

EXHIBIT A

SCOPE OF WORK

I. INTRODUCTION

The Transportation Agency for Monterey County (TAMC) is the designated Regional Transportation Planning Agency (RTPA) for Monterey County. TAMC represents thirteen jurisdictions, including the cities of Carmel-By-The-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, Soledad and the County of Monterey. In addition, TAMC has five ex-officio member agencies, including the Association of Monterey Bay Area Governments (AMBAG), the Monterey Peninsula Airport District (MPAD), Monterey-Salinas Transit (MST), the Monterey Bay Unified Air Pollution Control District (MBUAPCD), and Caltrans District 5.

Since May of 2015, the Transportation Agency has engaged in a public outreach effort to inform the public about our transportation needs, funding challenges and the self-help option. The Transportation Agency for Monterey County placed the Transportation Safety & Investment Plan (Measure X) on the November 8, 2016 ballot and the measure was approved with 67.7% approval from Monterey County voters. The measure is anticipated to generate an estimated \$20 million annually for a total of \$600 million over thirty years through a retail transactions and use tax of a three-eighths' of one-percent (3/8%). The revenue from the sales tax measure will be used to fund transportation safety and mobility projects in Monterey County.

II. PURPOSE OF THE AGREEMENT

The Transportation Agency for Monterey County is entering into an agreement for services with KNN Public Finance for Financial Services that covers the remainder of fiscal year 2016/17, and the three consecutive fiscal years for FYs 2017/18, 2018/19, and 2019/20.

III. SCOPE OF WORK

KNN Public Finance, LLC has been selected to provide experienced counsel in the financial operations of transportation-related public entities, to provide independent financial advice and to serve solely the interest of the Transportation Agency for an initial period of three years. These on-call financial adviser services will, at the direction of the TAMC Project Manager, include analysis, consultation and support for all financial, investment and other related matters affecting TAMC, including the issuance of sales tax revenue notes, bonds or other appropriate financing instruments. The scope of Consultant's services includes providing assistance to TAMC in preparing Strategic Plans and plan updates, management of sales tax and other revenue, and delivery of a financing plan for projects listed in the TAMC Measure X Expenditure Plan.

Specifically, as directed by TAMC through Task Orders, the scope of services includes the following:

Goal Setting

- Assist TAMC with the development of financial goals and objectives for the implementation of Measure X.

Strategic Plan

- Prepare a timetable setting forth the actions necessary to accomplish the financing objectives of TAMC;
- Review financial alternatives and scenarios available to TAMC and make recommendations on specific strategies to meet the Strategic Plan's financial and policy principles, goals and protocols including size and timing of recommended debt issuance and appropriate debt issuance instrument;
- Evaluate and assist in refining the Strategic Plan's financial and cash flow principles, goals and protocols; assist in the identification of financing alternatives and recommend adjustments where appropriate; and
- Assist in the development of the financial plan and cash flow for the Strategic Plan.

Debt Financing

- Prepare and structure debt issuance, including determination of size, development of financing schedule, recommendations with regard to competitive or negotiable sale and negotiation with underwriter, development of marketing plan, preparation and review of documents, oversight of note/bond sale, final deal summary of documentation, and other matters which may assist in obtaining the lowest practical interest cost and the widest competition for purchase of bonds;
- Coordinate and assist in the selection process for other members of a bond financing team, including Bond Counsel, Trustee, Financial Printer and Verification Agent, and any other team members as appropriate;
- Manage, in consultation with the TAMC Project Manager, the other members of the bond financing team throughout the bond process;
- Assist in the competitive or negotiated sale process. Arrange for advertising and pre-marketing of the issue. Represent TAMC at the bid opening for a public sale and analyze the bids, identify the most favorable bid, and make a recommendation as to award of the bid. After the bid is awarded, prepare an actual debt service table based on accepted coupon rates. In the event of a negotiated offering, assist TAMC in negotiating appropriate terms, reviewing spreads, comparing deals, analyzing market levels, and clarifying syndicate roles with the selected underwriter;
- Analyze the costs and benefits of different structuring and pricing options. This includes, but is not limited to, fixed-rate versus variable-rate bonds, insured versus uninsured bonds, callable versus non-callable bonds, par versus discounted bonds, and use of alternative financing structures;

- Evaluate the projected cash flow from any revenue sources that may constitute security for any obligation incurred;
- Assist in preparation and implementation of strategy and presentations to rating agencies, and credit enhancers to obtain the necessary bond ratings;
- Evaluate tax-exempt bond proceed reimbursement procedures to ensure optimal yields;
- Provide advice as to the effect of federal and state legislation on the TAMC Measure X program;
- Provide advice and expertise in the area of liability management (e.g., interest rate swaps) and ongoing developments in the bond industry that may affect TAMC;
- Monitor TAMC commercial paper and bond issues and advise on refunding opportunities; and
- Provide any and all other support needed to evaluate and secure long-term financing including but not limited to:
 - Assisting with the application for any Internal Revenue Service or Securities and Exchange Commission rulings related to the issuance of the debt;
 - Consulting with rating agencies, bond issuance providers and/or any other agencies or institutions involved with the issuance of debt;
 - Consulting with the TAMC's bond counsel, general counsel or other special counsel;
 - Reviewing all legal and financing documents as prepared by Bond Counsel, TAMC staff and any other relevant parties;
 - Assisting Bond Counsel with the mechanics of the closing;
 - Assisting TAMC with development of a long-term financial and debt capacity model based upon TAMC's long-term capital and operating requirements, the revenues available to meet those requirements and debt service schedule;
 - Developing a long-term debt strategy;
 - Preparing and distributing the preliminary official statement and official statement and any other disclosure documents and materials required to facilitate the bond sale;
 - Preparing a Closing Analysis of the completed transaction;
 - Preparing pre-sale and post-sale market analysis;
 - Making presentation(s) to the Board and its committees and to TAMC management to facilitate an understanding of public sector financing and its implications to governing boards, as required; and
 - Providing other ongoing services as needed.

Other Services

Assist in other financial studies, tasks and services as may be deemed desirable by TAMC Task Order, including:

- Assist in capital planning
- Develop revenue estimates for TAMC and local jurisdictions with sufficient detail to conduct a bonding analysis
- Develop expertise of TAMC personnel and Board Members
- Refine Measure X cash flow model and develop or refine plan of financing
- Analyze alternative financing structures and make recommendations
- Provide transaction services as needed
- Provide knowledge of markets and expertise on available resources

- Provide written and oral reports for TAMC staff and Board Members, as directed
- Provide Dissemination Agency and Continuing Disclosure Consulting Services
- Other related services as determined necessary

EXHIBIT B

BUDGET

For all services other than Debt Financing services, the annual not-to-exceed amount for approved Task Orders is Thirty Thousand Dollars (\$30,000), with a total not-to-exceed budget for the three-year contract of Ninety Thousand Dollars (\$90,000), based upon the following Rates of Compensation, and within the Fee Caps for the generalized tasks described below.

Rate Schedule

Title	Hourly Fee
Managing Director	\$325
Director	\$295
Vice President	\$275
Associate	\$245
Analyst	\$200

Fee Caps

Task	Description	Hours	Cost	Fee Cap
1	Goal Setting	5-10	\$1,500 - \$3,000	\$5,000
2	Strategic Plan	25-60	\$7,500 - \$18,000	\$20,000
3	Debt Financing	80-160	\$24,000 - \$48,000	
4	Other Services	31-52	\$9,000 - \$17,000	
TOTAL NOT TO EXCEED				\$90,000

The consultant shall not begin work on the items as described in Exhibit A: Scope of Work until receiving a Notice to Proceed from the Transportation Agency. Once work commences, monthly invoices shall be submitted by the consultant on a percent complete basis with a progress report detailing the work completed for the billing cycle. The consultant shall submit a final invoice to TAMC no later than thirty (30) days after the completion and approval by TAMC of the final work product for a given task, as described in Exhibit A: Scope of Work.

For Debt Financing Services, Consultant shall prepare a separate budget, based on the above hourly rates, which budget is exempt from annual caps, once plan of finance is finalized and shall be set forth in an amendment to this Agreement prior to “kick-off” of such financing.

Consultant also shall be paid reasonable out of pocket expenses actually incurred for services provided under the Agreement.