City of Jacksonville, Florida

Lenny Curry, Mayor

City Hall at St. James
117 W. Duval St.
Jacksonville, FL 32202
(904) 630-CITY
www.coj.net

ONE CITY. ONE JACKSONVILLE.

DATE: January 4, 2019

TO: Professional Services Evaluation Committee

FROM: Randall Barnes, Treasurer

SUBJECT: **Renewal of Contract No. 10219-02 for Financial Services Advisory**

The Financial Services Advisory Agreement between Public Financial Management, Inc., and the City of Jacksonville executed on June 21, 2016, for a term of three years expiring January 31, 2019, (later amended to assign the contract to PFM Financial Advisors, LLC., on March 10, 2018, and amended again to provide for additional optional services on August 25, 2018) provides in Section 3.01 for two 2-year renewal options.

PFM has confirmed their desire extend this agreement for the first 2-year renewal option, and the City agrees given the value received and the exemplary advisory services provided. To affect this, we would like to amend the existing contractual "Term" provision to two years, expiring January 31, 2021.

Per Section 7.2, the current Maximum Indebtedness, as amended, is stated at $1,913,000.00. Concurrent with the request to extend the contract for two years, we request that the Maximum indebtedness for this contract be increased by $1,280,000.00 to $3,193,000.00. As stated in the contract, specific fees are partially based upon the volume and size of future financial transactions which can neither be calculated nor earned and will be paid for using proceeds from the transaction.

Accordingly, this is to request that Contract No. 10219-02, originally executed on June 21, 2016 and subsequently amended, be further amended to: (i) extend the term of the agreement from January 31, 2019 to January 31, 2021; (ii) increasing the maximum indebtedness amount by $1,280,000.00, for a new, maximum indebtedness amount of $3,193,000.00, with all other terms and conditions of the Agreement remaining unchanged.

Attachments:
Current PFM Contract
Amendment 1
Amendment 2

City of Jacksonville, Florida

Lenny Curry, Mayor

Procurement Division
Ed Ball Building
214 N. Hogan Street, Suite 800
Jacksonville, Florida 32202

ONE CITY. ONE JACKSONVILLE.

August 23, 2018

The Honorable Lenny Curry, Mayor
City of Jacksonville
4th Floor, St. James Building
Jacksonville, FL 32202

Dear Mayor Curry:

Ref: P-38-16 Financial Services Advisor (Amendment No. 2)
Finance and Administration Department/Treasury Division

The Professional Services Evaluation Committee met today in Board Room 851 on the eighth floor of the Ed Ball Building, for the purpose of amending the above-referenced contract.

The following motion/recommendation was **adopted:**

That Contract No. 10219 between the City of Jacksonville and PFM as Financial Services Advisor is amended to incorporate the attached Scope of Services identified as Exhibit A-1. This is necessary to allow for the review and analysis of potentially terminating a Swap associated with an upcoming bond refunding. The maximum indebtedness shall remain the same. All other terms and conditions shall remain the same except for such changes as the Office of General Counsel may deem appropriate to ensure compliance with the City's ordinances, Procurement policies and procedures and applicable federal and state laws.

If the foregoing meets your approval, we respectfully request your signature and return to my office.

Respectfully submitted,

Gregory Pease, Chief
Procurement Division
Chairman, Professional Services
Evaluation Committee

APPROVED:

Lenny Curry, Mayor

This 15th day of August, 2018

GP: ab

CC: Council Auditor
John Sawyer, OGC
Melba Gray, GAD
Subcommittee Members

Sam E. Mousa
Chief Administrative Officer
For: Mayor Lenny Curry
Under Authority of:
Executive Order No. 2015-05

City of Jacksonville, Florida

Lenny Curry, Mayor

City Hall at St. James
117 W. Duval St.
Jacksonville, FL 32202
(904) 630-CITY
www.coj.net

ONE CITY. ONE JACKSONVILLE.

DATE: August 16, 2018

TO: Professional Services Evaluation Committee

FROM: Patrick "Joey" Greive, Treasurer

SUBJECT: **Additional Optional Services**

The Treasury Division of the Department of Finance and Administration requests approval of the attached optional additional service with PFM. This service, swap review and valuation, is related to an upcoming bond transaction. It will be necessary to perform a required analysis of the interest rate swap agreements associated with the bonds in question to determine whether or not to keep, modify, or dispose of them. This service was contemplated in the original RFP and was placed into our contract dated June 21, 2016 as an optional additional service subject to separate fee negotiations. The fee proposed is in alignment with the fee schedule set forth in the base contract and we find it to be reasonable.

All of the terms and conditions, including risk requirements, remain unchanged in the base contract. No change in max indebtedness is necessary as any costs borne through this analysis will be paid through the bond transaction in alignment with our processes for bond transaction related work.

Attachment(s) PFM Swap Advisors, LLC engagement letter
Master Contract dated June 21, 2016

07/26/18

Randall E. Barnes, CTP
Assistant Treasurer/Sr. Debt Manager
City of Jacksonville, Florida
117 W. Duval Street
Suite 300 City Hall
Jacksonville, FL 32202

pfm

1735 Market Street
43rd Floor
Philadelphia, PA 19103
215.567.6100

pfm.com

RE: Termination of two Interest Rate Swaps

Dear Randall:

The purpose of this letter (this "Agreement Letter") is to confirm our agreement that PFM Swap Advisors LLC ("PFMSA") will serve the City of Jacksonville (the "City") as Municipal Advisor and designated Qualified Independent Representative ("QIR") in conjunction with the termination of two interest rate swaps (the "Swaps") with Wells Fargo Bank, N.A. (the "Counterparty") as allowed to be performed by PFMSA in the Scope of Services Section I of the Master Contract between the City and Public Financial Management, Inc., as later assigned to PFMFA, Public Financial Advisors LLC, on February 13, 2018. All terms and conditions of the Master Contract dated June 21st 2016 as amended, and City RFP# P-38-16, shall remain in full force and shall apply to this swap engagement. This Agreement Letter obligates PFMSA to comply with the applicable requirements of CFTC Regulation 17 CFR 23.450(b)(1) in providing QIR services to the City.

As Municipal Advisor and QIR with respect to the Swaps, PFMSA will make available qualified professionals to deliver the services described in this paragraph. PFMSA will review and comment on any documentation associated with the Swaps, provide indicative termination values, and negotiate the pricing of the Swaps with the Counterparty. Additionally, PFMSA will provide the City with a memorandum that summarizes the results of our engagement and which includes our opinion whether the pricing of the Swaps as agreed to represents fair value (in the event that we are unable to certify that the pricing of the Swaps represents fair value, we will provide the City with verification of the PFMSA-observed mid-market value for the Swaps at the time of trade execution). PFMSA will also assist the City, as needed, in completing the ISDA Dodd-Frank Protocols and other matters to comply with the regulatory requirements imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

This engagement is expected to be completed prior to December 31, 2018. At the completion of this engagement, as evidenced by the delivery of the Memorandum to the City, PFMSA will have no further responsibility related to the Swaps, unless otherwise agreed to under separate contract. Upon the successful conclusion of this

Exhibit 'A-1'

engagement, you agree to pay us a fee of $25,000. If the City decides not to terminate the Swaps by the expected completion date, the City agrees to pay PFMSA the hourly consulting fees in the table below for any work PFMSA has performed related to the Swaps. PFMSA will invoice for the hourly fees related to the Swaps after the expected completion date. The maximum amount the City will pay for work related to the Swaps is the fixed fee of $25,000 listed above.

Managing Director	$250/hour
Senior Managing Consultant	$200/hour
Consultant	$190/hour
Research Associate	$90/hour
Associate	$0/hour

PFMSA agrees that it will not deal with itself or with any other affiliated company or individual in making purchases or sales of the Swaps or any securities pursuant to this engagement, nor will we take a long or short position in securities subject to purchase or sale in connection with the Swaps. We confirm that we have no interest in the purchase or sale of the Swaps other than as described in this Agreement Letter and except for any financial or investment advisory agreement between the City and our affiliates, Public Financial Management, Inc., PFM Financial Advisors LLC, or PFM Asset Management LLC.

MSRB Rules require that municipal advisors make written disclosures to its clients of all material conflicts of interest and certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFMSA's Disclosure Statement delivered to the City together with this Agreement Letter.

PFMSA is a registered municipal advisor with the SEC and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. As of the date of this Agreement Letter, the City has **not** designated PFMSA as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption."). The City agrees not to represent that PFMSA is the City's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, without PFMSA's prior written consent.

All information, data, reports, and records ("Data") in the possession of the City or any third party necessary for carrying out any services to be performed under this Agreement Letter shall be furnished to PFMSA and the City shall, and shall cause its agent(s) to, cooperate with PFMSA in its conduct of reasonable due diligence in

Exhibit A-1

performing the services. To the extent the City requests that PFMSA provide advice with regard to any recommendation made by a third party, the City will provide to PFMSA written direction to do so as well as any Data it has received from such third party relating to its recommendation. The City acknowledges and agrees that while PFMSA is relying on the Data in connection with its provision of the services under this Agreement Letter, PFMSA makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data, however will notify the City of any deficiency in data provided so that the City may work to provide the necessary information.

You may terminate this Agreement Letter in the event of any material breach immediately upon written notice to PFMSA or otherwise with 30 days notice.

Our obligations and responsibilities as described in this Agreement Letter are not assignable without the consent of the City.

Please have an authorized official of the City sign a copy of this Agreement Letter and return it to us to acknowledge the terms of this engagement.

Sincerely,

PFM SWAP ADVISORS LLC

Jeffrey M. Pearsall
Managing Director

cc: Jeremy Niedfeldt, PFM Financial Advisors LLC and Public Financial Management, Inc.

Accepted by:

ATTEST:

By: John C. Sawyer, II
Corporation Secretary

CITY OF JACKSONVILLE

By: Lenny Curry
Mayor

Sam E. Mousa
Chief Administrative Officer
For: Mayor Lenny Curry
Under Authority of:
Executive Order No. 2015-05

Exhibit A-1

In accordance with Section 24.103(e) of the *Ordinance Code*, of the City of Jacksonville, I do hereby certify that there is an unexpended, unencumbered, and unimpounded balance in the appropriation sufficient to cover the foregoing agreement; and that provision has been made for the payment of monies provided therein to be paid.

Director of Finance
City Contract Number:_____

Form Approved:

Office of General Counsel

Exhibit 'A-1'

City of Jacksonville, Florida

Lenny Curry, Mayor

ONE CITY. ONE JACKSONVILLE.

Procurement Division
Ed Ball Building
214 N. Hogan Street, Suite 800
Jacksonville, Florida 32202

March 8, 2018

The Honorable Lenny Curry, Mayor
City of Jacksonville
4th Floor, St. James Building
Jacksonville, FL 32202

Dear Mayor Curry:

Ref: P-38-16 PP#4 Financial Services Advisor (Amendment No. 1)
Finance & Administration Department/Treasury Division

The Professional Services Evaluation Committee met today in Board Room 851 on the eighth floor of the Ed Ball Building, for the purpose of amending the above referenced contract.

The following motion/recommendation was **adopted**:

That the City's consent to the Notice of Assignment of Contract No. 10219 from Public Financial Management, Inc., (PMFI) to PFM Financial Advisors LLC., (PFMFA) pursuant to the attached Notice of Assignment, substantially in the form presented at the PSEC meeting is hereby approved.

If the foregoing meets your approval, we respectfully request your signature and return to my office.

Respectfully submitted,

Gregory Pease, Chief
Procurement Division
Chairman, Professional Services
Evaluation Committee

APPROVED:

MK Sam E. Mousa

Lenny Curry, Mayor

This 10th day of March 2018

GP. ab

cc: Council Auditor
Jeff Close, OGC
Melba Gray, GAD
Subcommittee Members

Sam E. Mousa
Chief Administrative Officer
For: Mayor Lenny Curry
Under Authority of:
Executive Order No. 2015-05

City of Jacksonville, Florida

Lenny Curry, Mayor

City Hall at St. James
117 W. Duval St.
Jacksonville, FL 32202
(904) 630-CITY
www.coj.net

ONE CITY. ONE JACKSONVILLE.

To: Professional Services Evaluation Committee

Through: Greg Pease, Chief of Procurement Division

From: Randall Barnes, Senior Debt Manager

RE: PFMI assignment and assumption to PFMFA

P-38-16 PP#4 ARD#1

We are requesting the committee's permission to execute the attached notice of assignment for our Financial Advisory services originally obtained under action item P-38-16 from Public Financial Management, Inc. ("PFMI") to PFM Financial Advisors LLC ("PFMFA"). Our financial advisor has multiple business lines, each of which is subject to different regulatory requirements. Due to provisions of Dodd-Frank, the financial advisory business is being consolidated into one entity that solely provides financial advisory services to better comply with recently adopted Municipal Advisory Rules and Regulations as promulgated by the SEC and MSRB..

As shown in the attached assignment, the new entity (PFMFA) will perform all services and assume all liabilities, terms, and conditions of the agreement and has fully accepted the assignment language proposed by our Office of General Counsel.

We have also attached the 2016 contract for your reference.

February 13, 2018

Patrick "Joey" Greive
City Treasurer
City of Jacksonville
117 West Duval Street, Suite 300
Jacksonville, FL 32202

Re: Notice of Assignment of Contract for Financial Advisory Services

pfm

300 S Orange Ave.
Suite 1170
Orlando, FL 32801
407.648.2208

pfm.com

Dear Joey:

This letter is to inform you that we are pleased to offer the same financial advisory services pursuant to that certain agreement between City of Jacksonville and Public Financial Management, Inc. ("PFMI") through our affiliated company PFM Financial Advisors LLC ("PFMFA"), a municipal advisor registered with the SEC and MSRB. Delivery of our services will not be impacted as current financial advisory personnel will continue to provide services to you under PFMFA.

As of the date of this letter, PFMFA acknowledges and accepts the assignment and delegation of that certain Agreement between the City of Jacksonville and Public Financial management, Inc. dated June 21, 2016 (the "Agreement") and expressly assumes, confirms and agrees to pay and perform, comply with and observe all of the covenants, agreements, terms, conditions, obligations, duties and liabilities of PFMI under the Agreement arising from and after the effective date of the Agreement, together with all future obligations of any kind whatsoever related thereto as and when due to be paid and performed.

By executing this document, City expressly agrees and consents to and acknowledges PFMI's assignment of the Agreement to PFMFA, pursuant and subject to the terms of this document. This consent is expressly limited to the assignment to and assumption by PFMFA pursuant hereto and shall not be deemed to be the consent to or authorization for any further or other assignment of the Agreement requiring City's consent thereunder. Nothing contained in this document shall be construed as modifying, waiving or affecting any of the provisions, covenants and conditions or any of City's rights or remedies under the Agreement other than as specifically set forth herein.

Sincerely,

David M. Moore, Managing Director

Acknowledgment and Consent:

_____

_____

Name, Title

10219

AGREEMENT
BETWEEN
THE CITY OF JACKSONVILLE
AND
PUBLIC FINANCIAL MANAGEMENT, INC.
FOR
PROFESSIONAL SERVICES AS FINANCIAL ADVISOR

THIS AGREEMENT, made and entered into in duplicate this 21 day of June 2016, by and between the CITY OF JACKSONVILLE, a municipal corporation existing under the Constitution and the laws of the State of Florida (hereinafter referred to as the "CITY") and PUBLIC FINANCIAL MANAGEMENT, INC., a Pennsylvania corporation authorized to do business in the state of Florida, with offices at 300 South Orange Avenue, Suite 1170, Orlando FL 32801 (hereinafter referred to as the "ADVISOR"), for Professional Services as Financial Advisor (hereinafter referred to as the "Project").

WITNESSETH:

WHEREAS, the CITY and the ADVISOR have negotiated mutually satisfactory terms for the execution of this Project; now therefore,

IN CONSIDERATION of the premises and of the mutual covenants and agreements hereinafter contained, the CITY hereby engages the ADVISOR for the Project in accordance with the following:

ARTICLE 1: Engagement of ADVISOR:

1.01 CITY hereby engages ADVISOR and ADVISOR hereby accepts said engagement for the purpose of providing to CITY professional services for the Project, as described in this Agreement and according to the provisions of: "Scope of Services", attached hereto as Exhibit "A"(the "Services") and, by this reference, made a part hereof.

1.02. If any services, functions or responsibilities not specifically described in this

Agreement are necessary for the proper performance and provision of the Services, they shall be deemed to be implied by and included within the scope of the Services to the same extent and in the same manner as if specifically described in this Agreement and/or the Scope of Services. The ADVISOR shall be responsible for providing the equipment, supplies, personnel (including management, employees, and training), and other resources as necessary to provide the Services.

ARTICLE 2: Coordination and Services Provided by City:

2.1. The CITY will provide timely, full and accurate responses to the requests of the ADVISOR for information on department mission, goals, performance measures, programs, policies, staffing and other resource allocation and management issues, supported by interviews with ADVISOR staff.

2.2. The CITY will provide the ADVISOR with data in a timely manner, and in electronic format or other format mutually agreeable by the parties, from the CITY's financial management system, personnel system, and other sources to allow the ADVISOR to perform analysis necessary to meet the expectations of the CITY regarding provision of the Services, as described in Exhibit "A".

2.3. The CITY names Patrick "Joey" Greive, City Treasurer as Project Manager under this Agreement to direct the Services described in the Scope of Services attached hereto as Exhibit "A" on a day-to-day basis; he, or his designee, shall conduct meetings, coordinate meetings with organizations and individuals, including those not employed by the CITY.

2.4. The CITY's Project Manager or designees will collect non-financial information reasonably requested by the ADVISOR, arrange meetings, and respond to and guide the ADVISOR on a routine basis. Should such information not be fully available, the parties will

agree upon adjustments of the scope and timing of the ADVISOR's analyses and reports.

2.5. Upon reasonable notice, the CITY shall make available management and staff to meet with the ADVISOR at the ADVISOR's request.

2.6. The CITY will establish a Steering Committee consisting of CITY officials who will establish broad policy parameters within which the Services provided by the ADVISOR will be directed. The Steering Committee will also provide comments and guidance regarding a discussion draft of the documents developed by the ADVISOR within a reasonable period of time before the completion of each Task, specified in Exhibit "A".

2.7. CITY policy officials and staff will integrate revenue and expenditure initiatives into the CITY's budget formulation and, as needed, labor negotiations and other strategies.

ARTICLE 3: Duration of Agreement, Termination, Renewal Option and Default:

3.01 The term of this Agreement shall commence on the day and year first above written and shall continue and remain in full force and effect as to all its terms, conditions and provisions as set forth herein, for a term of three (3) years, to January 31, 2019, unless sooner terminated by CITY, with or without cause, by giving of not less than thirty (30) days prior written notice to the ADVISOR. In the sole and exclusive discretion of the CITY, this Agreement may be renewed for up to two (2) additional two (2) year periods.

3.02 Should either party default in its obligations under this Agreement, the non-defaulting party shall provide written notice, to the defaulting party of the default. The defaulting party shall be given ten (10) business days, from receipt of the notice of default (or any such other amount of time agreed to by the parties, in writing) to remedy the default. If the default is not remedied within such time frame, the non-defaulting party may terminate this Agreement, as

provided in Section 3.1 hereof.

3.03 Notwithstanding the foregoing, or any other provision of this Agreement to the contrary, the City may terminate this Agreement at any time in the event of loss of funding for any reason by giving ADVISOR twenty-four (24) hours oral notice with written confirmation following. In the event this Agreement is terminated, the ADVISOR shall be paid for any unpaid billings for all Services performed up to the date of receiving notice of termination, reasonable costs and fees associated with an orderly close-out of the work to the extent authorized in writing by the CITY.

3.04 Notwithstanding the foregoing, or any other provision of this Agreement to the contrary, in the event of a default, the non-defaulting party shall be entitled to all available remedies at law or equity.

ARTICLE 4. Meetings and Public Hearings:

The ADVISOR will attend all meetings and public hearings relative to the Services being performed by it where its presence is determined to be necessary and requested by CITY and ADVISOR can reasonably schedule its appearance.

ARTICLE 5: Delays:

Neither party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such obligation is prevented or delayed by any cause beyond the reasonable control of the affected party, and the time for performance of either party hereunder shall in such event be extended for a period equal to any time lost due to such prevention or delay.

ARTICLE 6: Suspension of Services:

The CITY may suspend the performance of the Services rendered by providing five (5)

days written notice of such suspension. Schedules for performance of the Services shall be amended by mutual agreement to reflect such suspension. In the event of suspension of Services, the ADVISOR shall resume the full performance of the Services when directed in writing to do so by the Project Coordinator. Suspension of Services for reasons other than the ADVISOR's negligence or failure to perform, shall not affect the ADVISOR's compensation as outlined in this Agreement.

ARTICLE 7: Payments for Services of ADVISOR:

7.1. The CITY will compensate the ADVISOR for the Services rendered hereunder in accordance with the following terms:

7.1.1. The ADVISOR's professional fees under the terms of the Agreement shall be those contained in the "Fee Proposal" attached hereto and by this reference made a part hereof as Exhibit "B", for the term of this Agreement. The ADVISOR's professional fees shall be billed monthly for Services provided the previous month, using invoices and such other documentation satisfactory to the City to allow and authorize payment. Payments shall be made within forty-five (45) days after receipt, of said invoices or other documentation as may be requested by the City in its reasonable discretion. To the extent that professional fees include reimbursement for travel or travel related expenses, such travel and travel related expenses shall be subject to and governed by the provisions and limitations of Chapter 106, Part 7, *Ordinance Code* of the CITY.

7.1.2. If it is deemed to be financially inadvisable to sell bonds at any time during the term on this Agreement, or if bonds are not sold because of market conditions or otherwise, the ADVISOR will be paid by the CITY for out-of-pocket expenses, such as authorized travel, transportation, telephone costs and other related costs necessarily incurred by the ADVISOR,

upon rendering proper invoice. Such costs will be paid from other funds of the CITY.

7.1.3. If bonds are sold, the following expenses will be paid to the ADVISOR or reimbursed from proceeds of the bond issue:

7.1.3.1. Out-of-pocket expenses specified in Section 7.1.2, above.

7.1.3.2. The ADVISOR may pay the costs of printing the bonds and the Official Statement. In such case, the CITY will reimburse the ADVISOR for actual costs incurred in connection with the printing, upon rendering proper invoice by ADVISOR.

7.1.3.3. Incidental costs incurred in executing and delivering the bonds shall be borne directly by the CITY.

7.1.3.4. Actual charges by Security Rating Agencies shall be borne directly by the CITY.

7.1.3.5. Incidental costs of any informational meetings by the CITY and held elsewhere than in the CITY may be paid by the ADVISOR and reimbursed by the CITY upon rendering proper invoice by the ADVISOR; *provided however*, such costs shall not include any allowance for time of attendance of ADVISOR representatives at such meetings.

7.1.3.6. Advertisements of the "Notice of Sale" will be reimbursed by the CITY on an actual cost basis. Any costs by the ADVISOR that are incurred, which are not specifically provided for herein, to be at the expense of the CITY, shall be paid by the ADVISOR.

7.1.3.7. The Fee of the ADVISOR.

7.2. The maximum indebtedness of the CITY for all fees, reimbursable items and other costs, for Services provided, by ADVISOR, as specified in Section 7.1, of this Agreement, shall not exceed the total sum of ONE MILLION NINE HUNDRED THIRTEEN THOUSAND AND

00/100 DOLLARS ($1,913,000.00). . The specific fees are based upon the amount of particular future financial transactions, and until such financial transactions take place, those particular fees can be neither calculated nor earned.

7.3. The City's obligations under this Agreement are contingent upon availability of lawfully appropriated funds for the Project and this Agreement.

ARTICLE 8: Indemnity: See Exhibit C

ARTICLE 9: Insurance: See Exhibit D

ARTICLE 10: Accuracy of Work:

10.1. In providing the Services under this Agreement, the ADVISOR, including its officers, employees, agents and subconsultants, shall exercise that degree of skill and care required by customarily accepted good practices and procedures for the performance of the same or similar Services. The ADVISOR shall be responsible for the accuracy of its work, including work by any subconsultants, and shall promptly make necessary revisions or corrections resulting from errors and omissions on the part of the ADVISOR or subconsultants, at no additional compensation. Acceptance of the work by the CITY shall not relieve the ADVISOR of the responsibility for subsequent corrections of any such errors and the clarification of any ambiguities.

10.2. At any time during the provision of Services under this Agreement, or during any phase of work performed by others based on data furnished by the ADVISOR under this Agreement, the ADVISOR shall confer with the CITY for the purpose of interpreting the information furnished and/or correct any errors and/or omissions made by the ADVISOR. The ADVISOR shall prepare all drawings or data to correct its errors and/or omissions without added

compensation even though final payment may have been received therefor.

10.3. The ADVISOR shall be and remain liable, in accordance with applicable law, and shall indemnify, hold harmless and defend the CITY for all damages to the CITY caused by the ADVISOR's breach of contract or its negligent performance of any Services under this Agreement. The ADVISOR shall not be responsible, however, for any time delays, in the Project, caused by circumstances beyond the ADVISOR's control.

ARTICLE 11: Nonwaiver:

Failure by either party to insist upon strict performance of any of the provisions hereof, either party's failure or delay in exercising any rights or remedies provided herein, the CITY's payment for the services or any part or combination thereof, or any purported oral modification or rescission of this Agreement by an employee or agent of either party, shall not release either party of its obligations under this Agreement, shall not be deemed a waiver of any rights of either party to insist upon strict performance hereof, or of either party's rights or remedies under this Agreement or by law, and shall not operate as a waiver of any of the provisions hereof.

ARTICLE 12: Ownership of Documents and Equipment:

The ADVISOR agrees that upon completion of the services, all notebooks, reports, findings, recommendations, software, source codes, data and memoranda of every description, arising out of or relating to the services rendered by the ADVISOR under this Agreement, are to become the property of the CITY as well as all reference books, equipment, expendable equipment and materials purchased with project funds. The use of these materials in any manner by the CITY shall not support any claim by the ADVISOR for additional compensation. The ADVISOR shall have no liability to the CITY for damages claims

and losses, including defense costs, arising out of any use of the aforementioned documents for any purpose other than as set forth in this Agreement without the written authorization of the ADVISOR.

ARTICLE 13: Compliance with State and Other Laws/Licenses and Certifications:

In the provision of the Services, the ADVISOR must comply with any and all applicable Federal, State and local laws, rules, regulations and ordinances, as the same exist and may be amended from time to time. Such laws, rules, regulations and ordinances shall include, but are not limited to, Chapter 119, Florida Statutes, (the Florida Public Records Law) and Section 286.011, Florida Statutes, (the Florida Sunshine Law). Such laws, rules, regulations and ordinances must also include, but are not limited to obtaining and maintaining all licenses and certifications that are required to perform the Services contemplated in this Agreement, in the City of Jacksonville, State of Florida. If any of the obligations of this Agreement are to be performed by a Subcontractor, the provisions of this Section shall be incorporated into and become a part of the subcontract.

ARTICLE 14: Non-Discrimination Provisions:

In conformity with the requirements of Section 126.404, *Ordinance Code*:

The ADVISOR represents that it has adopted and will maintain throughout the term of this agreement a policy of nondiscrimination or harassment against any person with regard to race, color, sex (including pregnancy), sexual orientation, gender identity or expression, religion, political affiliation, national origin, disability, age, marital status, veteran status, or any other impermissible factor in recruitment, hiring, compensation, training, placement, promotion, discipline, demotion, transfers, layoff, recall, termination, working conditions and related terms

and conditions of employment.. The ADVISOR agrees that, on written request, it will permit reasonable access to its records of employment, employment advertisement, application forms and other pertinent data and records, by the Executive Director of the Community Relations Commission, or successor agency or commission, for the purpose of investigation to ascertain compliance with the nondiscrimination provisions of this Agreement; *provided however*, that the ADVISOR shall not be required to produce, for inspection, records covering periods of time more than one (1) year prior to the day and year first above written. The ADVISOR agrees that, if any of the Services to be provided pursuant to this Agreement are to be performed by a subcontractor, the provisions of this Article 14 shall be incorporated into and become a part of the subcontract.

ARTICLE 15: Equal Employment Opportunity.

The Equal Opportunity clause in Title 41, Part 60-1.4 of the Code of Federal Regulations (Paragraphs 1 through 7 of President's Executive Order 11246), the provisions of the Equal Opportunity for Individuals with Disabilities Act in 42 U.S.C. Sections 12112, the Listing of Employment Openings for Veterans Clause in Title 41, Part 50-260.2 of the Code of Federal Regulations and the Disabled Veterans and Veterans of the Vietnam era Clause in Title 41, Part 60-250.5 of the Code of Federal Regulations are incorporated herein by reference if applicable and to the extent applicable. If the PROVIDER is exempt from any of the above cited terms, written, evidence of such exempt status must be provided to the CITY.

ARTICLE 16: Contingent Fees Prohibited:

In conformity with Section 126.306, *Ordinance Code*:

The ADVISOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the ADVISOR, to solicit or secure this Agreement, and that

it has not paid or agreed to pay any person, company, corporation, individual for firm, other than a bona fide employee working solely for the ADVISOR, any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For the breach or violation of these provisions, the CITY shall have the right to terminate this Agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.

ARTICLE 17: Truth in Negotiation:

In conformity with Section 126.305, *Ordinance Code*:

The ADVISOR understands and agrees that execution of this Agreement by the ADVISOR shall be deemed to be simultaneous execution of truth-in-negotiation certificate under this provision to the same extent as if such certificate had been executed apart from this Agreement, such certificate being required by Section 126.305, *Ordinance Code*, for professional services contracts over fifty thousand dollars. Pursuant to such certificate, the ADVISOR hereby states that the wage rates and other factual unit costs supporting the compensation hereunder are accurate, complete and current at the time of contracting. Further, the ADVISOR agrees that the compensation hereunder shall be adjusted to exclude any significant sums where the CITY determines the contract price was increased due to inaccurate, incomplete or noncurrent wage rates and other factual unit costs, provided that any and all such adjustments shall be made within one (1) year following the completion date of this Agreement.

ARTICLE 18: Independent Contractor:

In the performance of this Agreement, the ADVISOR shall be acting in the capacity of an independent contractor and not as an agent, employee, partner, joint venturer or associate of the

CITY. The ADVISOR shall be solely responsible for the means, methods, techniques, sequences and procedures utilized in the full performance of this Agreement.

ARTICLE 19: Retention of Records/Audit:

19.1. The ADVISOR must establish and maintain books, records, contracts, subcontracts, papers, financial records, supporting documents, statistical records, goods, services and all other documents, in whatsoever form or format including, but not limited to electronic storage media, (for purposes of this Article 19, hereinafter referred to as the "Records") sufficient to reflect all receipt and expenditures of funds provided by the CITY under this Agreement.

19.2. The ADVISOR must retain all Project Records pertinent to this Agreement for a period of three (3) years after completion of the Project. If an audit has been initiated and audit findings have not been resolved at the end of six years, the Records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement, at no additional cost to the CITY. Records shall be retained for longer periods when the retention period exceeds the time frames required by law or ordinance.

19.3. Upon demand, at no additional cost to the CITY, the ADVISOR must facilitate the duplication and transfer of any Records during the required retention period in Section 19.2 hereof.

19.4. The ADVISOR must provide these Records at all reasonable times for inspection, review, copying or audit by the CITY.

19.5. At all reasonable times for as long as the Records are maintained, The ADVISOR must allow persons duly authorized by the CITY to have full access to and the right to examine any of the provider's Records, relative to the Project, regardless of the form in which kept.

19.6. The ADVISOR, at its sole and exclusive cost and expense, must provide audits or reports as requested by the CITY, and must insure that all related party transactions are disclosed to the auditor.

19.7. The ADVISOR must comply and cooperate immediately with any inspections, reviews, investigations, deemed necessary by the CITY.

19.8. The ADVISOR must permit the CITY to interview any employees subcontractors and subcontractor employees of the ADVISOR to assure the CITY of the satisfactory performance of the terms and conditions of this Agreement. Following such review, if performance of the ADVISOR is, in the opinion of the CITY, deficient, the CITY will deliver to the ADVISOR a written report of the deficiencies and request for development by the ADVISOR of a corrective action plan. The ADVISOR hereby agrees to prepare and submit, to the CITY, said corrective plan within ten (10) days of receiving the CITY's written report. Thereafter, the ADVISOR must correct all deficiencies in the corrective action plan, within ten (10) days from the CITY's receipt of the corrective action plan.

19.9. All reports, audits, and other information provided by the ADVISOR pursuant to this Section shall contain the following statement: "The information provided to the City of Jacksonville in this submittal is submitted under penalties of perjury, under Section 837.06, Florida Statutes."

19.10. To the extent that the ADVISOR uses subcontractors in the performance of the Services under this Agreement, or assigns this Agreement with prior CITY consent, the ADVISOR must include the aforementioned audit, inspections, investigations and record keeping requirements in all subcontracts and assignments.

ARTICLE 20: Governing State Law/Venue/Severability:

The rights, obligations and remedies of the parties as specified under this Agreement shall be interpreted and governed in all aspects by the laws of the State of Florida. Should any provision of this Agreement be determined by the courts to be illegal or in conflict with any law of the State of Florida, the validity of the remaining provisions shall not be impaired. Venue for litigation of this Agreement shall be in courts, of competent jurisdiction located in Jacksonville, Duval County, Florida.

ARTICLE 21: Article Headings:

Article headings appearing herein are inserted for convenience or reference only and shall in no way be construed to be interpretations of text.

ARTICLE 22: Construction:

Both parties acknowledge that they have had meaningful input into the terms and conditions contained in this Agreement. Therefore any doubtful or ambiguous provisions contained herein shall not be construed against the party who physically prepared this Agreement. The rule sometimes referred to as "*Fortius Contra Preferentum*" shall not be applied to the interpretation of this Agreement.

ARTICLE 23: Successors and Assigns/Personal Liability:

The CITY and the ADVISOR each bind the other and their respective successors and assigns in all respects to all of the terms, conditions, covenants and provisions of this Agreement, and any assignment or transfer by the ADVISOR of its interests in this Agreement without the prior written consent of the CITY shall be void, in the sole discretion of the CITY. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or

agent of the CITY.

ARTICLE 24: Notice:

All notices under this Agreement shall be delivered by certified mail, return receipt requested, or by other delivery with receipt to the following:

As to the CITY:

Patrick "Joey" Greive, City Treasurer
117 West Duval Street, Suite 300
Jacksonville, FL 32202

As to the ADVISOR:

David Moore, Managing Director
Public Financial Management, Inc.
300 South Orange Avenue, Suite 1170
Orlando, FL 32801

ARTICLE 25: ADVISOR Defined:

As used herein, the term "ADVISOR" shall include, but not be limited to PUBLIC FINANCIAL MANAGEMENT, INC., its officers, employees, agents, subcontractors and other persons, firms, partnerships, corporations or other entities working for it or on its behalf and its subsidiaries or affiliates.

ARTICLE 26: Ethics in Professional Service Agreements:

The ADVISOR represents that it has reviewed the provisions of the Jacksonville Ethics Code, as codified in Chapter 602, *Ordinance Code*, and the provisions of the Jacksonville Purchasing Code, as codified in Chapter 126, *Ordinance Code*.

ARTICLE 27: Conflict of Interest:

The parties will follow the provisions of Section 126.110, *Ordinance Code* with respect to required disclosures by public officials who have or acquire a financial interest in a bid or

contract with the CITY, to the extent the parties are aware of the same.

ARTICLE 28: Public Entity Crimes Notice:

The parties are aware and understand that a person or affiliate who has been placed on the State of Florida Convicted Vendor List, following a conviction for a public entity crime, may not submit a bid on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity, in excess of $35,000.00, for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor List.

ARTICLE 29: Entire Agreement/Amendments:

This Agreement constitutes the entire agreement between the parties hereto for the Services to be performed and furnished by the ADVISOR hereunder. No statement, representation, writing, understanding, agreement, course of action or course of conduct, made by either party, or any representative of either party, which is not expressed herein shall be binding. All changes to, additions to, modifications of, or amendment to this Agreement, or any of the terms, provisions and conditions hereof, shall be binding only when in writing and signed by the authorized officer, agent or representative of each of the parties hereto.

ARTICLE 30: Prompt Payment:

30.01 *Generally.* When ADVISOR receives payment from the CITY for labor, services or materials furnished by subcontractors and suppliers hired by the ADVISOR, the ADVISOR shall remit payment due (less proper retainage) to those subcontractors and suppliers within fifteen

(15) calendar days after the ADVISOR's receipt of payment from the CITY. Nothing herein shall prohibit the ADVISOR from disputing, pursuant to the terms hereof, all or any portion of a payment alleged to be due to its subcontractors and suppliers. In the event of such dispute, ADVISOR may dispute the disputed portion of any such payment only after the ADVISOR has provided notice to the CITY and to the subcontractor and supplier whose payment is in dispute, which notice shall: (i) be in writing; (ii) state the amount in dispute; (iii) specifically describe the actions required to cure the dispute; and (iv) be delivered to the CITY and said subcontractor or supplier within ten (10) calendar days after ADVISOR's receipt of payment from the CITY. The ADVISOR shall pay all undisputed amounts due within the time limits imposed by this Section.

30.02. *Jacksonville Small and Emerging Business Enterprise and Minority Business Enterprise Participation.* Notwithstanding Chapter 126, Part 6 of the Jacksonville *Ordinance Code* (referred hereinafter as the "Code"), ADVISOR shall pay all contracts awarded with certified Jacksonville Small and Emerging Business Enterprises ("JSEB") and Minority Business Enterprises ("MBE"), as defined therein, their pro rata share of their earned portion of the progress payments made by the CITY, under this Agreement, within seven (7) business days after ADVISOR's receipt of payment from the CITY(less proper retainage). The pro-rata share shall be based on all work completed, materials and equipment furnished, or services performed by the certified JSEB or MBE at the time of payment. As a condition precedent to progress and final payments to the ADVISOR, the ADVISOR shall provide to the CITY, with its requisition for payment, documentation that sufficiently demonstrates that ADVISOR has made proper payments to its certified JSEB's or MBE's from all prior payments the ADVISOR has received from the CITY. ADVISOR shall not unreasonably withhold payments to certified JSEB's and MBE's if

such payments have been made to the ADVISOR. If ADVISOR withholds payment to its certified JSEB's or MBE's, which payment has been made by the CITY to the ADVISOR, the ADVISOR shall return said payment to the CITY. ADVISOR shall provide notice to the CITY and to the certified JSEB's or MBE's whose payment is in dispute, which notice shall: (i) shall be in writing; (ii) state the amount in dispute; (iii) specifically describe the actions required to cure the dispute; and (iv) be delivered to the CITY and said JSEB's or MBE's within five (5) calendar days after the ADVISOR's receipt of payment from the CITY. ADVISOR shall pay all undisputed amounts due within the time limits imposed in this Section. The failure to pay undisputed amounts to the JSEB's or MBE's within seven (7) business days shall be a breach of this Agreement, compensable by one per-cent (1%) of the outstanding invoice being withheld, by the CITY, not as a penalty, but as liquidated damages to compensate for the additional contract administration by the CITY.

30.03. *Third Party Liability.* The Prompt Payment requirements hereunder shall, in no way, create any contractual relationship or obligation between the CITY and any subcontractor, supplier, JSEB or MBE or any third party or create ant CITY liability for ADVISOR's failure to make timely payments hereunder. However, ADVISOR's failure to comply with the Prompt Payment requirements shall constitute a material breach of ADVISOR's contractual obligations to the CITY. As a result of said breach, the CITY, without waiving any other available remedy it may have against the ADVISOR, may: (i) issue joint checks; and (ii) charge the ADVISOR a 0.2% daily late payment interest charge or charges specified in said Chapter 126 of the Code for JSEB's or MBE's and in Chapter 218, Florida Statutes, for non-JSEB's or MBE's, whichever is greater.

ARTICLE 31: Incorporation by Reference:

The "Whereas" recitals, at the beginning of this Agreement are true and correct and, by this reference, are made a part hereof and are incorporated herein. Similarly, all exhibits and other attachments to this agreement that are referenced in this Agreement are, by this reference made a part hereof and are incorporated herein.

ARTICLE 32: Order of Precedence:

In the event of any conflict between or among the provisions of this Agreement and those of any exhibit attached hereto or of any amendment, the priority, in decreasing order of precedence shall be: 1) fully executed amendment; 2) provisions in this Agreement; and 3) exhibits to this Agreement.

ARTICLE 33: Counterparts

This Agreement, and all amendments thereto, may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

ARTICLE 34: Activities in Sudan and/or Iran.

To the extent that this Agreement meets or exceeds the statutory price threshold, ADVISOR has certified that it is not listed on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to section 215.473, Florida Statutes. Pursuant to section 287.135, F.S., ADVISOR agrees the CITY may terminate this Agreement immediately without penalty if ADVISOR is found to have submitted a false certification or if ADVISOR is placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.

[Remainder of page left blank intentionally; signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

ATTEST:

By: _____
James R. McCain, Jr.
Corporation Secretary

CITY OF JACKSONVILLE

By _____
Lenny Curry
Mayor

Sam E. Mousa
Chief Administrative Officer
For Mayor Lenny Curry
Under Authority of
Executive Order No. 2016-05

CITY OF JACKSONVILLE * FLORIDA

In accordance with Section 24.103(e) of the *Ordinance Code*, of the City of Jacksonville, I do hereby certify that there is an unexpended, unencumbered, and unimpounded balance in the appropriation sufficient to cover the foregoing agreement; and that provision has been made for the payment of monies provided therein to be paid.

_____
Director of Finance
City Contract Number: 10219

Form Approved:

_____
Office of General Counsel

ATTEST:

By: _____
Signature

Jeremy Niedfeldt
Type/Print Name

Senior Managing Consultant
Title

PUBLIC FINANCIAL MANAGEMENT INC.

By: _____
Signature

David M. Moore
Type/Print Name

Managing Director
Title

G:\Gov't Operations\GPETRIE\Finance\PFM - Public Finance Management, Inc\Public Financial Management Inc For Financial Advisor Services -CLEAN Docx

Exhibit "A"

Scope of Services

EXIHIBIT "A"
(Five (5) Pages)

CITY OF JACKSONVILLE, FLORIDA
SCOPE OF SERVICES
FINANCIAL ADVISOR

I. DESCRIPTION

Overview:

The Consolidated City of Jacksonville, Florida ("City") is seeking the services of **Public Financial Management, Inc.** to serve as Financial Advisor(s) (or "Consultant") to provide advice and recommendations in conjunction with financial planning, portfolio management, bond issues management (including refunding, . economic development and other bond programs), debt management, swaps, arbitrage rebate calculation and strategies, and structured investment products. In order to comply with regulatory requirements and other limitations, certain services provided for in the Scope of Services may be provided by affiliates of the Consultant including, but not limited to PFM Swap Advisors, LLC, PFM Asset Management LLC, PFM Financial Advisors LLC, and PFM Ventures LLC.

The City will be seeking services from such Consultant .that will better maximize the City's monetary structure and new financing programs.

A. Various Bond Programs:

As used herein, the term "bonds" shall include but not be limited to bonds, notes, commercial paper and other types of obligations, whether fixed or variable rate, whether sold by negotiation or competitive bid and whether taxable or tax-exempt and shall also include letters of credit, bridge loans and other types of financing transactions.

The Consultant may additionally be assigned to serve as Financial Advisor on various "new money" bond issues that may be addressed by the City during the engagement. The City shall retain the option to solicit new proposals for such potential future engagements on a case-by-case basis.

The scope of Consultant services shall also extend to financial advisory services to be provided in conjunction with escrow restructuring programs for currently defeased debt and various financial initiatives and proposals.

B. SWAPS:

The City utilizes interest rate swaps to manage the interest rate risk associated with various assets and liabilities. The City will use the Consultant to aid in issuance and termination of swaps pursuant to the City's debt policy guidelines.

C. Other City Related Entities:

As a benefit from certain local governmental consolidated purchasing utilizing common selection procedures and the City Purchasing Code, the City desires to make available the services of the Financial Advisor(s) to other City related entities, but solely on an as-need basis and on a voluntary basis as determined

by the City related entity. The Financial Advisor(s) may be called upon to provide services to other City related entities, including but not limited to, the Jacksonville Children's Commission, the Jacksonville Economic Development Commission, Jacksonville Housing Finance Authority and the Jacksonville Transportation Authority and other similar "using agencies"; provided, however, any and all such services shall be completely voluntary and at the sole election of the other City related entity.

D. Related Services:

The City also seeks services to strengthen the tools available to the City for anticipating its future fiscal position, and identifying initiatives to expand revenues, contain spending, and improve its credit rating without relying upon tax increases or significant service reductions; as such the City is seeking a five-year strategic financial management plan.

II. SERVICES OF THE CONSULTANT

A. Services to be provided by the Consultant shall include, but are not limited to, the following:

1. Consult with the administrative staff of the City and other financial vendors to develop financing plans for consideration by the City. Discuss various financing alternatives and advise the administrative staff on the financing structure that would better suit the City's financial needs.

2. Represent the City at all meetings and scheduled conference calls to discuss all proposed financing and debt issuances.

3. Coordinate any debt or financial assignments issued under the City's new underwriting team concept. Discuss with the administrative staff the proposed structures that would better suit the City's financial needs.

4. Analyze the financial and other economic factors relating to the City in regard to the issuance of any proposed Bonds and other financial matters that generate a cost savings or maximizes the City's financial position or capabilities.

5. Evaluate whether the City should proceed with any plan to issue such debt based upon the City's bonding capacity and available revenues.

6. Provide advice to the City regarding the feasibility of the various financing methods available in the issuance of such Bonds, and, if feasible, to provide advice and recommendations to the City as to the most advantageous method of structuring the financing and the marketing of the bonds such as sale of bonds (or notes) by competitive bidding or negotiated sale.

   a. If competitive bidding is advised, to assist the City and Bond Counsel in the notice of bond sale and bid form.

   b. If a negotiated sale is advised, to make recommendations as to the number of investment bankers that should be used to assure an optimum sale of the bonds and to recommend to the City whether to accept or reject the offer of the investment bankers.

7. At the City's request, create and monitor an Asset Management program for the City that incorporates the overall financial position of the City as it relates to current/future debt, financing programs, cash management and other financial

instruments.

8. Evaluate the City's current and future SWAP program. Provide an ongoing monitoring process that determines the financial position for each SWAP.

B. Services to be provided by the Consultant if the bond issue is determined to be feasible and is authorized by the City Council:

1. Meet with representatives of the City and with the parties designated for such purposes by the City at all reasonable times after reasonable notice.

2. Recommend the necessary provisions and covenants of the City to be contained in the bond ordinance including but not limited to bond amounts, dates, maturities, interest rates, redemption provisions, flow of funds, debt service coverage requirements, reserve funds, rates and charges, security pledges and conditions relating to the issuance of any additional bonds.

3. Coordinate work with the attorneys of the City and the Director of Administration and Finance and the Treasurer of the City, including nationally recognized bond counsel regarding the financial and security provisions to be contained in the instruments authorizing and securing the bonds. Attend hearings and otherwise assist, to the extent reasonable, necessary and proper in matters required by Administrative, Judicial, Legislative and other governmental bodies, including testimony, exhibits and services as an expert witness in the proceedings to validate the bonds.

4. Prepare any necessary illustrations, charts, graphic presentations and other information of use to the public, potential underwriters and investors.

5. Prepare information necessary to obtain a favorable bond rating and make presentation of this information to the bond rating organizations.

6. Assist the City in supporting Disclosure Counsel's preparation of the "Official Statement" and arrange for its distribution to potential underwriters, rating agencies and large investors. The Official Statement should be presented in a form familiar to bond underwriters.

7. Initiate and conduct an information program designed to stimulate interest of underwriters and investors to purchase the bonds.

8. Attend any sale of the bonds to advise the City whether awarding the sale of bonds to the buyer is in the best interest of the City.

9. Advise and assist the City in arranging for printing, execution, and signing and delivering of the bonds and in closing after the bond sale, including scheduling and arranging for the investment of proceeds of the bond sale in compliance with arbitrage regulations, if requested.

C. Services to be provided by the Financial Advisor, if requested by the City, as related to an Assets Management program to include:

1. Monitor the City's debt capacity based on current and future issuances.

2. Provide financing ideas for cash flows, debt structures and refunding opportunities that are aligned with the City's Debt Management Policy on an ongoing basis.

Exhibit "B"

Fee Proposal

EXIHIBIT "B"

Fee Proposal

Based on the proposed scope of services and the commitment of designated personnel, PFM proposes the following fee schedules:

A. Transactional Fee Schedules:

For all services related to the issuance of debt, we propose the following "$/$1,000" fee schedule this fee schedule is the same for negotiated and competitive transactions; new money and refunding transactions; fixed rate, variable rate, and commercial paper; taxable, private activity, and tax-exempt bonds; public sales and private placements. Multiple purpose bond issues (e.g. new money plus refunding bonds in one or more series sold under one official statement and AMT/Non-AMT bond series sold under one official statement) and synthetic fixed or variable rate transactions shall be treated as separate transactions for purposes of determining the fee unless otherwise mutually agreed upon by the City and PFM. PFM will undertake all transactions on a contingent fee basis subject to successful transaction closing.

Type of Issue	per $1,000

Bond Issues:

$1.00 per $1,000 of bonds issued, up to $30,000,000

$0.50 per 1,000 of bonds issued from $30,000,001 to $60,000,000

$0.10 per $1,000 of bonds issued over $60,000,000

PFM would charge a minimum fee of $20,000 and a maximum fee of $60,000 per transaction ($50,000 if the City elects to use a retainer in conjunction with the fees in this section. By industry standards, this fee cap is relatively low, especially for some of the larger bond issues sold by the City. Therefore we believe this fee cap adequately protects the City and still provides PFM a fair fee basis, more so than a total annual cap regardless of the number of transactions. We are able to hold our proposed fees constant at these very reasonable levels going forward and still provide superior service by the addition of the retainer fees described below.

Capital Leases, Anticipation Notes, and Bank Loans

Same as bond fee schedule. Minimum fee of $15,000 and maximum $25,000.

Swaps

Swaps structured as qualified hedge transactions will follow the same fee structure as bond issues. Swaps structured as separate transactions, such as those associated with the asset-liability management program, will be billed based on the complexity of the transaction.

B. Monthly Retainer Related to Debt Management, Swaps, and Asset-Liability Management

PFM will provide complete on-call support for the City's bond, swap, and asset liability management programs for a monthly retainer of $4,000. As referenced throughout this proposal, PFM routinely maintains a variety of long term planning models (primarily the ongoing BJP programs) and debt related quantitative analyses. We have offered the City periodic swap monitoring (including valuations and financial reporting), asset-liability position analysis, and interest rate risk assessment services.

PFM will also support City rating agency communications. All of these ongoing services are critical to the successful implementation of the City's overall debt and asset management programs. The monthly retainer fee will cover all these services and provide the City with PFM as an effective extension of its finance staff.

Hourlyratesaredescribed below.

Experience Level	Hourly Rate
Managing Director	$250.00
SenorManagingConsultant	$200.00
Consultant	$190.00
Research Associate	$90.00
Associate	$0.00

Invoices would be submitted monthly up to the cap to reflect .progress made in completing the Phase. Each invoice would be accompanied by a summary of work completed, hours worked and hourly rates per PFM partner and employee who would work on the engagement.

D. Other Services - Structured Investments, Investment Consulting, Arbitrage Rebate Services and Other:
In addition to advising on bond transactions; PFM is often called upon to perform related capital planning and investment duties. These may include structuring and implementation of the refunding escrow, debt service reserve and debt service payment fund investment structuring, arbitrage rebate compliance, investment agreement and float contract bidding, investment liquidation, interest rate swap termination, pension analysis, capital planning, cash flow modeling, cash management analysis, labor consulting, strategic planning, banking services consulting, and other financial services not described above. These services are subject to separate fees to be negotiated in advance at the time of the service. PFM cannot predict which, if any, of these optional services the City may want to use in the future, and therefore cannot estimate the additional costs to the City. These services may be provided by PFM affiliates as described herein.

E. Expenses
For all services described herein, PFM proposes the following rates for reimbursable direct expenses incurred in providing financial advisory services to the City. Direct expenses will be capped at $1,500 per transaction. Out of State travel will be reimbursed at cost separate from the cap.

Type of Expense	Rate
Photocopies Faxes	$0.20 per page
Long Distance Telephone	$0.20 per page sent At Cost
Conference Calls	At Cost
Travel	In accordance with F.S.112.061
Mileage	In accordance with F.S.112.061
Postage	At Cost
Courier, Overnight Delivery	At Cost

Exhibit "C"

Escrow Procurement

PFM
The PFM Group
Financial & Investment Advisers

One Keystone Plaza
Suite 300
N. Front & Market Streets
Harrisburg, PA 17101

717-232-2723
717-232-7837 Fax
717-233-6073 Alternate Fax
www.pfm.com

March 14, 2016

Mike Weinstein
Chief Financial Officer
City of Jacksonville
117 W. Duval Street
Suite 300 City Hall
Jacksonville, FL 32202

Dear Mr. Weinstein:

The purpose of this letter is to confirm our agreement that PFM Asset Management LLC ("PFMAM") will serve as Investment Advisor to the City of Jacksonville, Florida (the "Issuer") in connection with structuring the escrows (each, an "Escrow") related to the Issuer's expected issuance of various series of refunding bonds (singularly, a "Series of Bonds," and collectively, the "Bonds"). Commencement of service as to any Series of Bonds shall be upon written instruction delivered to PFMAM by the Issuer's Chief Financial Officer ("CFO") or any other individual designated by the CFO as being so authorized.

As Investment Advisor, we will analyze and model alternative Escrow structures, develop written terms for a request for Escrow securities offerings (if and as required), and upon your authorization via the execution of this engagement letter, receive offers for securities and accept the most favorable offers on your behalf, prepare such cash flow and yield calculations as required by bond counsel, the verification agent, and the Issuer as to such Series of Bonds, and coordinate the settlement of the Escrow securities. In the event that you are unable to purchase the Escrow securities on the scheduled settlement date, PFMAM shall have no liability for any losses or damages arising from such failure to purchase and shall be held harmless in respect thereof. If United States Treasury Securities, State and Local Government Series ("SLGS") are used, we will coordinate initial and final subscriptions with the Bureau of the Fiscal Service, Special Investments Branch, and prepare such cash flow and yield calculations as required by bond counsel, the verification agent and the Issuer as to such Series of Bonds.

By executing this letter agreement, you hereby authorize PFMAM personnel to subscribe for SLGS on behalf of the Issuer until the completion date of this engagement.

This contract shall commence on the date hereof and will be effective until June 1, 2019. Each Escrow structuring engagement shall be deemed to be completed on the date the Escrow is established. Upon the completion of each engagement, if open-market securities are used, the Issuer agrees to pay PFMAM a fee not to exceed $35,000, and if SLGS are used exclusively, the Issuer agrees to pay PFMAM a fee of $2,500. At the completion of each engagement, PFMAM will have no further responsibility related to the investment of the proceeds of such Series of Bonds. For each engagement, the Issuer will confirm, in writing, the name of the series of bonds for which PFMAM will provide the escrow structuring services described above and the fee to be paid to PFMAM if open-market securities are used.

PFMAM is an investment advisor, registered under the Investment Advisers Act of 1940. PFMAM agrees that it will not deal with itself or with any other affiliated company or individual in making purchases or sales of securities pursuant to this engagement, nor will we take a long or short position in securities subject to purchase or sale in connection with the issuance of the Bonds. We confirm that we have no interest in the

issuance of the Bonds or the purchase or sale of Escrow securities except as described in this letter agreement. We note that our affiliate, Public Financial Management, Inc. is expected to serve as financial advisor to the Issuer in connection with the issuance of the Bonds.

PFMAM warrants that it has delivered to the Issuer, prior to the execution of this letter agreement, PFMAM's current Securities and Exchange Commission Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). The Issuer acknowledges receipt of such documents prior to the execution of this letter agreement. The Issuer hereby authorizes PFMAM to sign I.R.S. Form W-9 on behalf of the Issuer and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this engagement.

You may terminate this letter agreement in the event of any material breach immediately upon written notice to PFMAM.

Our obligations and responsibilities as described in this letter agreement are not assignable without the consent of the Issuer.

Please have an authorized official of the Issuer sign a copy of this letter agreement and return it to us to acknowledge the terms of this engagement.

Sincerely,
PFM ASSET MANAGEMENT LLC

Matthew R. Eisel, CFA
Managing Director

Accepted by:
CITY OF JACKSONVILLE, FLORIDA

_____
Authorized Signature

_____
Name

_____
Title

59-6000344
Issuer's Tax ID Number

_____
Date