

Gridley City Council – Regular Meeting Agenda

Monday, April 18, 2022; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on April 18, 2022, via email to csantana@gridley.ca.us or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

<https://us06web.zoom.us/j/86027489138?pwd=bDVYeITWHlvRG53VVEyOTRSUfdPQT09>

Webinar ID: 860 2748 9138

Passcode: 882108

OR

Call-in using one of the following numbers, and the above ID and passcode:

1-(253) 215-8782

1-(720) 707-2699

To make a public comment during the Community Participation Forum or during the public portion of any agenda item, use the ‘raise hand’ feature and you will be called on when it’s your turn to speak.

CALL TO ORDER - Mayor Johnson

ROLL CALL

PLEDGE OF ALLEGIANCE – Councilmember Torres

INVOCATION – Deacon Dan Boeger – St. Timothy’s Episcopal Church

PROCLAMATION - None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES - None

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

CONSENT AGENDA

1. City Council minutes dated April 4th, 2022

ITEMS FOR COUNCIL CONSIDERATION

2. Resolution 2022-R-011: A Resolution of The City of Gridley Authorizing the Designation and Use of American Rescue Plan Act Funding Source and Appropriating Supplemental Funds Contract Award for Manuel Vierra Park – Tennis Court Rehabilitation
3. Resolution No. 2022-R-012: A Resolution of the City of Gridley to request the Butte County Board of Supervisors support to place a measure on the November 8, 2022, ballot to renew fees pursuant to Vehicle Code sections 9250.7 and 22710
4. GASB 75 Actuarial Valuation Services Report
5. Proposal for Refinancing Former Gridley Redevelopment Agency, Gridley Redevelopment Project, Tax Allocation Bonds, Series 2008A (Taxable) and Series 2008B (Tax-Exempt)

CITY STAFF AND COUNCIL COMMITTEE REPORTS - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - *(Appearing on the Agenda within 30-90 days):*

Introduction to Housing Element Update	5/2/2022
CDBG Grants Administrative Services	5/2/2022
"Beautifying Gridley" Community Electric Box Project	5/2/2022
Cal Trans SR99 Improvement Presentation	5/2/2022
Approve Gridley's Wildfire Mitigation Plan	5/16/2022
Approve Gridley's Utility Security Plan	5/16/2022
Edler Estates	5/16/2022
Adopt Housing Element 2022-2030	5/16/2022
Stewart TPM	5/16/2022

CLOSED SESSION - None

ADJOURNMENT – adjourning to a Regular meeting on May 2nd, 2022.

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., April 15, 2022. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation

exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

Gridley City Council – Regular Meeting Minutes

Monday, April 4, 2022; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER

Mayor Johnson called the meeting to order at 6:00 pm.

ROLL CALL

Council Members

Present:

Johnson, Farr, Calderon, Torres

Absent:

Sanchez

Arriving after roll call:

None

Staff Present

Cliff Wagner, City Administrator

Tony Galyean, City Attorney

Rodney Harr, Chief of Police

Ross Pippitt, Public Works Director

Elisa Arteaga, Finance Director

Danny Howard, Utility Director

PLEDGE OF ALLEGIANCE

Councilmember Calderon Led the Pledge of Allegiance

INVOCATION – None

PROCLAMATION – None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES – None

COMMUNITY PARTICIPATION FORUM

The forum was opened and seeing no one present wishing to speak, was closed.

CONSENT AGENDA

1. City Council minutes dated March 4th and March 21st, 2022

Motion to approve the consent agenda by Councilmember Calderon, seconded by Vice Mayor Farr.

ROLL CALL VOTE

Ayes: Calderon, Johnson, Torres, Farr

Motion Passed, 4-0

ITEMS FOR COUNCIL CONSIDERATION

2. Informational Update from Waste Management regarding new fee structure, SB 1383 implementation, and Waste Management's public outreach program

Joe Cadelago presented a power point discussing Waste Management's new fee structure, and outline of new SB 1383.

Dave Garner, 375 Hazel St., briefly spoke on Waste Management's new fee structure stating that he believes this may cause more illegal dumping into other resident's containers to avoid fees.

This item was informational only, no action was taken.

3. Gridley Museum Building Maintenance

Administrator Wagner reviewed the staff report of a needed HVAC and window replacement in the City owned Gridley Museum Building. It was advised that the City send out a request for proposals.

Mike Dahl, 1784 Grace Rd., Gridley Museum President, thanked the Council and City Staff for taking an interest in helping the Gridley Museum.

Motion to approve was made by Vice Mayor Farr, seconded by Councilmember Calderon.

ROLL CALL VOTE

Ayes: Calderon, Torres, Johnson, Farr

Motion passed, 4-0

4. Water, Sewer, and Electric Rate Studies

Administrator Wagner addressed the Council seeking approval to solicit Request for Proposals for rate study proposals for water, sewer, and electric rates through the Northern California Power Agency Support Services Program Agreement.

After Council's brief discussion motion to approve item was made by Councilmember Calderon, seconded by Councilmember Torres.

ROLL CALL VOTE

Ayes: Calderon, Torres, Johnson, Farr

Motion passed, 4-0

CITY STAFF AND COUNCIL COMMITTEE REPORTS

Councilmember Calderon reported on his attendance at the Butte County Air Quality meeting.

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Stewart TPM	4/18/2022
Award Contract for Construction of MVP Tennis Court Rehab Project	4/18/2022
Introduction to Housing Element Update	5/2/2022
Cal Trans SR99 Improvement Presentation	5/2/2022
Approve Gridley's Wildfire Mitigation Plan	5/16/2022
Approve Gridley's Utility Security Plan	5/16/2022
Edler Estates	5/16/2022
Adopt Housing Element 2022-2030	5/16/2022

CLOSED SESSION - None

ADJOURNMENT

With no items for further discussion, Council adjourned to a regular meeting on April 18th, 2022.

Cliff Wagner, City Clerk

City Council Agenda Item #2

Staff Report

Date: April 18, 2022

To: Mayor and City Council

From: Cliff Wagner, City Administrator

Subject: Resolution 2022-R-011: A Resolution of The City of Gridley Authorizing the Designation and Use of American Rescue Plan Act Funding Source and Appropriating Supplemental Funds
Contract Award for Manuel Vierra Park – Tennis Court Rehabilitation

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully recommends that the City Council authorize the City Administrator to execute a contract with R & R Horn Contractors, Inc. in the amount of \$212,872.00 for the construction of the Manuel Vierra Park Tennis Court Rehabilitation Project and approve Resolution 2022-R-011 authorizing the designation and use of American Rescue Plan Act funding source and appropriating supplemental funds to allocate \$102,000 towards the project.

Background

The tennis courts at Manuel Vierra Park have been well loved over the years and are in need of rehabilitation. Recently the City replaced the tennis court lighting with LEDs but the existing electrical panel and light timer is outdated. The tennis courts are cracked making them difficult to use.

The project will include the rehabilitation of the courts, installation of a basketball hoop, new tennis nets, a backboard, and the replacement of the electrical panel and light controls. Upon completion of the project the tennis courts will be used for tennis, pickleball, practice on the backboard, and basketball.

The City was awarded a Per Capita Grant in 2020 to rehabilitate the tennis courts for \$177,952 and authorized the design and construction of the project. Due to the instability of the construction industry and the addition of the electrical components and base material, the project exceeded the projected construction cost estimate budgeted in the Grant.

The City solicited public bids for the project titled Manuel Vierra Park – Tennis Courts Rehabilitation. Two bids were received, and R & R Horn Construction, Inc. was the lowest responsive bidder.

Fiscal Impact

Up to \$102,000 designated from appropriating Supplemental Funds from the ARPA Account. All other costs for the project are covered by the 2018 Parks Bond Act Per Capita Grant Program.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to providing effective leadership while providing quality cost-effective local government services.

Attachments

Bid Results

Resolution 2022-R-011



CITY OF GRIDLEY
Manual Vierra Park Tennis Court Rehabilitation

Bid Opening
Bidder's List & Project Totals

April 12, 2022 - 1:00 pm

	Bidding Company / Firm	Bid Price
1	R & R Horn Contractors	212,872. ⁰⁰
2	Santos Excavating Inc.	227,965. ⁰⁰
3		
4		
5		
6		
7		

Opened By:

Ross Pippitt

Jodi Molinari

**A RESOLUTION OF THE CITY OF GRIDLEY AUTHORIZING THE DESIGNATION AND USE OF
AMERICAN RESCUE PLAN ACT FUNDING SOURCE AND APPROPRIATING SUPPLEMENTAL
FUNDS**

WHEREAS, the City of Gridley owns, operates and maintains the Manuel Vierra Park facilities for the benefactrices use of the public for recreation and health; and

WHEREAS, the City of Gridley desires to improve and rehabilitate the Manuel Vierra Park Tennis Court; and

WHEREAS, the City Council has approved the Manuel Vierra Park Rehabilitation Project (Project) as a Capital Improvement Project in the Fiscal Year 2021/2022 budget; and

WHEREAS, the City has been awarded a grant from 2018 Parks Bond Act Per Capita Grant Program for the Project and has committed to completion of the project; and

WHEREAS, the City has advertised the construction of Tennis Court Rehabilitation Project and received responsive bids that exceed the budgeted construction amount; and

NOW, THEREFORE, be it resolved by the City of Gridley to approve the supplemental appropriation from ARPA Structures and Improvements account #926-0000-56100 for an amount not to exceed \$ 102,000 .

I HEREBY CERTIFY that the foregoing resolution was duly introduced and passed at a regular City Council meeting of the City of Gridley held on the 18th of April, 2022, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

Cliff Wagner, City Clerk

Bruce Johnson, Mayor

City Council Agenda Item #3
Staff Report

Date: April 18, 2022

To: Mayor and City Council

From: Rodney Harr, Chief of Police / Cliff Wagner, Administrator

Subject: Resolution No 2022-R-012: A Resolution of the City of Gridley to request the Butte County Board of Supervisors support to place a measure on the November 8, 2022, ballot to renew fees pursuant to Vehicle Code sections 9250.7 and 22710

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests the City Council to review and approve Resolution 2022-R-012 to allow the Butte County Board of Supervisors to place a measure on the November 8, 2022, ballot to be voted on by the registered voting residents of Butte County.

Background

Since 2003 the City of Gridley along with the County of Butte, the City of Chico, the City of Oroville, the City of Biggs and the Town of Paradise have participated in the Butte County Abandoned Vehicle Abatement (AVA) Program administered through the Butte County Department of Developmental Services. As part of this program, the Butte County Board of Supervisors created a ballot measure that allowed the generated vehicle registration program fees to reimburse agencies for their participation in this program. The fees collected specifically go towards the reimbursement of abatement, removal, and disposal of abandoned, wrecked, dismantled or inoperative vehicles or vehicle parts that have been declared nuisances that are located on public or private property, to combat neighborhood blight and decay.

The Butte County AVA Program is up for its ten (10) year renewal on July 31, 2023 and requires each jurisdiction to provide an approved Resolution to the Butte County Board of Supervisors so it can be placed on the November 8, 2022, ballot.

Fiscal Impact

None, expenses would be reimbursed from the fund administered through the Butte County Department of Developmental Services

Compliance with City Council Strategic Plan or Budget Goals

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters, as well as its ongoing efforts to support the community in such ominous financial times.

Attachments

Resolution 2022-R-012

**A RESOLUTION OF THE CITY OF GRIDLEY TO REQUEST THE BUTTE COUNTY BOARD OF
SUPERVISORS SUPPORT TO PLACE A MEASURE ON THE
NOVEMBER 8, 2022, BALLOT TO RENEW FEES PURSUANT TO VEHICLE CODE SECTIONS 9250.7
AND 22710**

WHEREAS, sections 22710 and 9250.7 of the California Vehicle Code authorized the establishment of the Butte County Abandoned Vehicle Abatement Program ("AVA"), which was formed in 2003 and authorized the imposition of a fee on vehicles registered in Butte County, referred to as the AVA Fee; and

WHEREAS, these registration fees are used exclusively for the abatement, removal, and disposal of any abandoned, wrecked, dismantled, or inoperative vehicles or vehicle parts as public nuisances, on private or public property, to combat neighborhood blight and decay; and

WHEREAS, California Vehicle Code sections 9250.7 and 22710 were amended to allow an extension of the registration fees in increments of up to 10 years; and

WHEREAS, sections 22710 and 9250.7 of the California Vehicle Code require a county's board of supervisors, by a two-thirds vote, and the majority of cities with the majority of the incorporated population within the county to adopt resolutions approving an extension of the registration fees; and

WHEREAS, Proposition 26, adopted by the voters of California in 2010, altered the definition of a fee and resulted in the classification of the AVA Fee as a special tax subject to voter approval; and

WHEREAS, the current AVA Fee sunsets on July 31, 2023, and the County and cities within the County will be unable to recover a significant portion of the costs of abating nuisance vehicles; and

WHEREAS, the City requisite number of cities has submitted resolutions to the Clerk of the Board of Supervisors seeking renewal of the AVA Fee and requesting the Board of Supervisors to call for an election thereon,

WHEREAS, the City Council finds that abandoned, inoperable, wrecked, dismantled vehicles or parts thereof continue to pose a health and safety hazard and are public nuisances; and

WHEREAS, the City Council finds that the Abandoned Vehicle Abatement Program is still needed to provide for the proper removal and disposal of abandoned vehicles and to assist law enforcement and code enforcement personnel in the abatement of abandoned vehicles.

NOW, THEREFORE, be it resolved The City Council hereby requests the BUTTE COUNTY BOARD OF SUPERVISORS submit to the electors of the County a MEASURE ON THE NOVEMBER 8, 2022, BALLOT the question of whether the AVA Fee, as authorized by Vehicle Code sections 9250.7 and 22710, shall be renewed for 10 years.

I HEREBY CERTIFY that the foregoing resolution was duly introduced and passed at the regular City Council meeting of the City of Gridley held on the 18th day of April 2022, by the following vote:

AYES: COUNCIL MEMBERS

NOES: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ATTEST:

APPROVE:

Cliff Wagner, City Clerk

Bruce Johnson, Mayor

City Council Agenda Item #4

Staff Report

Date: April 18th, 2022
To: Mayor and City Council
From: Finance Director, Elisa Arteaga
Subject: GASB 75 Actuarial Valuation Services

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests that the Mayor and City Council approve the proposal for Actuarial Services for Government Accounting Standards Board Statements No. 75 Other Post-Employment Benefits (OPEB) for the amount not to exceed \$4,700, authorize the Finance Director to sign the proposal and prepare future Request for Proposals (RFP) for future actuarial valuation services.

Background

Historically, the City secured services of a qualified firm to provide Actuarial Services for Other Post-Employment Benefits (OPEB) in order to comply with the Governmental Accounting Standards Board (GASB) Statements No. 75 which establish standards for the measurement, display and recognition of OPEB expenses and liabilities. In 2013, the City awarded the engagement to Jefferson Solutions, a firm which demonstrated experience in preparing GASB statements for other public entities. Since that approval, the City has renewed the proposal every two-years. The report is utilized for two fiscal year periods. It provides the City's full OPEB liability and determines the annual required contributions and annual accrued liability. The proposal is attached outlining the scope of services.

Staff is recommending acceptance of renewal for actuarial services that will be utilized for fiscal year 21-22 and 22-23 financial statements, and direct staff to move forward with updating the Request for Proposal (RFP) for future actuarial services.

Fiscal Impact

The costs associated with the preparation of the actuarial report was included in 21-22 operating budget.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions.

Attachment

Proposal for Actuarial Valuation GASB 75 from Jefferson Solutions, Inc.

JEFFERSON SOLUTIONS, INC.
14 Brittany Oaks, Clifton Park New York 12065
518-461-7805
Ray.Cerrone@JEFSI.Com
www.JEFSI.Com

March 29, 2022

Mr. Martin Pineda, Accountant 1

City of Gridley

Re: GASB 75 Report - Actuarial Valuation - June 30, 2022

Dear Martin:

Thank you for contacting Jefferson Solutions. As requested, I am providing you with a quote for a GASB 75 actuarial valuation.

We look forward to the opportunity to assisting you in developing a valuation under GASB 75. This letter outlines our understanding of the terms and objectives of our engagement.

We plan to start the engagements on or about July 15, 2022 and (unless unforeseeable problems are encountered) complete the engagement by October 15, 2022. We will analyze the underlying demographic data along with summary plan descriptions to determine your organizations liability under GASB 75. The purpose of our engagement is to calculate your City's full OPEB liability and determine the annual required contributions and annual accrued liability. Our combined report will include all information required for disclosure in the City's financial statements for the two years ending June 30, 2022 and June 30, 2023. Results for June 30, 2023 will be estimated based on the June 30, 2022 discount rate and may require a roll-forward if there is a material change.

The following reflects the scope of services to be provided to the City's. Jefferson Solutions will:

1. Conduct a telephone conference as necessary to plan the project and make necessary decisions and report progress with regard to conduct of the analysis as well as educate City's staff on the GASB 75 requirements.
2. Analyze the data to assess any inconsistencies and make recommendations for enhancing data quality.
3. Planning with City's – Review plan provisions, discuss and select actuarial assumptions and agree on a project plan.
4. Prepare an actuarial valuation following GASB 75 standards.
5. The GASB 75 analysis will include all applicable City's employees and retirees. Our report will include:
 - a. An Actuarial Valuation Opinion.
 - b. An Executive Summary presenting key results and figures.
 - c. Summary of Actuarial Valuation Results. This section will provide a summary of the actuarial valuation results.

- d. Summary of Assets (if applicable).
- e. Development of Total OPEB Liability. This section will show the development of the Total OPEB Liability which is to be accrued to date.
- f. Actuarial Experience. This section will illustrate the actuarial gains and losses that arise from experience different from that previously assumed, changes in actuarial assumptions and methods, and changes in program provisions.
- g. Development of Fiscal Year Expense. This section will illustrate the development of the expected OPEB expense under GASB No. 75 for fiscal year ending June 30, 2023 and actual OPEB expense for fiscal year ended June 30, 2022.
- h. Schedule of Deferred Outflows and Deferred Inflows of Resource as required for disclosure in the organizations footnotes.
- i. 10-Year Projection of Employer Benefit Payments (as applicable).
- j. Assumption Sensitivity. This section will provide information about the sensitivity of the Total OPEB Liability to certain assumptions made in this actuarial valuation; primarily healthcare inflation trends and discount rate.
- k. Summary of Demographic Information showing relevant information about the population included in the valuation.
- l. A summary of Program Provisions illustrating the overall eligibility provisions for retiree health coverage, graduated eligibility provisions, the various plans offered by the organization, and Medicare integration methods by plan.
- m. Summary of actuarial methods and actuarial assumptions detailing the assumptions used to determine the organizations OPEB cost and obligation.
- n. Glossary of key terms used in the report.

In performing our engagement, we will be relying on the accuracy and reliability of information provided by the City's. We will not audit, the information. Please also note that our engagement cannot be relied on to disclose errors, fraud, or other illegal acts that may exist. The procedures we perform in our engagement will be heavily influenced by the representations that we receive from City's personnel.

You agree to assume all management responsibilities for the actuarial services we provide; you will oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; you will evaluate the adequacy and results of the services; and you will accept responsibility for them.

Jefferson Solutions shall retain all rights, title, and interest (including, without limitation, all copyrights, patents, service marks, trademarks, trade secret, and other intellectual property rights) in and to all technical or internal designs, methods, ideas, concepts, know-how, techniques, generic documents, and templates that have been previously developed by Jefferson Solutions or developed during the course of the provision of the Services, provided such generic documents or templates do not contain any Plan Sponsor Confidential Information or proprietary data. Rights and ownership by Jefferson Solutions of original technical designs, methods, ideas, concepts, know-how, and techniques shall not extend to or include all or any part of the Plan Sponsor's proprietary data or Plan Sponsor Confidential Information.

To the extent that Jefferson Solutions may include in the materials any pre-existing Jefferson Solutions proprietary' information or other protected Jefferson Solutions materials, Jefferson

Solutions agrees that Plan Sponsor shall be deemed to have a fully paid up license to make copies of the Jefferson Solutions-owned materials as part of this engagement for its internal business purposes and provided such materials cannot be modified or distributed outside the Plan Sponsor without the written permission of Jefferson Solutions. Notwithstanding anything herein to the contrary, the parties acknowledge that the City of Gridley is a municipality in the State of California and will comply with all Freedom of Information Laws and other laws requiring disclosure of public documents. Nothing in this contract shall be read to restrict the City's obligations concerning disclosure of public documents.

In the event of any dispute arising out of or relating to the engagement of Jefferson Solutions by Plan Sponsor, the parties agree first to try in good faith to settle the dispute voluntarily with the aid of an impartial mediator who will attempt to facilitate negotiations. A dispute will be submitted to mediation by written notice to the other party or parties. The mediator will be selected by agreement by the parties. If the parties cannot agree on a mediator, a mediator will be designated by the American Arbitration Association at the request of a party.

The mediation will be treated as a settlement discussion and therefore will be confidential. Any applicable statute of limitations will be tolled during the pendency of the mediation. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

If the dispute has not been resolved within 60 days after the written notice beginning the mediation process (or a longer period, if the parties agree to extend the mediation), the mediation will terminate, and the dispute will be resolved by final and binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The arbitration will take place before a panel of three arbitrators. Within 30 days of the commencement of the arbitration, each part will designate in writing a single neutral and independent arbitrator. The two arbitrators designated by the parties will then select a third arbitrator. The arbitrators will have a sufficient background in employee benefits, actuarial science, or law. The arbitrators will have the authority to permit limited discovery, including depositions, prior to the arbitration hearing, and such discovery will be conducted consistent with the Federal Rules of Civil Procedure. The arbitrators will have no power or authority to award punitive or exemplary damages. The arbitrators may, in their discretion, award the cost of the arbitration, including reasonable attorney fees, to the prevailing party. Any award made may be confirmed in any court having jurisdiction. Any arbitration shall be confidential, and except as required by law, neither party may disclose the content or results of any arbitration hereunder without the consent of the other party.

Our fees for these services will not exceed \$4,700¹ for the June 30, 2022 report. Results for June 30, 2023 will be estimated based on the June 30, 2022 discount rate and may require a roll-forward if there is a material change; please consult with your auditors to make this determination.

Our fee is inclusive of all travel and other out-of-pocket costs such as report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that the City's will be able to provide us with all required data in an electronic format. Our invoices will be presented electronically at the conclusion of the engagement. We reserve the right to bill 50% of the fee upon delivery of the draft report and the balance when the final report is delivered. Payment is due within 30 days of the invoice submission. Should the fee remain unpaid past the 30 day due date, we will issue invoices each 30 days with a \$100 additional invoicing fee.

¹ Please advise us if benefits have changed from the Prior Year, this could result in a revised fee arrangement.

We appreciate the opportunity to be of service to you and believe that this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy to confirm your understanding, and return it to us.

Sincerely,



Raymond R. Cerrone CPA²

RESPONSE:

This letter correctly sets forth the understanding of City of Gridley.

Signature

Date

Name

Title

² Please advise us if benefits have changed from the Prior Year, this could result in a revised fee arrangement.

City Council Agenda Item #5
Staff Report

Date: April 18, 2022

To: Mayor and City Council

From: Cliff Wagner, Administrator

Subject: Proposal for Refinancing Former Gridley Redevelopment Agency, Gridley Redevelopment Project, Tax Allocation Bonds, Series 2008A (Taxable) and Series 2008B (Tax-Exempt)

X	Regular
	Special
	Closed
	Emergency

Recommendation

City Staff is seeking Council direction/approval to move forward with the refinancing of the Former Gridley Redevelopment Agency's 2008A (Taxable) and 2008B (Tax-Exempt) Tax Allocation Bonds ("2008 Bonds"), pursuant to the 2/24/22 refinancing proposal submitted by Bill Fawell, W. J. Fawell Co., Public Finance. Subject to Council direction, staff would then schedule for City/Successor Agency approval on 5/2/22, a resolution authorizing the refinancing of 2008 Bonds and retaining financing team members, per professional service agreements to be submitted.

Background

In 2001, the Former Gridley Redevelopment Agency (Former Agency) adopted a redevelopment plan/project covering 789 acres, (2001-R-07) a portion of which was located outside the corporate limits of the City. In 2006 the City Council amended the territory within the Redevelopment Area (Resolution No. 2006-RDA-06) to add approximately 136 additional acres, having a combined area of 925 acres.

In 2008, the Former Agency issued its \$2,980,000, Series 2008A (Taxable) and its \$1,770,000, 2008B (Tax-Exempt) Tax Allocation Bonds ("2008 Bonds"). Financing proceeds from the 2008 Bonds were used to repay the City of Gridley ("City") for funds loaned to the Former Agency to finance various redevelopment activities set forth in the Redevelopment Plan and to fund a debt service reserve fund and a portion of the interest costs on the 2008 Bonds.

The interest rate on the 2008A (Taxable) Bonds is 7.50% through maturity on 8/1/38. The interest rate on the 2008B (Tax-Exempt) Bonds is 5.00% through maturity on 8/1/43.

Per the attached refinancing proposal, it is estimated that the 2008 Bonds can be refinanced at significantly lower interest rates with refinancing savings flowing to the City and all taxing entities within the Gridley Redevelopment Project Area in the form of residual property tax revenue no longer needed for debt service on the 2008 Bonds.

The 2008 Bonds can be refinanced on any date with no prepayment premium. The attached proposal contemplates refinancing the 2008 Bonds with "AA" rated municipal bond insurance or, if more cost effective, with direct lender loans referred to as private placements. Which approach generates the most overall refinancing benefit would be determined going forward.

Staff and Vice Mayor Farr reviewed on 3/21/22 the attached Power Points Slide presentation with Bill Fawell, of W. J. Fawell Co., Public Finance, who would serve as the Successor Agency's municipal advisor and with Mike Cavanaugh, Managing Director with Hilltop Securities, Inc., who would serve in the role of bond underwriter. In addition, participating on the Power Point Slides presentation on 4/18/22, will be James Wawrzyniak, Jr. and

David Fama of Jones Hall, who would serve as bond and disclosure counsel on the refinancing of the 2008 Bonds. Information on Jones Hall is on Pg. 5 of the refinancing proposal and in the back section.

Under the proposal, as municipal advisor, Bill Fawell will oversee the proposed refinancing of the 2008 Bonds from start through closing and will be responsible for ensuring the Successor Agency's refinancing goals were achieved. The bond underwriter would buy the refinancing bonds from the Successor Agency and sell them to ultimate investors. The bond and disclosure counsel would prepare all necessary legal documents for the transaction.

Approval of the proposed refinancing must be obtained from the Successor Agency, Butte County Consolidated Oversight Board and the State of CA, Dept. of Finance, prior to selling refinancing bonds. Obtaining the approvals is anticipated to take 5-6 months. Accordingly, the financing team is currently estimating closing the refinancing in October 2022.

Summary:

The estimated principal amount of the 2008 Bonds to be refunded is \$4,260,000.

As of 2/24/22, estimated net present value savings assuming an "AA" rated insured bond issues refinancing were \$1,107,457 that computed to approximately 26% of the refunded principal of the 2008 Bonds. This exceeds by a wide margin the industry standard that a refunding should have minimum of net present value savings of 3-5%. Total net estimated cash flow debt service savings were \$1,968,854 (flowing to all taxing entities in Project Area).

Page 3 of the attached refinancing proposal estimates the potential refinancing savings that could be achieved for all the taxing entities within the Project Area. The City General Fund would receive approximately 18.79% of the refinancing savings in the form of residual property tax savings not needed for debt service payments on the 2008 Bonds. Per the attached proposal, it was estimated that annual general fund savings for the City were \$14,094 per year or \$338,249 through maturity in 2044.

Interest rates have risen over the past two months, so at this time, the estimated refinancing savings would be lower than shown in the attached proposal as the Federal Reserve has moved to combat inflation by raising interest rates. Once the economy slows as result of higher interest rates and inflation recedes, interest rates should decline again.

However, because it will take 5-6 months to obtain necessary approvals before refinancing bonds can be sold, staff recommends the Successor Agency move forward now with the proposed refinancing and obtain necessary approvals. After all approvals are received, the estimated refinancing savings will be computed to determine if there are sufficient savings to justify selling refinancing bonds. Further approvals of the Successor Agency would be required before any bonds were sold.

The key point is to get underway now to take advantage of the potential opportunity to refinance the 2008 Bonds at much lower rates than currently being paid as it will take 5-6 months to obtain the needed approvals. No one can predict what interest rates will be 5-6 months from now. Rates could be higher, lower or about where they are now.

Payment to key financing team members is contingent on closing and then out of financing proceeds, so no financial downside for the City / Successor Agency, if the proposed refinancing of the 2008 Bonds was not completed or postponed due to higher interest rates.

Any refinancing costs payable and not contingent on closing and from financing proceeds, can be reimbursed to the Successor Agency through future ROPS submittals. So again, no financial downside, if the proposed refinancing of the 2008 Bonds was not completed.

Fiscal Impact

The refinancing of the 2008 Bonds can potentially generate significant net debt service savings in the form of residual property tax revenue no longer needed for debt service because of the proposed refinancing and potentially increased General Fund revenue for the City and all taxing entities within the Project Area.

Fees and expenses of key financing team members are payable from financing proceeds and contingent on closing, so no financial downside, if for any reason the refinancing of the 2008 bonds was not completed.

If appropriate, City staff time may be reimbursed from refinancing proceeds for 100% of time spent on the refinancing of the 2008 Bonds.

Compliance with City Council Strategic Plan or Budget Goals

This course of action is consistent with the City of Gridley's commitment to achieve maximum efficiency and transparency for short and long-term fiscal management policies.

Attachments

1. Refinancing Proposal dated 2/42/22 from W. J. Fawell Co., Public Finance (municipal advisor) to refinance the Former Agency (Successor Agency) 2008 Bonds.
2. Power Point Slides Summarizing refinancing proposal.

W. J. Fawell Co.

Public Finance

February 24, 2022

Cliff Wagner
City Administrator
City of Gridley
685 Kentucky St.
Gridley, CA 95948

Re: Proposal to Refund Former Gridley Redevelopment Agency, Gridley Redevelopment Project,
Tax Allocation Bonds, Series 2008A (Taxable) and Series 2008B (Tax-Exempt)

Dear Cliff,

Summary

The City of Gridley Successor Agency to its former Redevelopment Agency ("Former Agency") can achieve an outstanding level of net debt service savings by refunding (refinancing) its Series 2008A (Taxable) and its 2008B (Tax-Exempt) Tax Allocation Bonds ("2008 Bonds"), using "AA" rated, insured municipal bonds or private placement loans, depending on which approach will produce the greatest refunding benefit.

Bill Fawell of W. J. Fawell Co, Public Finance, will serve as Municipal Advisor to the Successor Agency regarding the proposed refunding of the 2008 Bonds and will oversee the refunding start through closing, working closely with City staff.

The financing team I will assemble on behalf of the Successor Agency will determine if refunding savings will be maximized, using taxable and tax-exempt private placement loans with a commercial bank, specializing in municipal finance, or using "AA" insured taxable and tax-exempt municipal bonds.

Background

Proceeds of the 2008 Bonds were used to repay the City of Gridley ("City") for funds loaned the Former Agency to finance various redevelopment activities set forth in the Redevelopment Plan, fund a debt service reserve fund and a portion of the interest costs on the 2008 Bonds.

The Former Agency adopted a redevelopment plan for its Gridley Redevelopment Project Area ("Project Area") on 12/17/2001. The Project Area includes 789 acres, a portion of which is situated outside the corporate limits of the City and in the unincorporated territory of Butte County.

The rate being paid on the 2008A (Taxable) Bonds is 7.50% through maturity on 8/1/38.

The rate being paid on the 2008B (Tax-Exempt) Bonds is 5.00% through maturity on 8/1/43.

3235 Avenida La Cima, Suite 100, Carlsbad, CA 92009
Tel: (760) 942-2442 - FAX: (760) 942-3096

The 2008 Bonds can be refunded on any date with no prepayment premium and can now be refunded at much lower interest rates.

Hilltop Securities Inc., at my request, has prepared a preliminary refunding analysis of the 2008 Bonds looking at both a "AA" rated insured taxable and tax-exempt bond issue and using taxable and tax-exempt private placement loans from a commercial bank specializing in municipal finance. At this point, a refunding of the 2008 Bonds using "AA" insured municipal bonds will maximize refunding savings.

Taxing entities within the Project Area would realize the net debt service savings in the form of residual property tax revenues received no longer needed for annual debt service on the 2008 Bonds.

The industry standard is that a refunding should be considered when estimated net present value savings exceed 5%. Based on the attached preliminary refinancing analysis, the combined net present value savings using taxable and tax-exempt "AA" rated insured municipal bonds is estimated @ **25.996%** (**\$1,107,457**) that is well above the 5% of net present value savings threshold for proceeding.

Estimated Net Refunding Savings – Using "AA" Insured Bond Issue (Tax-Exempt and Taxable)

- Estimated NPV savings of **\$1,107,457** (25.996%) of refunded principal.
- Total estimated cash flow debt service savings of **\$1,968,854** (all taxing entities in Project Area)
- Avg. coupon reduced from 6.094% to a True Interest Cost of **2.865%**
- City's General Fund will receive **18.79%** of debt service savings in form of residual property tax savings est. @ **\$369,948** through 6/30/44 (maturity).
- Annual residual property tax savings est. @ **\$15,414** through 6/30/44 (maturity).

Estimated Refunding Savings – Using Taxable and Tax-Exempt Private Placement Loans

- Estimated NPV savings of - **\$814,571** (19.121%) of refunded principal).
- Total estimated cash flow debt service savings of **\$1,658,189** (all taxing entities in Project Area)
- Avg. coupon reduced from 6.098% to est. True Interest Cost of **3.672%**.
- City's General Fund will receive **18.79%** of debt service savings in form of residual property tax savings est. @ **\$311,574** through 6/30/44 (maturity).
- Annual residual property tax savings est. @ **\$12,982** through maturity (6/30/44).

Advantages of Using Private Placement Loan vs. Publicly Sold Bond Issue

At this time, I am recommending that the proposed refunding of the 2008 Bonds be accomplished, using taxable and tax-exempt loans because the estimated net present value savings using "AA" insured municipal bonds is much greater vs. using private placement loans from a commercial lender specializing in municipal finance. However, if the City prefers using private placement loans to refund its 2008 Bonds, I will oversee a competitive lender selection process to ensure that the best rate and terms were obtained to maximize refunding savings.

The primary advantages of using a tax exempt, private placement loan to refund the 2008 Bonds vs. using a publicly sold bond issue are less staff time and lower costs of issuance. We will assist staff in evaluating which refunding approach has the most overall benefit for the Successor Agency going forward.

The table below estimates the residual property tax savings that would be realized by each taxing entity in the Project Area by refunding the 2008 Bonds, using “AA” insured municipal bonds at current estimated rates.

City of Gridley Successor Agency 2019/20 Incremental Weighted Average Rates- Combined			
Taxing Entity	Allocation	Est Annual Savings	Total Savings
City General Fund	19%	15,562	373,492
County General Fund	17%	14,094	338,249
Special Districts	7%	6,128	147,073
K-12 Schools	46%	37,367	896,813
Community College	7%	5,554	133,291
Co Office of Ed	4%	3,478	83,479
Total	100%	82,036	1,968,854

Data Source: 2019/20 Combined Tax Rolls (HdL Coren & Cone)

Financing Schedule

The refunding of the 2008 Bonds would take approximately six (6) months to complete, as approvals will be needed from the Successor Agency, Butte County Consolidated Oversight Board, and the CA State Dept. of Finance (DOF) before refunding bonds can be sold. The financing team would prepare all necessary legal documents, staff reports, presentations, etc. – City staff time would be very minimal. City staff time and expenses can be reimbursed to the City’s general fund as a cost of issuance of the transaction; this is common with Successor Agency refundings.

I will prepare a preliminary financing schedule for a future presentation to the City Council (Successor Agency Board) regarding the refunding the 2008 Bonds. Given that the 2008 Bonds can refunded at any time with no prepayment premium, now would be an excellent time to start work on this outstanding refunding opportunity

Financing Team Members and Roles

Municipal Advisor - W. J. Fawell Co., Public Finance

Bill Fawell of W. J. Fawell Co., Public Finance, based in Carlsbad, CA, will serve as Municipal Advisor to the City and its Successor Agency and will oversee the proposed refunding of the 2008 Bonds from start through closing, working directly with City staff, bond counsel, Butte County Consolidated Oversight Board, and the State Dept. of Finance (DOF) and financing team members.

I will coordinate the work of the financing team to a successful closing and will work with staff to make sure the City and its Successor Agency goals were achieved with the refunding of the 2008 Bonds.

As Municipal Advisor, I will be staff's primary contact and will work diligently to make sure the amount of time it had to spend on the planned refunding was kept to an absolute minimum. I will prepare staff reports and power point presentations as required to assist City staff in processing the refunding of the 2008 Bonds.

Since 2019, I have acted as Municipal Advisor on Successor Agency refundings for the Cities of Huron, Arvin, and Cloverdale.

Bond Underwriter and or Placement Agent-Hilltop Securities

Mike Cavanaugh, Managing Director with Hilltop Securities ("Hilltop"), based in Cardiff by the Sea, CA would serve as the Bond Underwriter and purchase the 2022 Refunding Bonds on a negotiated sale basis on the day of sale, if a bond issue was used to refund the 2008 Bonds. Hilltop is one of the nation's largest municipal bond underwriters and placement agents.

Hilltop will work with my firm to design the refunding plan, develop the bond structure, assist in determining timing to sell the 2022 refunding bonds based on market conditions, review and comment on financing documents, take the lead in preparing the presentation to the rating agency and for obtaining "AA" rated bond insurance, run all required refunding financing numbers, provide quantitative analysis and oversee refunding bond pricing for Hilltop.

Hilltop would serve as Placement Agent, if taxable and tax-exempt loans were used to refund the 2008 Bonds. Hilltop would take the lead in conducting an extensive search in obtaining the best rate and terms from prospective lenders for refunding the 2008 Bonds, via a competitive Request for Terms (RFT) process.

Mike Cavanaugh, Managing Director with Hilltop, would oversee a competitive lender selection process that would include the preparation of a Request for Terms (RFT) to be sent prospective lenders, responding to lender questions, evaluate all responses received to determine which lender had the best rate and terms and assist with lender credit approval. Mr. Cavanaugh is based in Cardiff by the Sea, located in North Coastal San Diego County.

Once authorized to proceed, Hilltop would prepare a Request for Terms (RFT) that would be sent to over 20 prospective lenders from whom we would expect to receive several competitive proposals. Thereafter, we would summarize the proposals received in a spreadsheet and I would make a recommendation for award to the lender who had the best rate and terms.

Once lender responses were received, we would compare the estimated net present value savings vs. using "AA" rated insured municipal bonds. As previously mentioned, at this time, the estimated net present value savings using "AA" insured municipal bonds is considerably greater vs. using private placement loans from commercial banks specializing in municipal finance.

Hilltop specializes in arranging tax-exempt, private placement loans for local government agencies and non-profits. Since January 1, 2017, Hilltop has served as placement agent for 10 successor agency transactions totaling \$114,123,684 of par.

Please note that Hilltop seeks to serve as a bond underwriter or placement agent and not as a financial advisor or municipal advisor. The preliminary financing information provided by Hilltop is for discussion purposes only in anticipation of being engaged to serve as bond underwriter or placement agent and should be considered general market information and not advice or recommendation.

All finance team members will submit for approval by the City and its Successor Agency, professional service agreements that will specify services to be provided, along with compensation and reimbursable expenses before getting started on the proposed refunding of the 2008 Bonds.

Bond Counsel and Disclosure Counsel - Jones Hall

I recommend the Successor Agency use the bond counsel firm of Jones Hall, based in San Francisco, to prepare refunding documents, ensure proceedings comply with Federal and State law, State Dept. of Finance regulations and render all necessary opinions. Jones Hall restricts its practice to CA municipal financing and does not perform local agency representation.

James Wawrzyniak, Jr., and David Fama of Jones Hall would serve as Bond and Disclosure Counsel and take the lead in preparing legal refunding documents and render all required opinions. As Disclosure Counsel, Jones Hall will prepare the Official Statement (prospectus) for refunding the 2008 Bonds, if a bond issue was used to refund the 2008 Bonds.

Jones Hall has extensive experience in refunding Successor Agency debt for CA local agencies.

Since the City's Redevelopment Agency has been replaced by the Successor Agency with the elimination of redevelopment agencies by the State, Jones Hall will advise the financing team on approvals that must be obtained from the Butte County Consolidated Oversight Board and State Dept. of Finance needed to complete the proposed refunding of the 2008 Bonds.

Fiscal Consultant - HdL Coren & Cone

A Fiscal Consultant Report ("FCR") is required by prospective bond purchasers, rating agencies, municipal advisor, bond underwriter and bond insurance companies for credit review and approval. The FCR will verify that there are enough tax increment property tax revenues derived from the Project Area to provide at least 1.25x debt service coverage for the proposed refunding of the 2008 Bonds.

I recommend Dave Schey of HdL Coren & Cone (HdL), based in Brea, CA, be retained by the Successor Agency to prepare the required FCR. Dave Schey of HdL Coren & Cone is widely respected amongst CA local agencies in terms of his ability to recover property, sales and lodging tax revenues due local agencies.

Payment for the FCR to HdL is required whether we close the proposed refunding or not. If for some reason we did not close the refunding, this cost can be reimbursed to the Successor Agency by the State Dept. of Finance through its ROPS submittals. However, I am confident that we will have a successful closing.

Other

Payment of professional fees to financing team members, excluding payment for the required FCR and rating fees that are reimbursable by the State if needed, is contingent on closing the 2022 refunding bonds and paid out of financing proceeds. There is no significant financial downside to the City and its Successor Agency if we did not close the proposed refunding of the 2008 Bonds. However, I am confident that we will have a successful closing and "lock in" an outstanding level of net debt service savings for all taxing entities within the Project Area.


Summary:

The proposed refunding of the 2008 Bonds, using "AA" rated insured municipal bonds or taxable and tax-exempt loans (private placements) generates a compelling level of net debt service savings and warrants the Successor Agency engaging the recommended financing team to refund its 2008 Bonds.

I will follow up with you regarding a time that we could review our refunding proposal with staff via a conference call and thereafter with the Successor Agency in person or in a virtual electronic meeting.

The financing team I have assembled looks forward to working with staff and the City Council to complete this excellent refunding opportunity of the Successor Agency's 2008 Bonds.

Sincerely,



Bill Fawell, President
W. J. Fawell Co., Public Finance

C: Elisa Arteaga, Finance Director

Preliminary Refunding Nos.

2022 Refunding

of

Gridley Successor Agency

2008A (Taxable)

2008B (Tax-Exempt)

Tax Allocation Bonds

Using

“AA” Insured Mpl. Bonds

SOURCES AND USES OF FUNDS

Successor Agency to the Gridley Redevelopment Agency, California
Tax Allocation Refunding Bonds, Series 2022 (Public Offering)
(Refunded Bonds: Series 2008A Taxable and Series 2008B Tax-Exempt)
Total COI \$210K and UW Discount \$12.5 per bond
Current Market Scale as of February 9, 2022
Preliminary / Subject to Change

Dated Date 07/14/2022
Delivery Date 07/14/2022

Sources:	Tax Allocation Refunding Bonds, Series 2022A (Taxable)	Tax Allocation Refunding Bonds, Series 2022B (Tax-Exempt)	Total
Bond Proceeds:			
Par Amount	2,605,000.00	1,800,000.00	4,405,000.00
Net OID		(22,322.00)	(22,322.00)
	2,605,000.00	1,777,678.00	4,382,678.00
Other Sources of Funds:			
Debt Service Reserve Fund	200,000.00	135,000.00	335,000.00
	2,805,000.00	1,912,678.00	4,717,678.00
Uses:	Tax Allocation Refunding Bonds, Series 2022A (Taxable)	Tax Allocation Refunding Bonds, Series 2022B (Tax-Exempt)	Total
Refunding Escrow Deposits:			
Cash Deposit	2,605,575.00	1,779,391.67	4,384,966.67
Delivery Date Expenses:			
Cost of Issuance	124,188.42	85,811.58	210,000.00
Underwriter's Discount	32,562.50	22,500.00	55,062.50
Bond Insurance (0.90%)	31,046.77	21,452.67	52,499.44
Surety Fee (4.00%)	7,551.84	5,218.16	12,770.00
	195,349.53	134,982.41	330,331.94
Other Uses of Funds:			
Additional Proceeds	4,075.47	(1,696.08)	2,379.39
	2,805,000.00	1,912,678.00	4,717,678.00

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Gridley Redevelopment Agency, California
Tax Allocation Refunding Bonds, Series 2022 (Public Offering)
(Refunded Bonds: Series 2008A Taxable and Series 2008B Tax-Exempt)
Total COI \$210K and UW Discount \$12.5 per bond
Current Market Scale as of February 9, 2022
Preliminary / Subject to Change

	Tax Allocation Refunding Bonds, Series 2022A (Taxable)	Tax Allocation Refunding Bonds, Series 2022B (Tax-Exempt)	Total
Dated Date	07/14/2022	07/14/2022	07/14/2022
Delivery Date	07/14/2022	07/14/2022	07/14/2022
Arbitrage Yield	2.888946%	2.888946%	2.888946%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	2,605,000.00	1,800,000.00	4,405,000.00
True Interest Cost	3.016587%	2.744632%	2.865225%
Net Interest Cost	3.006427%	2.696427%	2.825504%
All-In TIC	3.935211%	3.237437%	3.549286%
Average Coupon	2.859670%	2.552304%	2.680285%
Average Life	8.517	17.278	12.097
Duration	7.346	13.749	9.901
Par amount of refunded bonds	2,520,000.00	1,740,000.00	4,260,000.00
Average coupon of refunded bonds	7.500000%	5.000000%	6.094324%
Average life of refunded bonds	9.740	18.119	13.162
PV of prior debt	3,299,130.81	2,193,293.63	
Net PV Savings	693,555.81	413,901.96	1,107,457.77
Percentage savings of refunded bonds	27.522056%	23.787469%	25.996661%
Percentage savings of refunding bonds	26.624023%	22.994553%	25.140926%

SAVINGS

Successor Agency to the Gridley Redevelopment Agency, California
Tax Allocation Refunding Bonds, Series 2022 (Public Offering)
(Refunded Bonds: Series 2008A Taxable and Series 2008B Tax-Exempt)
Total COI \$210K and UW Discount \$12.5 per bond
Current Market Scale as of February 9, 2022
Preliminary / Subject to Change

Date	Prior Debt Service	Refunding Debt Service	Savings
06/30/2023	357,875.00	260,425.71	97,449.29
06/30/2024	356,437.50	249,096.16	107,341.34
06/30/2025	359,500.00	251,646.16	107,853.84
06/30/2026	357,062.50	248,771.16	108,291.34
06/30/2027	354,187.50	245,651.16	108,536.34
06/30/2028	355,750.00	247,214.91	108,535.09
06/30/2029	356,625.00	248,451.16	108,173.84
06/30/2030	356,750.00	249,393.66	107,356.34
06/30/2031	356,125.00	250,031.16	106,093.84
06/30/2032	354,750.00	245,456.16	109,293.84
06/30/2033	352,625.00	245,461.98	107,163.02
06/30/2034	359,437.50	259,770.78	99,666.72
06/30/2035	355,187.50	253,914.23	101,273.27
06/30/2036	355,000.00	248,231.25	106,768.75
06/30/2037	353,687.50	247,457.93	106,229.57
06/30/2038	351,250.00	246,531.76	104,718.24
06/30/2039	352,500.00	245,452.73	107,047.27
06/30/2040	350,750.00	318,812.50	31,937.50
06/30/2041	351,375.00	316,625.00	34,750.00
06/30/2042	351,250.00	319,250.00	32,000.00
06/30/2043	350,375.00	316,687.50	33,687.50
06/30/2044	353,625.00	318,937.50	34,687.50
	7,802,125.00	5,833,270.56	1,968,854.44

Savings Summary

Dated Date	07/14/2022
Delivery Date	07/14/2022
PV of savings from cash flow	1,440,078.38
Less: Prior funds on hand	(335,000.00)
Plus: Refunding funds on hand	2,379.39
Net PV Savings	1,107,457.77

General Information Exclusion

(a) Hilltop Securities is not recommending an action to you as the municipal entity or obligated person; (b) Hilltop Securities is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (c) Hilltop Securities is acting for its own interests; (d) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material and (e) Hilltop Securities seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve as underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer. The underwriter has financial and other interests that differ from those of the Issuer.

Interest rates used to provide the analysis herein are hypothetical and take into consideration conditions in today's market and other factual information such as the issuer's credit rating, geographic location and market sector. Therefore, these rates should not be viewed as rates that Hilltop Securities expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Hilltop Securities expects to achieve for you should we be selected to act as your underwriter or placement agent.

Preliminary Refunding Nos.

2022 Refunding

of

Gridley Successor Agency

2008A (Taxable)

2008B (Tax-Exempt)

Tax Allocation Bonds

Using

Private Placement Loans

SOURCES AND USES OF FUNDS

Successor Agency to the Gridley Redevelopment Agency, California
Tax Allocation Refunding Bonds, Series 2022 (Private Placement)
(Refunded Bonds: Series 2008A Taxable and Series 2008B Tax-Exempt)

Total COI \$195K

Current Market Scale as of February 9, 2022

Preliminary / Subject to Change

Dated Date 05/17/2022

Delivery Date 05/17/2022

Sources:	Tax Allocation Refunding Bonds, Series 2022A (Taxable)	Tax Allocation Refunding Bonds, Series 2022B (Tax-Exempt)	Total
Bond Proceeds:			
Par Amount	2,495,000.00	1,710,000.00	4,205,000.00
Other Sources of Funds:			
Debt Service Reserve Fund	200,000.00	135,000.00	335,000.00
	2,695,000.00	1,845,000.00	4,540,000.00

Uses:	Tax Allocation Refunding Bonds, Series 2022A (Taxable)	Tax Allocation Refunding Bonds, Series 2022B (Tax-Exempt)	Total
Refunding Escrow Deposits:			
Cash Deposit	2,575,650.00	1,765,616.67	4,341,266.67
Delivery Date Expenses:			
Cost of Issuance	115,701.55	79,298.45	195,000.00
Other Uses of Funds:			
Additional Proceeds	3,648.45	84.88	3,733.33
	2,695,000.00	1,845,000.00	4,540,000.00

SUMMARY OF REFUNDING RESULTS

Successor Agency to the Gridley Redevelopment Agency, California
Tax Allocation Refunding Bonds, Series 2022 (Private Placement)
(Refunded Bonds: Series 2008A Taxable and Series 2008B Tax-Exempt)

Total COI \$195K

Current Market Scale as of February 9, 2022

Preliminary / Subject to Change

	Tax Allocation Refunding Bonds, Series 2022A (Taxable)	Tax Allocation Refunding Bonds, Series 2022B (Tax-Exempt)	Total
Dated Date	05/17/2022	05/17/2022	05/17/2022
Delivery Date	05/17/2022	05/17/2022	05/17/2022
Arbitrage Yield	3.672262%	3.672262%	3.672262%
Escrow Yield			
Value of Negative Arbitrage			
Bond Par Amount	2,495,000.00	1,710,000.00	4,205,000.00
True Interest Cost	4.000664%	3.400262%	3.672262%
Net Interest Cost	4.000000%	3.400000%	3.653932%
All-In TIC	4.672240%	3.764445%	4.178051%
Average Coupon	4.000000%	3.400000%	3.653932%
Average Life	9.001	17.899	12.619
Duration	7.300	13.355	9.673
Par amount of refunded bonds	2,520,000.00	1,740,000.00	4,260,000.00
Average coupon of refunded bonds	7.500000%	5.000000%	6.098894%
Average life of refunded bonds	9.898	18.277	13.321
PV of prior debt	3,111,064.22	2,044,773.91	
Net PV Savings	535,414.22	279,157.24	814,571.46
Percentage savings of refunded bonds	21.246596%	16.043520%	19.121396%
Percentage savings of refunding bonds	21.459488%	16.324985%	19.371497%

SAVINGS

Successor Agency to the Gridley Redevelopment Agency, California
Tax Allocation Refunding Bonds, Series 2022 (Private Placement)
(Refunded Bonds: Series 2008A Taxable and Series 2008B Tax-Exempt)

Total COI \$195K

Current Market Scale as of February 9, 2022

Preliminary / Subject to Change

Date	Prior Debt Service	Refunding Debt Service	Savings
06/30/2023	357,875.00	268,310.44	89,564.56
06/30/2024	356,437.50	269,320.00	87,117.50
06/30/2025	359,500.00	274,395.00	85,105.00
06/30/2026	357,062.50	264,370.00	92,692.50
06/30/2027	354,187.50	264,315.00	89,872.50
06/30/2028	355,750.00	264,060.00	91,690.00
06/30/2029	356,625.00	263,620.00	93,005.00
06/30/2030	356,750.00	267,880.00	88,870.00
06/30/2031	356,125.00	266,840.00	89,285.00
06/30/2032	354,750.00	265,600.00	89,150.00
06/30/2033	352,625.00	259,260.00	93,365.00
06/30/2034	359,437.50	267,635.00	91,802.50
06/30/2035	355,187.50	265,625.00	89,562.50
06/30/2036	355,000.00	263,415.00	91,585.00
06/30/2037	353,687.50	265,905.00	87,782.50
06/30/2038	351,250.00	263,095.00	88,155.00
06/30/2039	352,500.00	264,985.00	87,515.00
06/30/2040	350,750.00	326,070.00	24,680.00
06/30/2041	351,375.00	326,380.00	24,995.00
06/30/2042	351,250.00	326,350.00	24,900.00
06/30/2043	350,375.00	321,065.00	29,310.00
06/30/2044	353,625.00	325,440.00	28,185.00
	7,802,125.00	6,143,935.44	1,658,189.56

Savings Summary

Dated Date	05/17/2022
Delivery Date	05/17/2022
PV of savings from cash flow	1,145,838.13
Less: Prior funds on hand	(335,000.00)
Plus: Refunding funds on hand	3,733.33
Net PV Savings	814,571.46

General Information Exclusion

(a) Hilltop Securities is not recommending an action to you as the municipal entity or obligated person; (b) Hilltop Securities is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (c) Hilltop Securities is acting for its own interests; (d) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material and (e) Hilltop Securities seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve as underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer. The underwriter has financial and other interests that differ from those of the Issuer.

Interest rates used to provide the analysis herein are hypothetical and take into consideration conditions in today's market and other factual information such as the issuer's credit rating, geographic location and market sector. Therefore, these rates should not be viewed as rates that Hilltop Securities expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Hilltop Securities expects to achieve for you should we be selected to act as your underwriter or placement agent.

Estimated
Costs of Issuance
for
2022 Refunding
of
Gridley Successor Agency
2008 Bonds
(Taxable & Tax-Exempt)
“AA” Insured
Tax-Exempt Bond Issue

2/22/22

\$4,405,000 (v6) (Combined)

Gridley RDA Successor Agency, Gridley, CA
2022 Refunding of 2008A \$2,605,000, (Taxable) and 2008B \$1,800,000 (Tax-Exempt)
("AA") Insured Municipal Bonds)

PRELIMINARY COST OF ISSUANCE ESTIMATE*

<u>Description</u>	<u>Firm</u>	<u>Est. Fees</u>
Bond Counsel	Jones Hall	\$57,000
Disclosure Counsel	Jones Hall	\$33,000
Municipal Advisor	W. J. Fawell Co.	\$57,000
S & P Rating Fee Series A (Taxable)	S & P	\$14,250
Staff Time Reimbursement	City / SA	\$10,000
CDIAC Fees	CDIAC Fees	\$1,250
Trustee / Counsel Fees	TBD	\$6,000
Printing	Royce	\$2,500
Fiscal Consultant	HdL	\$22,500
Subtotal		\$203,250
Contingency		<u>\$6,750</u>
TOTAL ESTIMATE		<u>210,000*</u>

*Preliminary; subject to change.

Contact List:

Financing Team

2022 Refunding

of

Gridley Successor Agency

Tax Allocation Bonds

2008A (Taxable)

2008B (Tax-Exempt)

**Successor Agency to the Former Gridley Redevelopment Agency
(Gridley Redevelopment Project)**

**2022 Tax Allocation Refunding Bonds
of
2008A (Taxable) and 2008B (Tax-Exempt) Tax Allocation Bonds**

FINANCE TEAM CONTACT LIST

CITY OF GRIDLEY:

Cliff Wagner, City Administrator
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(530) 846-5695 (Gen.)
(530) 846-3229 (Fax)

Elisa Arteaga, Finance Director
E-Mail: finance@gridley.ca.us

(530) 846-5695 (Gen.)

Jodi Molinari, Administrative Assistant
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(530) 846-3631

MUNICIPAL ADVISOR:

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Public Finance
3235 Avenida La Cima
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Bill Fawell, President
E-Mail: bill@wjfawellco.com

BOND COUNSEL:

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Attorneys at Law
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San Francisco, CA 94111

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(415) 276-2088 (Fax)

James Wawrzyniak, Jr..
E-Mail: jwawrzyniak@joneshall.com

David Fama; E-Mail: dfama@joneshall.com

BOND UNDERWRITER OR PLACEMENT AGENT:

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2533 S. Coast Hwy. 101, Suite 250
Cardiff by the Sea, CA 92007

Mike Cavanaugh, Managing Director
Public Finance Banking
E-Mail: Mike.Cavanaugh@hilltopsecurities.com

(760) 632-6824 (DL)
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FISCAL CONSULTANT:

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(714) 879-5000

David Schey, Principal
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(714) 879-5000, ext. 318

Information

W. J. FAWELL CO.

Public Finance

(Municipal Advisor)

W. J. F A W E L L C O.

Public Finance

Background and Qualifications

**3235 Avenida La Cima, Suite 100
Carlsbad, CA 92009**

Tel: (760) 942-2442 Fax: (760) 942-3096

E-Mail: bill@wjfawellco.com

COMPANY PROFILE

W. J. FAWELL CO.

Public Finance

W. J. FAWELL CO. is a municipal financial advisory firm, specializing in arranging publicly issued and privately placed tax-exempt and taxable financing for local government agencies. The firm was founded in 1994. Bill Fawell, President of the firm, has over 35 years' experience in municipal finance as a bond underwriter and municipal financial advisor to local government agencies. He has completed over 138 separate tax-exempt and taxable financings totaling over \$1.06 dollars for 73 separate local government agencies and non-profit organizations.

W. J. FAWELL CO. focuses on the development of cost effective and flexible financing programs. The firm concentrates on public infrastructure finance with a special emphasis in refinancing outstanding debt and saving issuers money.

Services offered by the firm include:

- Advisory services on public offerings and private placements.
- Refinancing and restructuring outstanding debt.
- Infrastructure and public facility financing.
- Equipment and vehicle lease-purchases of any size or description
- Non-profit financing for healthcare and human service providers.
- Consulting services on alternative methods of financing.

W. J. FAWELL CO. has extensive experience using all forms of municipal debt issuance to finance the construction of public facilities, acquisition of equipment/vehicles and refinancing and restructuring existing debt. Examples of projects the firm finances include water and wastewater improvements, public buildings, school facilities, storm drain and flood control systems, roads, healthcare facilities and successor agency redevelopment refinancing. The firm has extensive experience in land secured financings, using Mello-Roos community facility districts and special assessment districts bonds and with Successor Agency refinancings. The firm also arranges financing for healthcare providers and human service agencies.

W. J. FAWELL CO. is committed to professional excellence and integrity in all its work and encourages you to contact our esteemed clients regarding our capabilities. The firm strongly believes in prompt and focused professional service delivered in the most cost-effective manner possible. In order to guarantee the highest caliber of specialized professional service the firm will, if warranted, put together a team of other professionals to complete a given project.

W. J. FAWELL CO. is committed to providing its clients advice they can trust, service they can depend on and compelling ideas to save them money.

W. J. FAWELL CO. is a Registered Municipal Advisor and Principal with the Municipal Securities Rulemaking Board (MSRB) and the SEC; headquartered in Carlsbad, California.

RÉSUMÉ

BILL FAWELL

Bill Fawell began his career in the public sector working for over nine years in various city management positions for the California Cities of Torrance, Rolling Hills Estates, and Palos Verdes Estates. While employed in the public sector he was responsible for city administration, contract services, community relations, personnel, labor relations, recreation, budget preparation, risk management and community development. This broad background in municipal management has given him keen insight into the governmental processes in which both appointed and elected officials operate.

He has over 35 years of experience in municipal finance, working as both a municipal financial advisor and bond underwriter to local government agencies. During his career in public finance he has completed 138 separate financings totaling over \$1.06 billion dollars for 73 separate local government agencies and non-profit organizations.

Bill began his career in public finance in 1985 with the investment banking firm of Miller & Schroeder Financial, Inc., in Solana Beach, California, where he worked as a bond underwriter and municipal financial advisor to local government agencies. In 1987, he joined the municipal underwriting and financial advisory firm of M. F. Whipple & Co., Inc., in Laguna Niguel, California, that became Whipple, Kinsell & O'Neal. In 1994, Bill founded W. J. Fawell Co. to provide municipal financial advisory services, specializing in arranging publicly issued and privately placed tax exempt and taxable financing for local government agencies and non-profit organizations.

Since entering the field of public finance, he has specialized in public infrastructure financing for new public facilities. The firm specializes in refinancing all forms of municipal debt obligations with the goal of saving clients' money.

He has a broad background in public finance and has utilized all available debt instruments to complete a given financing. He has extensive experience in using tax-exempt and taxable tax allocation refunding bonds issued by successor agencies, tax exempt-leases, certificates of participation, revenue bonds, general obligation bonds, Marx-Roos bonds, special assessment bonds, Mello-Roos community facility district bonds and health care revenue bonds.

Bill is a Registered Municipal Advisor and Principal with the Municipal Securities Rulemaking Board (MSRB) and the SEC. He holds a Master's Degree in Public Administration from California State University, Long Beach and a Bachelor of Arts Degree in Public Administration with a minor in Business Administration from California State University, Chico. He is a veteran and served in the U.S. Army, 4th BN, 18th Infantry Division, Berlin, Germany (Honorable Discharge). W. J. Fawell Co. is a veteran owned firm.

LIST OF AGENCIES SERVED

by

William J. Fawell

1. Alvord Unified School District
2. Anderson Union High School District
3. City of Arvin Successor Agency
4. City of Arcata
5. City of Angels Camp
6. City of Atascadero
7. City of Banning
8. Beaumont Unfd. Sch. District
9. City of Brea
10. Brooktrails Community Service Dist.
11. Cambria Community Services District
12. Chino Valley Unified School District
13. City of Chino
14. City of Cloverdale / Successor Agency
15. City of Colton
16. City of Commerce
17. Corcoran Hospital District
18. City of Corona
19. Cudahy Redevelopment Agency
20. Desert Sands Unified School District
21. East Valley Water District
22. El Centro Regional Medical Center
23. Esparto Community Services District
24. Etiwanda School District
25. Fallbrook Public Utility District
26. City of Fresno
27. Glenn-Colusa Irrigation District
28. City of Grand Terrace
29. Helix Water District
30. Humboldt Community Services District
31. City of Huron / Successor Agency
32. Indian Valley Community Services Dist.
33. Indian Wells Valley Water District
34. Jurupa Community Services District
35. City of Lathrop
36. City of La Verne
37. Town of Los Altos Hills
38. Moreno Valley Unified School District
39. Moulton Niguel Water District
40. Moreno Valley Unified School District
41. Moulton Niguel Water District
42. Mountain View School District
43. City of Murrieta
44. North County Fire Protection District
45. Padre Dam Municipal Water District
46. Palm Desert Water & Services District
47. Portola Valley, Town of
48. Plumas Unified School District
49. Purissima Hills Water District
50. Ramona Municipal Water District
51. Reclamation District No. 108
52. Rhoda Goldman Plaza (Issuer: CMFA)
53. City of Rialto
54. Riverside Unified School District
55. City of Rohnert Park
56. City of San Bernardino
57. San Gabriel County Water District
58. City of San Marcos
59. Santa Paula School District
60. City of Seal Beach Redev. Agency
61. Schell-Vista Fire Protection District
62. Sierra View Local Health Care District
63. South Bay Union School District
64. Southern California Presbyterian Homes
65. Spalding Community Services District
66. City of Stockton (Dameron Hospital)
67. Upland Unified School District
68. Ventura County
69. Weaverville CSD
70. Walden House, Inc. (CSCDA-Issuer)
71. Western Mpl. Water District
72. City of Willows
73. Woodside, Town of

Information

Jones Hall

(Bond / Disclosure Counsel)

**Statement of Qualifications
for Bond Counsel and/or Disclosure Counsel
Services**

Presented by

JONES HALL

2022

Firm Qualifications.

Background and Experience. Jones Hall is one of the most active municipal finance firms in the country. More local California agencies use Jones Hall as bond counsel on their long-term financings than any other law firm, based upon statistics compiled by the California Debt and Investment Advisory Commission. We represent virtually every type of public agency in California, including cities, counties, school districts, successor agencies to redevelopment agencies, special districts and housing authorities, and have served as bond counsel for over 1,100 public entities in the State of California. We believe the depth and breadth of the experience of the firm's attorneys enables us to bring a greater level of knowledge and creativity to the structuring of financing transactions than that of most bond counsel firms.

Jones Hall is consistently ranked as the number one bond counsel firm and number one or number two disclosure counsel firm in the State, ranked by number of deals completed. The Thomson Financial statistics for the last three years are shown below.

2021

Thomson Financial statistics

Jones Hall Role	Rank	Number of issues	Approx. Par Amount
Bond Counsel	3	199	\$6.50 billion
Disclosure Counsel	3	116	\$3.57 billion

2020

Thomson Financial statistics

Jones Hall Role	Rank	Number of issues	Approx. Par Amount
Bond Counsel	2	213	\$5.37 billion
Disclosure Counsel	2	158	\$4.43 billion

2019

Thomson Financial statistics

Jones Hall Role	Rank	Number of issues	Approx. Par Amount
Bond Counsel	1	211	\$4.56 billion
Disclosure Counsel	2	145	\$2.85 billion

Familiarity and Experience with Particular Types of Financings.

Revenue Bonds/Enterprise Financings. Since January 2013, Jones Hall has served as bond/co-bond counsel and/or disclosure counsel on more than 600 revenue bond issues and enterprise financings. The vast majority of these transactions were for water or wastewater systems.

Successor Agency Refunding Bonds. Since 2013, Jones Hall has served as bond counsel and/or disclosure counsel on dozens of tax allocation refunding bond transactions, totaling billions of dollars (including San José alone was more than \$1.5 billion). Dave Fama and James Wawrzyniak were part of a large number of these transactions, including successor agency refundings for the cities of Arvin,

Desert Hot Springs, Healdsburg, Huron, Madera, Novato, Oakdale, Petaluma, Pittsburg, Rocklin, Roseville, San Carlos, San Leandro, and San José.

Mello-Roos Bonds. Since 2013, Jones Hall has served as bond/co-bond counsel and/or disclosure counsel on more than 375 Mello-Roos bond issues.

Certificates of Participation/Lease Revenue Bonds. Since 2013, Jones Hall has served as bond/co-bond counsel on over 200 certificate of participation or lease revenue bond financings.

General Obligation Bonds. Since 2013, Jones Hall has served as bond/co-bond counsel and/or disclosure counsel on over 1,000 general obligation bond issues.

Multifamily Housing Revenue Bonds. Since 2013, Jones Hall has served as bond/co-bond counsel on more than 325 multifamily housing revenue bond issues.

Infrastructure Financing Districts. Jones Hall represented the City and County of San Francisco in the formation of its infrastructure financing district for Rincon Hill, and has worked with the Port of San Francisco and the Treasure Island Development Authority on several projects utilizing new infrastructure financing statutes.

Tax and Revenue Anticipation Notes. Since 2013, Jones Hall has served as bond counsel or disclosure counsel on approximately 43 tax and revenue anticipation note issues.

Commercial Paper. Jones Hall has served as bond counsel on commercial paper note issues for the City and County of San Francisco and for the City of San Jose Financing Authority.

Staff Qualifications.

James A Wawrzyniak, Jr. – Bond Counsel/Disclosure Counsel. Mr. Wawrzyniak is a principal attorney in the firm having experience as bond and disclosure counsel in a variety of municipal finance transactions. He represents cities, counties, and other local agencies through the State. He is known as an expert in Successor Agency financings, having represented recent clients such as the Petaluma Successor Agency, Davis Successor Agency, and Novato Successor Agency. He also has extensive experience with enterprise fund financings, particularly with respect to Water Revenue Bonds and Wastewater Revenue Bonds, and has worked on United States Department of Agriculture (USDA) financing and refinancing transactions as well. He received his J.D. from Harvard Law School, *cum laude*, and his undergraduate degree from Georgetown University in Economics, *summa cum laude*.

David T Fama – Bond Counsel/Disclosure Counsel. Mr. Fama has been practicing bond law since 1994 and joined Jones Hall in 2000. He serves as bond counsel, disclosure counsel and underwriter's counsel in financings that include: Mello-Roos special tax bonds, assessment bonds, tax allocation bonds, revenue bonds and certificates of participation, and 501(c)(3) financings. He represents cities, counties, redevelopment successor agencies, school districts and joint powers authorities throughout California. His practice focuses primarily on bond counsel and disclosure counsel work for cities, special districts and school districts, and he also has extensive experience in connection with land-secured financings. Mr. Fama received

his B.A. from the University of Santa Clara and his J.D. from Pepperdine University. He is a member of the National Association of Bond Lawyers.

David Walton – Tax Attorney. Mr. Walton joined Jones Hall in 1992 and practices in the tax area exclusively. From 1989 to June of 1990, he was Counsel to the Assistant Chief Counsel (Technical) - Financial Institutions and Products at the Internal Revenue Service; and for two years thereafter served as an Attorney-Advisor in the Office of Tax Policy at the United States Department of Treasury where he specialized in tax-exempt finance. Mr. Walton attended Brigham Young University, where he received a B.S. degree in 1980, and Hastings College of the Law, where he received his J.D. degree in 1983. He was admitted to the Utah Bar in 1983 and the California Bar in 1990. He is chair of the National Association of Bond Lawyers Committee on Arbitrage and Rebate, a member of the Committee on Tax-Exempt Finance of the American Bar Association, and a member of the Editorial Advisory board of the Public Finance Advisor.

Closing Coordinators (Non-Attorney). Our closing coordinators assist our attorneys in all closing activities, alleviating logistical and structural issues associated with closings. The only task of the Closing Department is to create and gather closing documents and provide assistance to assure smooth closings and timely response to closing concerns by assisting the attorneys in all pre-closing, closing and post-closing logistics. Each closer has a minimum of 10 years' experience at the sole responsibility of closing municipal bond financings. As the transaction approaches a closing, we will assign one of the professionals from our Closing Department to take charge of the logistics of completing your financing.

Contact Information.

Jones Hall has a single office in San Francisco which will staff any engagement. Our contact information is as follows:

James A. Wawrzyniak, Jr., Shareholder
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David Fama, Shareholder
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San Francisco, California 94111
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email: dfama@joneshall.com

Information

Hilltop Securities
(Bond Underwriter
or
Placement Agent)

Qualifications to Provide Bond Underwriting Services

Gridley Successor Agency

Gridley Successor Agency

CONTACT:

Mike Cavanaugh, Managing Director
mike.cavanaugh@hilltopsecurities.com

2533 South Coast Highway 101, Suite 250, Cardiff, CA 92007

Phone: 760.632.6824

February 23, 2022

Electronic Copy Delivery

Bill Fawell,
bill@wjfawellco.com

Dear Mr. Fawell:

Hilltop Securities Inc. ("HilltopSecurities") is pleased to have this opportunity to submit its qualifications to serve as underwriter or placement agent for the Gridley Successor Agency (the "Agency") in connection with the potential issuance of 2022 Tax Allocation Revenue Refunding Bonds. When evaluating our qualifications, please consider the following:

We'll Deliver the Most Efficient Form of Borrowing. HilltopSecurities' goal will be to maximize proceeds while also providing alternatives that could result in more efficient use of time, money and resources. We will evaluate both a private placement and a public offering.

- ✓ **Private Placements.** The proposed HilltopSecurities financing team has been using private placements as an alternative to public offering in California since 2010. Placements have provided a more efficient and lower cost of borrowing than traditional public offerings.
- ✓ **Public Offerings.** At first glance, a public offering is likely to be more cost effective. This proposal will highlight our thoughts and guidance between the two types of borrowing.

Redevelopment. Our experience with tax allocation bonds, both pre- and post-dissolution of redevelopment agencies in California is unparalleled, especially when you consider that all of the transactions were completed by our *three-person* office. As discussed herein, HilltopSecurities was the first firm to underwrite a post-dissolution refinancing and completed the first three. HilltopSecurities was also the first firm to obtain an investment-grade rating, the first to obtain bond insurance, the first to obtain a surety in place of a debt service reserve, the first to complete a taxable transaction and the first to complete a private placement in this sector. Another firm can claim more deals or par amount, but on a deal to banker basis, our bankers are the most experienced in this sector.

I will be involved with the transaction from start to finish and will be responsible for all work generated by HilltopSecurities. I pledge our availability as well as accessibility and will work in tandem with the Agency, its municipal advisor and other members of the financing team to ensure the Agency's financing goals are reached. Our team is well-qualified to provide the Agency with the highest level of underwriting/placement agent services.

Please contact me directly with any questions, comments or concerns.

Sincerely yours,



Mike Cavanaugh
Managing Director

Table of Contents

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DISCLOSURE: HilltopSecurities Inc. ("HilltopSecurities") is providing the information contained in this document for discussion purposes only in anticipation of serving as underwriter to the Gridley Successor Agency (the "Agency"). As an underwriter, HilltopSecurities' primary role is to purchase securities for resale to investors in an arm's length transaction between the Agency and HilltopSecurities. HilltopSecurities' financial and other interests will differ from those of the Agency, and therefore, HilltopSecurities will not serve as a municipal advisor, financial advisor, or fiduciary to the Agency or any other person or entity on such transaction, regardless of whether HilltopSecurities or its representatives or affiliates have advised or are advising any such parties on other matters. The information provided herein is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities and Exchange Act of 1934. The Agency should consult with its financial, municipal, legal accounting, tax and/or other advisors, as applicable, to the extent it deems appropriate. If the Agency would like a municipal advisor that has legal fiduciary duties to it, the Agency should consider engaging a municipal advisor to serve in that capacity. HilltopSecurities will not have any duties or liability to any person or entity in connection with the information being provided herein. The information provided in this document is indicative only and constitutes our judgment as of this date based on current market conditions and other information available to us.

Tax Allocation Bond Experience

HilltopSecurities is a leader in California tax allocation finance. Post-Dissolution Act, HilltopSecurities has completed 53 tax allocation financings totaling \$2.6 billion since 2016. Of these financings 29, were completed as Senior Manager, 7 were completed as Co-Manager and 17 were completed as Placement Agent. Generally, Placement Agent information is not available and will be overlooked by other firms for statistical purposes. Only one firm can claim more experience than HilltopSecurities in this sector. However, digging deeper, this other firm has 30+ managing directors in California, while HilltopSecurities only has three.

Moreover, regarding California tax allocation transactions Post-Dissolution Act, the three bankers at HilltopSecurities are proud of our accomplishments:

- ✓ 1st Underwriter to complete a Successor Agency transaction
- ✓ 1st to obtain an investment grade rating
- ✓ 1st to obtain bond insurance
- ✓ 1st to privately place a refunding (see case study below)
- ✓ 1st to use a debt service surety
- ✓ 1st to complete a taxable transaction
- ✓ 1st to complete a Pass-Through Monetization for private entity

A summary of our experience post-dissolution is as follows.

	Senior Manager		Co-Manager		Placement Agent		Total	
	Total	Par Value	Total	Par Value	Total	Par Value	Total	Par Value
2016	10	165,485,000	3	210,455,000	4	17,180,831	17	393,120,831
2017	8	158,575,000	4	1,712,340,000	6	67,346,000	18	1,938,261,000
2018	2	15,595,000	0	-	4	46,777,684	6	62,372,684
2019	2	32,550,000	0	-	0	-	2	32,550,000
2020	4	58,335,000	0	-	1	7,547,481	5	65,882,481
2021	3	163,977,000	0	-	2	15,847,000	5	179,824,000
Total	29	\$ 594,517,000	7	\$ 1,922,795,000	17	\$ 154,698,996	53	\$ 2,672,010,996

HilltopSecurities is currently working on redevelopment transactions for Artesia, Paso Robles and Montclair. These current assignments will ensure the Successor Agency and their Municipal Advisor that HilltopSecurities has current and valuable experience in this sector. These current assignments will not interfere with our ability to assist the Agency and will only add to our value as your underwriter.

When comparing our experience to our competitors, the 53 deals listed above were accomplished by the three team members. This success is without comparison in the sector. We have the experience and knowledge to guide you through the process and if that requires something new or different, we have that proven ability. HilltopSecurities will provide solutions in order for you to meet your objectives.

CASE STUDIES



HilltopSecurities is part of the underwriting pool at the City of West Sacramento and as such we have proposed a number of refundings to the City. In June of 2013, HilltopSecurities suggested the refunding of outstanding redevelopment bonds. The purpose of the financing was to refund the Agency's previously issued 1998 and 2004 Bonds. HilltopSecurities accomplished this through the first post dissolution financing brought to market via private placement ("PP"). The \$58,766,603 Successor Agency to the West Sacramento Redevelopment Agency Tax Allocation Refunding Bonds produced over \$4 million in savings.

Unlike any other post AB 1484 transaction to date, the West Sacramento financing was done via a PP and not a public offering ("PO").

HilltopSecurities was dual tracking the refunding as both a PO and a PP; this technique was used to take advantage of the lowest cost of borrowing which was in flux. HilltopSecurities proved the use of a PP instead of a PO greatly enhanced savings. Total gross savings equated to \$4,282,035 over the life of the Bonds or \$267,000 annually. The West Sacramento transaction priced in December 2013 and, therefore, HilltopSecurities had the market knowledge to compare and contrast the proposed PP versus a similar PO financing such as the Hilltop sole-managed \$125,000,000 La Quinta RDA refunding. The rating on West Sacramento was an "A-" compared to the underlying "A+" of La Quinta. The interest rates at which higher credit quality La Quinta was priced did not produce the savings generated by the interest rate provided by the bank via a PP. The bank who bought the Bonds was also able to provide a letter of credit to replace the debt service reserve. The benefits of PP vs the PO resulted in an additional \$42,000/yr. or a total of over \$670,000 over the life of the Bonds.



In November 2017, HilltopSecurities was sole manager on \$111,545,000 Taxable Pension Obligation Bonds for the City of Monrovia, CA. This was one of the largest taxable sole managed deals done in California. The proceeds were used to refinance the then outstanding 2010 Pension Obligation Bonds, pay for \$98,000,000 of Unfunded Accrued Liability and pay costs of issuance. This long underwriting process included HilltopSecurities preparing a Rating Presentation on behalf of the City. Through the use of the detailed presentation and our proposed structure, Monrovia was able to obtain a "AA-" rating from S&P. This rating allowed the City to forgo the use of bond insurance, saving taxpayers additional money. HilltopSecurities marketed this deal for a few weeks prior to sale to make sure we reached enough buyers. The sales process was an overwhelming success. We started our pricing at rates substantially through our closest comparable, a "AA" insured \$52,795,000 Inglewood Pension Bond. HilltopSecurities generated orders from more than 20 institutions in amounts ranging from \$500,000 to \$28,000,000. Total orders were over \$304,000,000. With the substantial oversubscription, HilltopSecurities was able to further reduce rates providing additional savings for the City. The final rates finished 30 basis points through the Inglewood Pension Bonds. This thirty year financing had overwhelming support in later maturities. HilltopSecurities generated twelve orders totaling over \$132,000,000 in par amount.

This Monrovia financing is meant to demonstrate our ability to sell taxable paper. We have successfully sold eleven taxable redevelopment transactions since 2016 for over \$131,675,427 in par amount. These issues include Taxable senior managed deals for La Quinta (\$35,055,000), Norco (\$22,665,000) and Yorba Linda (\$12,570,000). This experience should provide evidence of our ability to sell taxable bonds at favorable rates. HilltopSecurities has the resources, experience and ability to provide the Agency with the lowest cost of borrowing.

HilltopSecurities Assigned Team

Mike Cavanaugh, Managing Director, started his career in Public Finance in 1991 as a financial analyst and has over twenty years of senior management banking experience. His redevelopment clients include the Successor Agencies San Carlos, San Diego, San Jose, Yuba City, West Sacramento, Merced, Lindsay, Oroville, California City, Clayton, Los Banos, Folsom, Petaluma, Poway, Watsonville and Artesia. **Mike has completed 12 successor agency financings totaling over \$1,200,000,000 since 2016.** With Mr. Cavanaugh as lead banker, HilltopSecurities was added to the senior managing pool of underwriters for both the City of San Diego and Los Angeles County and specifically regarding redevelopment finance.

HilltopSecurities
A Hilltop Holdings Company



Mike Cavanaugh
Managing Director
Public Finance Banking


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Mike.Cavanaugh@hilltopsecurities.com

Mr. Cavanaugh holds a Bachelor of Science Degree in Business Administration from the University of Southern California. He is a Registered Representative with the Registered Representative of the Financial Industry Regulatory Agency ("FINRA") and holds the Series 7 license. Mr. Cavanaugh is an active member of the Committee on Assessments, Special Taxes and Other Financing Facilities (CASTOFF), California Society of Municipal Finance Officers (Statewide and the San Diego Chapter), Independent Cities Association, and the former California Redevelopment Association.

Todd Smith, Managing Director, has been involved in the underwriting of over \$3.5 billion in public finance transactions since 1996, including revenue bonds, COPs, lease revenue bonds, land secured transactions, tax allocation bonds, affordable housing projects, enterprise revenue bonds, and general obligation bonds. Since 2013, **Todd has completed 20 successor agency financings totaling over \$180,000,000, plus the Fontana OPA since 2016.** In 2008 and 2009, Mr. Smith was the lead banker on the Far West Region Bond Buyer Deal of the Year for the Yuba County Levee Improvement Agency and Chawanakee Unified School District, respectively. Mr. Smith holds a Bachelor of Arts Degree from California State University Fullerton in Economics. Mr. Smith has the Series 7 and Series 63 licenses.

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Todd Smith
Managing Director
Public Finance Banking

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Information

HdL Coren & Cone
(Fiscal Report
Consultant)

HdL Coren & Cone

Description of the Firm's Business

HdL Coren & Cone (HdLCC) was established in 1992 to provide property tax data base management, analytical and auditing services to cities, redevelopment agencies, special districts and Counties. HdLCC, along with Hinderliter de Llamas & Associates and HdL Software comprise the HdL Companies. The HdL Companies are located in Brea, California.

Our services are based upon the firm's large investment in computers and specially designed software for the management of large property tax databases. We currently have on line more than 400 gigabits of property tax data, including the complete secured and unsecured tax rolls for Sonoma County since 2000. Our software capability gives us the ability to audit an entire county for the benefit of our clients. Over the years, we have corrected the allocation of \$3.2 billion in assessed values resulting in the recovery of more than \$29 million for our clients.

HdLCC currently is providing on-going property tax analytical and auditing services for over 250 cities, successor agencies and special districts. For these clients we serve as adjunct staff on all property tax matters, including auditing county allocation procedures, researching property tax related issues, providing revenue estimates to assist in the budget process, and preparing updated tables for continuing disclosure.

In addition to our property tax expertise HdLCC has extensive experience working with redevelopment agencies and redevelopment finance. Prior to the dissolution of redevelopment agencies by the State of California, we assisted numerous redevelopment agencies with statements of indebtedness, annual financial reports low-and-moderate income housing calculations, including deficit reduction plans and excess surplus calculations. HdLCC has participated in the issuance of tax increment supported debt for more than 200 bond issues involving more than \$5.2 billion of total bonds. Since the dissolution of redevelopment agencies by the State, we have participated in the refinancing of existing bonds for more than 50 separate successor agencies.

HdLCC has been at the forefront of the analysis and implementation of AB x1 26, AB x1 27, AB 1484 and SB 107. We have worked with our client agencies, county auditor controllers and other consultants to determine how these new laws would affect redevelopment in California and to assist former redevelopment agencies to adapt to and work within the new laws.

Staff Assignment for Preparing Fiscal Consultant Report

David Schey will be the principal responsible for services to the Successor Agency. All of the HdLCC staff will be available to assist as needed with services to the Successor Agency. Mr. Schey's principal associate for services to the Successor Agency will be Cheryl Murase. All HdLCC staff is located in the Brea Office and may be reached at (714) 879-5000.



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120 S. State College Blvd.
Suite 200
Brea, CA 92821

Scope of Services

The services for preparation of the Fiscal Consultant Report include the following:

1. A historical review of the assessed values of the former Project Area;
2. An investigation and verification, if required, of any anomalies or discrepancies revealed by the historical review of the Project Area assessed values;
3. A projection of tax increment revenues through the term of the Bonds for the former Project Area based upon 2019-20 assessed values, property tax growth trends and transfers of ownership;
4. A listing of the top ten taxpayers in the Project Area and a determination of their tax payment status (i.e. delinquencies);
5. A review of the tax allocation and disbursement procedures of Butte County in the aftermath of AB x1 26, AB 1484 and SB 107;
6. A review of outstanding appeals of property taxes for the Project Area subject to the availability of appeals data from the County Assessment Appeals Board;
7. A review of any proposed or recently adopted legislation and its impact on the pledge of the tax increment revenues of the Project Area;
8. Preparation of the Fiscal Consultant Report describing our assumptions and presenting our projections of the Project Area revenues as well as an aggregation of these revenues for inclusion with the offering documents of the proposed bond issuance;
9. Review of the bond issuance offering documents as they relate to the Project Area revenues and issues discussed in the Fiscal Consultant Report;

Bonds



A horizontal bar with a teal segment on the left and an orange segment on the right.

Gridley Successor Agency to Former Redevelopment Agency

Refunding of the Gridley Redevelopment Project Tax Allocation Bonds

\$2,980,000, Series 2008A (Taxable)
\$1,770,000, Series 2008B (Tax-Exempt)
(the “Series 2008 Bonds”)

Agenda



Finance Team

Overview

Financing Plan

Estimated Savings

Costs of Issuance

Summary Schedule

Questions

Finance Team

Finance Team



- The Finance Team includes:
 - W. J. Fawell Co., Public Finance – Municipal Advisor
 - Bill Fawell, President
 - Jones Hall – Bond & Disclosure Counsel
 - James A. Wawrzyniak, Jr., Shareholder
 - David Fama, Shareholder
 - HilltopSecurities, Inc. – Bond Underwriter
 - Mike Cavanaugh, Managing Director
 - HdL Coren & Cone – Fiscal Consultant
 - Dave Schey, Principal

Overview

Outstanding Series 2008 Series A Taxable Bonds



Series 2008 A Taxable Bonds (Redevelopment Project Area)	
Dated Date	May 15, 2008
Original Par	\$2,980,000
Outstanding Principal (After 8/1/21 Payment)	\$2,520,000
Average Coupon (As of 8/1/21)	7.50%
Tax Status	Taxable
First Call Date (Optional Redemption Date)	8/1/19 @ 100%

Outstanding Series 2008 Series B Tax-Exempt Bonds



Series 2008 B Tax-Exempt Bonds (Redevelopment Project Area)	
Dated Date	May 15, 2008
Original Par	\$1,770,000
Outstanding Principal (After 8/1/21 Payment)	\$1,740,000
Average Coupon (As of 8/1/21)	5.00%
Tax Status	Tax-Exempt
First Call Date (Optional Redemption Date)	8/1/19 @ 100%

Overview of Debt Management Policy



- Resolution to Adopt Debt Management Policy
 - Debt Management Policy
 - Compliance with CA Senate Bill 1029 (SB 1029) (act to amend Section 8855 of the Government Code) and addresses the following:
 - The purposes for which the debt proceeds may be used
 - The types of debt that may be issued
 - The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable
 - Policy goals related to the issuer's planning goals and objectives
 - The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use
 - Debt Policy satisfies legal requirements for debt issued by the Successor Agency, as well as the City

Overview of Legal Documents



- Resolution Authorizing Sale of Refunding Bonds and Approving Related Documents (Series 2008 A (Taxable) & B (Tax-Exempt) Tax Allocation Bonds, the “Series 2022 Bonds”)
 - Authorize the refunding of the Series 2022 Bonds for savings
 - Form of Indenture of Trust
 - Agreement between the Gridley Successor Agency (the “Successor Agency”) and U.S. Bank Corp. Trust, N.A. (“Trustee”) for the benefit of the owners of the Series 2022 Bonds
 - Authorize staff to enter into Professional Services contracts and provide for other matters properly relating thereto

Financing Plan

Financing Plan



- Gridley Redevelopment Project Series 2022 Bonds
 - \$2,605,000 Series A (Taxable) Bonds
 - \$1,800,000 Series B (Tax-Exempt) Bonds
 - Refund Series 2008 A & B Bonds
 - Lower annual debt service payment
 - Provide additional residual distributions to taxing entities of property tax revenues no longer needed for annual debt service on the Series 2008 A & B Bonds as result of the refunding

Financing Plan



● Public Offering Steps

- Engage Municipal Advisor, Bond Counsel, Disclosure Counsel, Fiscal Consultant & Underwriter
- Obtain approval from Butte County Consolidated Oversight Board
- Determine Public Offering or Private Placement structure
- Obtain approval from Department of Finance
- Obtain credit rating
- Obtain credit enhancement ('AA' Rated Municipal Bond Insurance)
- Preliminary & Final Official Statement (Offering Document/Prospectus)
- Negotiated public sale
- Execute Bond Purchase Agreement

Estimated Savings and Total Debt Service

Refunding of Series 2008 A & B Bonds

Total Estimated Net Debt Service & Savings*



Date	Prior Debt Service	Refunding Debt Service	Savings
06/30/2023	357,875.00	260,425.71	97,449.29
06/30/2024	356,437.50	249,096.16	107,341.34
06/30/2025	359,500.00	251,646.16	107,853.84
06/30/2026	357,062.50	248,771.16	108,291.34
06/30/2027	354,187.50	245,651.16	108,536.34
06/30/2028	355,750.00	247,214.91	108,535.09
06/30/2029	356,625.00	248,451.16	108,173.84
06/30/2030	356,750.00	249,393.66	107,356.34
06/30/2031	356,125.00	250,031.16	106,093.84
06/30/2032	354,750.00	245,456.16	109,293.84
06/30/2033	352,625.00	245,461.98	107,163.02
06/30/2034	359,437.50	259,770.78	99,666.72
06/30/2035	355,187.50	253,914.23	101,273.27
06/30/2036	355,000.00	248,231.25	106,768.75
06/30/2037	353,687.50	247,457.93	106,229.57
06/30/2038	351,250.00	246,531.76	104,718.24
06/30/2039	352,500.00	245,452.73	107,047.27
06/30/2040	350,750.00	318,812.50	31,937.50
06/30/2041	351,375.00	316,625.00	34,750.00
06/30/2042	351,250.00	319,250.00	32,000.00
06/30/2043	350,375.00	316,687.50	33,687.50
06/30/2044	353,625.00	318,937.50	34,687.50
	7,802,125.00	5,833,270.56	1,968,854.44

*As of 02/09/22. Assumes 'AA' rated bond insurance & surety bond in lieu of DSRF.
Preliminary, Subject to change.

Projected Savings*

Refunding of 2008 A and B Bonds



	Series 2022 Bonds
True Interest Cost	2.865%
Budgetary Debt Service Savings	\$1,968,854
Present Value	1,440,078
Rounding Amount	1,043
Net Present Value Benefit	\$1,107,457
Net Present Value/Refunded Principal	25.996%

*As of 02/09/22. Assumes 'AA' rated bond insurance & surety bond in lieu of DSRF. Preliminary, Subject to change.

Projected Increase in Residual Property Tax Revenues by Taxing Entity*



City of Gridley Successor Agency 2019/20 Incremental Weighted Average Rates- Combined			
Taxing Entity	Allocation	Est Annual Savings	Total Savings
City General Fund	18.79%	15,414	369,948
County General Fund	17.18%	14,094	338,249
Special Districts	7.47%	6,128	147,073
K-12 Schools	45.55%	37,367	896,813
Community College	6.77%	5,554	133,291
Co Office of Ed	4.24%	3,478	83,479
Total	100%	82,036	1,968,854

Data Source: 2019/20 Combined Tax Rolls (HdL Coren & Cone)

Costs of Issuance

Costs of Issuance



<u>Description</u>	<u>Firm</u>	<u>Est. Fees</u>
Bond Counsel	Jones Hall	\$57,000
Disclosure Counsel	Jones Hall	\$33,000
Municipal Advisor	W. J. Fawell Co.	\$57,000
S&P Rating Fee	S&P	\$14,000
Staff Reimbursement	City Staff	\$10,000
CDIAC	CDIAC	\$1,250
Fiscal Consultant	HDL	\$22,500
Trustee	TBD	\$6,000
Printing	Royce	<u>\$2,500</u>
Subtotal		\$210,000

Summary Schedule

Summary Schedule



May 2, 2022	<ul style="list-style-type: none"> • Successor Agency Meeting to adopt Resolution approving authorizing refunding of the 2008 A & B Bonds and retaining financing team members.
By June 30, 2022	<ul style="list-style-type: none"> • Butte County Consolidated Oversight Board Meeting to approve and direct Successor Agency to proceed with refunding
July 5, 2022	<ul style="list-style-type: none"> • Submit Oversight Board Resolution and Documents to Department of Finance • Start of 65-day Department of Finance Review Period
July 22, 2022	<ul style="list-style-type: none"> • Successor Agency Meeting to adopt Resolution approving Preliminary Official Statement (Prospectus) and Bond Purchase Agreement for the Series 2022 Bonds
September 8, 2022	<ul style="list-style-type: none"> • End of Department of Finance Review Period
September 27, 2022	<ul style="list-style-type: none"> • Pricing of the Refunding Bonds and Signing of Bond Purchase Contract
October 19, 2022	<ul style="list-style-type: none"> • Closing of the Series 2022 Bonds

Note: Gridley City Council meets 1st and 3rd Monday of each month.

Questions?

Disclaimer

HilltopSecurities, Inc. Disclaimer



(a) Hilltop Securities is not recommending an action to you as the municipal entity or obligated person; (b) Hilltop Securities is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (c) Hilltop Securities is acting for its own interests; (d) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material and (e) Hilltop Securities seeks to serve as an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve as underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer. The underwriter has financial and other interests that differ from those of the Issuer.

Interest rates used to provide the analysis herein are hypothetical and take into consideration conditions in today's market and other factual information such as the issuer's credit rating, geographic location and market sector. Therefore, these rates should not be viewed as rates that Hilltop Securities expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publicly available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Hilltop Securities expects to achieve for you should we be selected to act as your underwriter or placement agent.