documents over any proceeding relating to or arising regarding the matters described herein. Payment of fees constitutes acceptance of the terms and conditions described herein.

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.