



January 7, 2022

## ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT

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### FINANCIAL ADVISORY REQUEST FOR PROPOSALS



Dale Scott & Company, Inc.  
548 Market Street, Suite 44410  
San Francisco, California 94104  
tel: 415.956.1030  
fax: 650.515.4983



SEC registration number: 868-02877

MSRB ID: K0586

## 1. | EXECUTIVE SUMMARY

Alum Rock Union Elementary School District  
Mr. Kolvira Chheng, Asst. Superintendent of Business Services  
Attn: Purchasing Department, Maria Martinez, Procurement Manager  
2930 Gay Avenue  
San Jose, CA 95127

### Re: Request for Proposals for Financial Advisory Services

Dear Mr. Chheng,

On behalf of Dale Scott & Company, I am pleased to submit this response to your request for proposals to provide financial advisory services to the Alum Rock Union Elementary School District.

DS&C has consistently **ranked among the top** California K–14 financial advisors for the last three decades.\* The key to this success has been our consistent ability to provide clients with innovative yet practical strategies to achieve their financing goals.

As presented in the following pages, we pledge this same level of experience and innovation to Alum Rock Union ESD. This would include:

- **Future Debt Strategy.** DS&C has already developed a **debt management strategy** for the District that provides a pathway for the District to issue its existing **\$211.5 million of previous bond authorizations over the next ten years.** (See Appendix C.)
- **Bond Sale Strategy.** While the negotiated sale of bonds with a preselected underwriter often makes sense, DS&C strongly believes that the District should also include the sale of its bonds through the **competitive bid process.** Selecting an underwriter by competitive bid not only saves taxpayers money but it also sends a message of fiscal prudence to the investors. Over the past decade, DS&C has brought over \$4.5 billion of California K–14 general obligation bonds (including nearly \$1 billion for Santa Clara County school districts) to market **by competitive bid—more than any other financial advisory firm.** \*
- **Parcel Tax Renewal Strategy.** DS&C notes that **the District's current parcel tax will expire on June 30, 2022.** DS&C has extensive experience assisting districts preparing for a parcel tax election. At the direction of the District, DS&C would immediately begin to assist the District in developing a resolution for board consideration that would ask District voters to extend the tax. This action will need to be approved by the board and submitted to the Santa Clara County Office of Elections by no later than March 11, 2022.

Regarding your specific questions, please see below:

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\* Source: California State Treasurer's Office/CDIAC

- a. **Legal name of firm:** Dale Scott & Company, Inc.
- b. **Is the firm local, national, or international:** Local (San Francisco and Los Angeles)
- c. **Type of firm:** Corporation
- d. **Provide a brief description of your firm, including number of years in business:** DS&C serves as a municipal financial advisor to California school districts and community college districts. The firm has been in business for nearly 35 years.
- e. **Number of employees located in Santa Clara County (or nearby surrounding counties):** Full-time local (San Francisco) employees: 5; Contract consultants: 3
- f. **Date firm established:** March 3, 1987
- g. **California business license number:** CA State EIN 34193219,  
CA Corporation Number: 1581146
- h. **Tax Identification Number:** Federal EIN 94-3033425
- i. **Address, telephone, email, and fax number of the office that will be primarily responsible for providing services for the proposal:**  
  
548 Market Street, Suite 44410, San Francisco, CA 94104  
Tel: 415-956-1030 Fax: 650-515-4983  
dscott@dalescott.com
- j. **Note which team member (company) is the consultant holding the licensure as an independent registered municipal advisor and the role of and relationship with any subconsultant(s):** Dale Scott & Company, Inc.; there are no subconsultants included in this proposal.
- k. **Certify registration with the SEC and MSRB as an independent registered municipal advisor:** SEC registration number: 868-0287; MSRB ID: K0586

By virtue of this submission, Dale Scott & Company declares that all information provided in this proposal is true and correct.

Sincerely,



Dale Scott,  
President

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### 3. PROPOSED STAFFING AND PROJECT ORGANIZATION

In this section, please discuss the staff of proposing firm who would be assigned to work with the District. Identify a person that will be principally responsible for working with the District. Include short resumes for each designated individual. Indicate the role and responsibility of each individual. This also includes subconsultants. Specifically discuss the team's background, experience, and training in executing the scope of services of this size and scope specified herein.

Our assigned financing team's qualifications, expertise, and experience are listed below.

The key to DS&C's history of leadership is ensuring that all clients work directly with senior-level advisors, who provide elected officials and administrators with detailed yet understandable explanations of the risks and rewards of the various financing options.

- ▶ All work for the District will be coordinated out of DS&C's San Francisco office.
- ▶ Dale Scott will serve as the primary contact for the District.



**DALE SCOTT**  
President

Dale has served as a financial advisor to California school districts for over 35 years. During this time, he has worked throughout the state, helping hundreds of districts access the capital markets and assisting them in seeking voter-approved debt. He is a frequent guest speaker at municipal bond seminars and conferences for school business officials. Dale began his career in Municipal Finance in 1979 with the firm Prudential Bache. Prior to forming DS&C, he managed the Public Finance Department for Wells Fargo Bank. He has a master's degree from Harvard University. He is Series 50 and Series 54 licensed. Dale is the author of *Win-Win: An Insider's Guide to School Bonds*.



**MARK FARRELL**  
Senior Financial Advisor

Mark has advised California school and community college districts for over 18 years with expertise in planning general obligation bond programs, bond anticipation notes, certificates of participation, and tax and revenue anticipation notes. He has managed the CSBA-sponsored Cash Reserve Program TRAN pool since 2005. Prior to joining DS&C, Mark was a Managing Director with Piper Jaffray's California education group. He has worked on over 250 financings totaling over \$11 billion for California school districts. He holds a bachelor's degree from the University of Pennsylvania and a master's in business administration from the Anderson School at UCLA. Mark is Series 50 and Series 54 licensed.



**NICOLE ROBERTS**  
Financial Advisor

Nicole is a member of the financial transactions department at DS&C. She has over 15 years of experience developing plans of finance for tax-exempt and taxable debt transactions. Her past work has included developing financial models, implementing financing plans, and identifying refunding opportunities for a variety of municipal clients, including school districts, college districts, transportation agencies, cities, and counties. Before joining DS&C, Nicole worked as an analyst for the underwriting firm George K. Baum and as a Municipal Advisor for Estrada Hinojosa in Dallas, Texas. She received her bachelor's degree in business economics from Texas Tech University. Nicole is Series 50 licensed.



**JOE CRUMP**  
Financial Advisor

Joe serves DS&C in the financial transactions department, working with various general obligation bond programs and tax and revenue anticipation note programs. Prior to joining DS&C, he interned as a Debt Analyst at the Commonwealth of Massachusetts Office of the State Treasurer. He holds a bachelor's degree in bioengineering from California Lutheran University, and a master's in international economics and finance from Brandeis University. Joe is Series 50 licensed.

#### 4. WORKLOAD AND RESOURCES

Time is of the essence in completing the requested scope of work. In this section the proposing firm must discuss the following:

- Both current and potential time commitments to all clients (not just the District) for the proposed staff
- Demonstrate adequate support staff, facilities, and other resources to provide services required throughout the duration of this scope of work.
- Briefly address capabilities for providing additional services and/or services under an accelerated schedule.
- Address capability to reassign personnel, equipment, and facilities whenever the proposed contract would not require such capabilities or would be delayed.

Key to DS&C's success and commitment to clients is its proprietary DS Data software. Developed and maintained by independent database specialists, this software provides financial data for every California school district, together with DS&C's current and future work commitments for each client. Before we even begin an assignment for a district, we already have critical information. Some data points include all the district's financings (going back roughly 50 years), the results and details of each bond and parcel tax election, and all future opportunities, including potential refinancings, tax rate extension elections, and parcel tax renewals, to name a few.

All past, current, and future work assignments and tasks by DS&C staff members are documented and tracked within the same database. Thus, we not only have a record of all completed work, but we can also provide both clients and management with immediate and detailed scheduling of their projects and current workload.

In addition, unlike most municipal financial advisory firms, we do not assign specific analysts to a single senior-level advisor. Instead, analysts and advisors are assigned on an as-needed basis to ensure a smooth and timely workflow and respond to either an accelerated or delayed schedule.

Finally, while we have offices and satellites across California, our technology and database systems allow seamless teamwork involving multiple locations.

#### 5. EXPERTISE

Use this section to demonstrate your firm's experience and expertise in:

- Providing financial advisory services to large K-12 suburban school districts
- Financing projects and improvements supported by various revenue sources including general obligation bonds secured by ad valorem taxes, general fund obligations (including Certificates of Participation (COPs) or lease financing) and special tax bonds (i.e., bonds of a Community Facility District).



- Refinancing outstanding obligations.
- Interacting with the credit rating process, including criteria used by nationally recognized services.

Identify relevant financial advisory engagements performed by the firm in the past five (5) years. Limit response to no more than six (6) of your most recent/relevant engagements.

In addition, please disclose any contractual arrangements of the firm that could present a real or perceived conflict of interest.

## 1) General Obligation / Ed-Tech Bonds

### ▶ Evergreen Elementary School District (Santa Clara County)

- **Amount:** \$32.05 million
- **Issuance Date:** 6/29/21 (Series A)
- **Term:** 6/1/26 (five years)
- **Rating:** Aa2 (underlying)
- **Enrollment:** 9,789
- **Why important to Alum Rock Union ESD:** Having recently approved a parcel tax renewal, Evergreen ESD voters additionally supported the district's 2020 bond measure to improve internet access and campus security. By limiting the repayment to five years, overall interest costs dropped significantly. As a neighbor of Alum Rock Union ESD, Evergreen's reaffirmed strong rating (Aa2) by Moody's is a good sign, as the region's economy supports strong school district ratings.

## 2) General Obligation / Teacher-Staff Housing / Social Impact Bonds

### ▶ Soledad Unified School District (Monterey County)

- **Amount:** \$5.5 million
- **Issuance Date:** 9/30/21 (Series B)
- **Term:** 8/1/36 (15 years)
- **Rating:** A+ (underlying)/ AA (insured)
- **Enrollment:** 4,911
- **Why important to Alum Rock Union ESD:** Faced with the combination of high housing/rental prices in the San Jose metropolitan area and the difficulty of attracting and retaining teachers and staff, Soledad USD voters supported the use of general obligation bonds to provide below-market rental housing, allowing teachers and staff members to live in the community in which they work. In addition, the surplus rental income will provide an unrestricted source of future revenues.



### 3) General Obligation Bonds / Rating Upgrade

#### ▶ Stockton Unified School District (San Joaquin County)

- Amount: \$98 million
- Issuance Date: 11/10/21
- Term: 8/1/45 (24 years)
- Rating: Aa2 (underlying) / AA (insured)
- Enrollment: 40,627
- Why important to Alum Rock Union ESD: Although facing significant challenges in future enrollment growth, Stockton USD's careful budgeting and strong board-mandated reserves led Moody's to upgrade the district's rating to Aa2, thereby lowering the cost of borrowing to district taxpayers.

### 4) Certificates of Participation / Solar Energy Lease

#### ▶ Santa Cruz City Schools (Santa Cruz County)

- Amount: \$6.6 million
- Issuance Date: 2/2/22 (pending)
- Term: 2/1/32 (10 years)
- Rating: Direct placement
- Enrollment: 6,328
- Why important to Alum Rock Union ESD: By issuing COPs to fund solar energy at a 1.55% interest rate payable over ten years, Santa Cruz City Schools will be able to produce significant general fund savings for many years.

### 5) General Obligation Bonds / Refunding (tax-exempt)

#### ▶ East Side Union High School District (Santa Clara County)

- Amount: \$16.815 million
- Issuance Date: Spring 2022 (pending)
- Term: 8/1/28 (6 years)
- Rating: Aa3 (underlying)
- Enrollment: 25,946
- Why important to Alum Rock Union ESD: Similar to Alum Rock Union ESD, East Side Union HSD has several potential bond refundings that can be brought to market in the future. Except in rare circumstances, the high school district has avoided bringing these refundings to market until they can be issued as tax-exempt refundings. In doing so, they are able to maximize the savings to taxpayers. This strategy is worth considering for Alum Rock.

## 6) Parcel Tax Renewal

### ▶ Jefferson Union High School District (San Mateo County)

- **Amount:** \$58 per parcel
- **Election Date:** 6/7/16
- **Rating:** (NA)
- **Expiration:** 6/30/29 (10 years)
- **Enrollment:** 4,705
- **Why important to Alum Rock Union ESD:** Similar to Alum Rock Union ESD, Jefferson Union HSD needed to place the renewal of its soon-to-expire parcel tax on a low-turnout June primary ballot. Although the district had recently passed a \$133 general obligation bond, voters strongly supported the renewal.

**Note:** DS&C is not a party to any contractual arrangements or agreements that could present a real or perceived conflict of interest in our relationship with Alum Rock Union ESD.

## 6. REFERENCES

Please provide at least five recent (over five years) districts for whom your firm has provided services similar to what is being requested in this RFP. Referenced school districts should be similar in size to the Alum Rock Union Elementary School District. Please include the following information below for each reference:

### ▶ East Side Union High School District (Santa Clara County)

- **Client since:** January 2002
- **Contact person:** Glenn Vander Zee
  - Contact title: Superintendent (current)
  - Contact phone number: 408-347-5010
  - Contact email address: vanderzeeg@esuhsd.org
- **Contact person:** Chris Funk
  - Contact title: Superintendent (former)
  - Contact phone number: 408-314-1880
  - Contact email address: funkchris@dublinusd.org
- **Dollar value of service:** \$1,964,623,375
- **Scope of work and dates provided:**
  - Bond Anticipation Notes (2003)
  - GO Bonds (2002-2021)
  - GO Ed-Tech Bonds (2010-2020)
  - GO – Qualified School Construction Bonds (2011)
  - GO Bond Refundings (2002-2020)
  - OPEB Limited Obligation Bonds (2006)

► **Evergreen Elementary School District (Santa Clara County)**

- **Client since:** 2019
- **Contact person:** Emy Flores
  - Contact title: Superintendent
  - Contact phone number: 408-270-6800
  - Contact email address: eflores@eesd.org
- **Dollar value of service:** \$54,574,000
- **Scope of work and dates provided:**
  - GO Bonds (2020-2021)
  - GO Bond Refundings (2020)

► **Mt. Pleasant Elementary School District (Santa Clara County)**

- **Client since:** 2020
- **Contact person:** Elida MacArthur
  - Contact title: Superintendent
  - Contact phone number: 408-223-3710
  - Contact email address: emacarthur@mpesd.org
- **Dollar value of service:** \$5,800,000
- **Scope of work and dates provided:**
  - GO Bonds (2021)

► **Mountain View-Los Altos High Union School District (Santa Clara County)**

- **Client since:** 2020
- **Contact person:** Nellie Meyer
  - Contact title: Superintendent
  - Contact phone number: 650-940-4650 x0011
  - Contact email address: nellie.meyer@mvla.net
- **Dollar value of service:** \$100,000,000
- **Scope of work and dates provided:**
  - GO Bonds (2020)

► **Soledad Unified School District (Monterey County)**

- **Client since:** 2013
- **Contact person:** Randy Bangs
  - Contact title: Superintendent
  - Contact phone number: 831-678-2909
  - Contact email address: rbangs@soledad.k12.ca.us

- **Dollar value of service:** \$98,000,000
- **Scope of work and dates provided:**
  - GO Bonds (2013 – 2021)
  - Bond Anticipation Notes (2018)
  - Certificates of Participation (2015 – 2017)

## 7. **RATIONALE FOR SELECTION**

Proposer should describe, in narrative form, why they feel they are the best candidate to perform work required by the RFP. Provide additional information you feel relevant to your consideration. Supporting data and other supporting material may be provided in the Appendix portion of your response.

DS&C believes its skills, experience and understanding of the District's community make us the strongest candidate to serve as the District's Financial Advisor. Consider:

### ✓ **A Prepared Debt Management Strategy for the Next Decade**

DS&C has already developed a **debt management strategy** for Alum Rock Union ESD that provides a pathway for the District to issue its **entire bond authorization** of \$211.5 million **over the next decade**. (See Appendix C.) The strategic plan, which considers both tax rate limitations and debt capacity restrictions, envisions the District issuing an average of \$35 million every two years through 2032.

### ✓ **Relevant Local Experience**

Over the past twenty years, we have had extensive experience with Alum Rock Union ESD's neighboring districts. We currently serve as Financial Advisor for East Side Union HSD, Evergreen SD and Mt Pleasant ESD. We understand not only the concerns of the rating agencies regarding this region but also the local issues and concerns.

### ✓ **Competitive Bid Experience**

We recommend issuing the District's general obligation bonds through the **competitive bid process** when appropriate. Selecting an underwriter by competitive bid based on the lowest interest rates not only saves taxpayers money, but a competitive bid also sends a message to investors regarding the District's fiscal prudence. Since 2010, DS&C has brought over \$4.5 billion of California K–14 general obligation bonds (including nearly \$1 billion for Santa Clara County school districts) to market **by competitive bid**.

✓ **Parcel Tax Election Experience**

DS&C has statewide experience in assisting school districts in preparing to place a parcel tax before voters. (We are currently assisting the Mt. Pleasant School District in preparing for the June 2022 ballot.) At the direction of the District, we would immediately begin the process of developing a resolution for board consideration that would ask District voters to extend the **district's current parcel tax that is expiring on June 30, 2022**. (Note: This action will need to be approved by the board and submitted to the Santa Clara County Office of Elections by no later than March 11, 2022.)

**8. FORM OF AGREEMENT**

The final form of the Agreement, as set forth in Appendix D, will incorporate the final scope of services and not-to-exceed fee negotiated between the District and the selected firm(s). Any objections to the form of Agreement must be identified by Proposers in its Proposal. Proposers must set forth a clear explanation of what modification would be sought and specific alternate language. If selected, Respondent will be precluded from negotiating changes that have not been identified in its Proposal. The District will review, but is not obligated to accept, any proposed changes.

If selected to serve as the District's Financial Advisor, we would request the following modifications in the proposed agreement:

**EXHIBIT A to the Proposed Agreement**

**B. 3. Monitor the Transaction Process.**

The Financial Advisor shall have primary responsibility for the successful implementation of a Debt Financing. The Financial Advisor shall coordinate ~~(and assist, where appropriate)~~ in the preparation of the legal and disclosure documents and shall monitor the progress of all activities leading to the sale of each Debt Financing. The Financial Advisor shall prepare the timetables and work schedules necessary to complete this transaction in a timely, efficient, and cost-effective manner, and will coordinate and monitor the activities of all parties engaged in the Debt Financing transaction.

**Explanation:** Preparation of all legal documents needs to be the sole responsibility of legal counsel. DS&C is not licensed to prepare any such documentation.

## EXHIBIT A to the Proposed Agreement

### B. 4. Review the Official Statement.

Financial Advisor shall ~~review work with the District's disclosure counsel in preparation of~~ the official statement for each Debt Financing, if applicable, to ensure that the District's official statement is compiled in a manner consistent with industry standards.

**Explanation:** Preparation of all legal documents needs to be the sole responsibility of legal counsel. DS&C is not licensed to prepare any such documentation.

## 9. DOCUMENTATION OF FINANCIAL RESPONSIBILITY AND FISCAL STABILITY

The proposer should provide evidence of the firm's corporate stability including:

- A current report from any commercial credit rating services such as Dunn and Bradstreet or Experian
- A letter from a financial institution stating a current line of credit
- Latest audited financial statement and/or annual report that have been certified by a CPA

Commercial credit rating services do not rate DS&C as we are a privately owned corporation. Similarly, the firm's financial statements are not required to be certified by a CPA, and annual reports are not produced.

The firm's current line of credit is outlined in a letter from Wells Fargo Securities provided under Appendix B.

## 10. LITIGATION/DISPUTES/DISCIPLINARY ACTION

Provide specific information on termination for default, litigation settled, or judgments entered within the last five (5) years related to your firm. Also provide information relative to any convictions for filing false claims within the last five (5) years or any investigation conducted regarding your firm.

None.

In addition, provide the project name, date of dispute/claim, name of entity against whom the Claim was filed, a brief description of the nature of the claim, the court and case number and a brief description of the status of any claim in excess of \$10,000 made against owner concerning professional services work performed by consultant or sub-consultant work for consultant. Provide details of any of the following actions:

- If any regulatory agency has taken disciplinary action against firm or any consultant team members.

In 2019, DS&C and the Securities and Exchange Commission settled an ongoing administrative proceeding that included a monetary penalty with no admission of wrongdoing and no allegations of harm to school districts or investors.

- If the firm has even been convicted of a federal or state crime of fraud, theft or other act of dishonesty.

**None.**

- If the firm has ever been convicted for a crime involving any federal, state, or local law.

**None.**

- If a licensed individual on the proposed team or to the firm has been found liable in a civil suit for material misrepresentation to any public agency or entity.

**None.**

- If in the last five (5) years a licensed individual on the proposed team or the firm has been debarred, removed or otherwise prevented from bidding on, or competing on any government agency or public works project for any reason.

**None.**

- If any insurance carrier in the last five (5) year, for any form of insurance, refused to renew an insurance policy for a licensed responsible-in-charge individual on the proposed team or the firm based on non-payment or losses.

**None.**

- Failure to enter into a contract or professional services agreement once selected.

**None.**

- Withdrawal of a proposal as a result of an error.

**None.**

- Termination or failure to complete a contract.

**None for cause.**

- Conviction of the firm or its principals for violating a state or federal antitrust law by bid or proposal rigging, collusion, or restrictive competition between bidders or proposers, or conviction of violating any other federal or state law related to bidding or professional services performance.

**None.**



- Knowing concealment of any deficiency in the performance of a prior contract.  
**None.**
- Falsification of information or submission of deceptive or fraudulent statements in connection with a contract.  
**None.**
- Willful disregard for applicable rules, laws or regulations.  
**None.**

## 11. FEE PROPOSAL

Provide your firm's fixed fees for the issuance of General Obligation Bonds, Certificates of Participation (COPs), Tax and Revenue Anticipation Notes, Refunding Issuances, and Bond Anticipation Notes. Further, identify your firm's hourly fees for any "additional services" identified in the form of Agreement, and consultant fees, if any, for services the District may require for municipal financing not directly related or incident to the issuance of Bonds or other debt obligations. As the District may issue Bonds, COPs and/or refund other debt on the same day, include what your maximum fee will be for combined transactions. If there are to be charges for reimbursable expenses, please list all charges to be considered reimbursable and provide not to exceed amounts for said expenses. A submittal containing terms such as "negotiable", "will negotiate", or similar, will be considered non-responsive.

DS&C's goal is to charge fees that are fair, reasonable, and a reflection of the current market and the amount of work expended.

- ▶ **Bond Issuance Services:** For services related to the planning and issuance of general obligation bonds, certificates of participation, bond anticipation notes, facilities bonds, and refinancings (refundings): a fee of \$65,000 per transaction. Fees for subsequent financings issued on the same day will be reduced by 50%.
- ▶ **Pre-Election:** Should the District require DS&C's assistance in preparing either a general obligation bond or a parcel tax measure to be placed before voters: a one-time fee of \$10,000 per measure.
- ▶ **Tax & Revenue Anticipation Notes:** Services related to the issuance of an individual tax and revenue anticipation note of the District: a fee of \$15,000 per transaction.
- ▶ **Continuing Disclosure/ADTR:** Should the District wish to use DS&C to file annual continuing disclosure ("CD") reports with MSRB and ADTR reports with the State of California: a fee of \$5,000 per annual filing and \$500 per ADTR filing.

- ▶ **Expenses:** (including travel, copy, print and courier services): capped at \$5,000 per transaction. Travel time will not be billed.
- ▶ **Hourly Rate:** DS&C's hourly rates are set forth below. These rates only apply for additional tasks not covered under the services above.

President	\$300
Senior Financial Advisor	\$275
Financial Advisor	\$200
Senior Associate Analyst	\$150
Associate Analyst	\$95
Clerical	\$50

## 12. REQUIRED ATTACHMENTS

Include attachments A, B, C and D signed as indicated.

Signed attachments are included in Appendix A.

## APPENDIX A

## DISTRICT REQUIRED FORMS

## Attachment A- Proposal Form

Alum Rock Union Elementary School District  
Purchasing Department  
2930 Gay Avenue  
San Jose, CA 95127

Re: Request for Proposal No. 2122-BUS02

To: Members of the Board of Trustees

The undersigned, doing business under the full and complete legal firm name as set forth below, having examined the Notice to Proposers, the entirety of the Request for Proposals, the Agreement, and all other documents forming a part of the Proposal package for the above-referenced proposal, hereby proposes to perform the Agreement, including all of its component parts, and to furnish all materials called by them for the entire order for the prices set forth in the quotation sheets contained in said proposal package. The entire proposal package is submitted, together with this Proposal Form.

Name of Company: Dale Scott & Company

Legal Status: Corporation  
(i.e., sole proprietorship, partnership, corporation)

Tax I.D. Number: \_\_\_\_\_  
(Sole Proprietorship only)

Address: 548 Market Street, Suite 44410 San Francisco, CA 94104

Authorized Representative:   
Signature

Dale Scott  
Name (print or type)

President  
Title

Date: January 5, 2022

Telephone: 415.956.1030




Fax: 650.515.4983

Email: dscott@dalescott.com

### Attachment B - Receipt of Request for Proposal (RFP) and Addenda

Upon return of the completed RFP for Consultant Services, the proposer shall acknowledge receipt of the RFP, all supporting documents, and all addenda. It is the proposer's responsibility to check the District website at <https://www.arusd.org/purchasing/bids> for addenda. Failure to acknowledge all issued documentation may be grounds for deeming the proposer non-responsive.

Please list each document received and initial where indicated.

Document Name		Initial
1	RFP dated <b>December 3, 2021</b>	
2	Addendum 1 (if applicable)	
3	Addendum 2 (if applicable)	
4	Addendum 3 (if applicable)	
5	Addendum 4 (if applicable)	
6	Addendum 5 (if applicable)	
7	Addendum 6 (if applicable)	
8	Addendum 7 (if applicable)	

I, the undersigned, on behalf of the (proposer) certify that I have received all documents listed above.



Signature

January 5, 2022

Date

President

Title

**Attachment C -Non-Collusion Declaration**

**NONCOLLUSION DECLARATION TO BE EXECUTED BY  
PROPOSER AND SUBMITTED WITH PROPOSAL**

The undersigned declares:

I am the President (title) of Dale Scott & Company (company name), the party making foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Proposer has not directly or indirectly induced or solicited any other proposer to put in a false or sham proposal. The proposer has not directly or indirectly colluded, conspired, connived, or agreed with any proposer or anyone else to put in a sham proposal, or to refrain from bidding. The proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the proposer or any other proposer, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other proposer. All statements contained in the proposal are true. The proposer has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, proposal depository, or to any member or agent thereof, to effectuate a collusive or sham proposal, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a proposer that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the proposer.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on January 5, 2022 [date], at San Francisco [city], CA [state].



\_\_\_\_\_  
Signature

Dale Scott  
Name (printed)



# ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT

2930 Gay Avenue, San José, CA 95127 · Phone: 408-928-6800 · Fax: 408-928-6416 · [www.arusd.org](http://www.arusd.org)

## ADDENDUM 1 FOR RFP No. 2122 – BUS02

### Financial Advisor Services

#### Q & A

Q. The RFP states that questions are due no later than "4:00:00 p.m. (California time) on Friday, December 14, 2021". Given that December 14 is next Tuesday (not Friday), did you mean Friday, December 17?

**A.** *On page four labeled "Schedule of Events" of the RFP, the Deadline for Questions and Inquiries states that the date is Friday, December 14<sup>th</sup>, 2021. This is incorrect and it should read as follows:*

***Deadline for Questions & Inquiries***

***Tuesday, December 14, 2021***

Q. Although we see that the RFP discussed submitting hard copies (which of course would require shipping and allowing for shipping time), would the District would consider allowing proposals to be submitted just via email instead?

**A.** *At this point the Alum Rock School District will only accept proposals in a sealed envelope or box with the proposal number and closing date visibly displayed on the outside as stated on the RFP.*

**Please submit a signed copy of this addendum with your RFQ response.**

Company Name: Dale Scott & Company

Signature: 

Print Name: Dale Scott Date: 1/5/2022

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Hilaria Bauer, Ph.D., Superintendent

Board of Trustees: Corina Herrera-Loera, President · Andrés Quintero, Vice-President  
Ernesto Bejarano, Clerk · Linda Chavez, Member · Minh Pham, Member





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## ADDENDUM 2 FOR RFP No. 2122 – BUS02 Financial Advisor Services Q & A

Q. The Form of Agreement mentions contingent fees. Just to be clear, does the District require contingent fees? We ask because we do not work on a contingency fee basis.?

**A. As to the first question, fees on a contingency basis are not being required and are in fact not desirable to the District for any proposed “pre-election” services. Pre-election services may be flat fee or hourly, and will not be paid or reimbursed from proceeds of any future bond issue.**

**That said, the District is familiar with and expects to receive a fixed fee proposal for each bond transaction of a given type (e.g., “new money” bonds, refunding bonds, Certificates of Participation financings, etc.), which fee is contingent upon the successful closing of the transaction and paid from proceeds of the financing. For all municipal advisory services being proposed, whether fixed fee or per-unit/hourly fees, the District will need to receive a proposal with a clear delineation of all fees and expenses being proposed that are related to the service being offered, whether pre-election services, in connection with a bond transaction, or post-issuance services. To the extent any of your firm’s services are provided on an hourly billing basis, the District requires that you provide a schedule of your hourly charges for any proposed professionals within the firm (or any subcontractors) providing the services.**

Q. Page 7 of the RFP refers to a “pricing sheet”. We don’t see one in the RFP. Of course, we would include in our proposal document information regarding our fees (non-contingent) per page 16 of the RFP.

**A. Pricing sheet or template is not provided in the RFP. However, a pricing sheet needs to be provided by each firm following the instructions on page 16, section 11 under the RESPONSE CONTENT section.**

Q. Page 16 of the RFP mentions including attachments A, B, C, and D signed as indicated. Since attachment D is the blank Form of Agreement, and therefore not ready for signature, how would you like to handle this? Perhaps it doesn’t need to be included?

**A. Attachment D of RFP does not have to be included. This Agreement will be tailored to the awarded firm.**

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Hilaria Bauer, Ph.D., Superintendent

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Q. We see in the RFP the overview description of the types of financial advisory services the District may request. Is there a specific financing or project the District is currently considering for 2022, such as perhaps issuing bonds?

**A. Issuance of bonds and parcel tax, but may included other services noted in the RFP.**

Q. Is there a firm assisting the District with continuing disclosure reporting or is the District preparing and filing the reports entirely on its own? If there is a firm assisting the District, can you please let us know who that is.

**A. Yes, we have a firm that is assisting the District with continuing disclosure. The District would like to refrain from disclosing the name of the firm.**

Q. We understand that the District's 2016 general obligation bond measure (Measure I) reapproved \$139,999,671.60 of bonds originally approved by voters in June 2008 (Measure G) and that, following the successful Measure I election, this amount of remaining Measure G authorization was cancelled. Can you please let us know why the District implemented this plan? Was there something about Measure G that made issuing the \$139,999,671.60 bonds pursuant to the original Measure G authorization less attractive or variable (such as wishing to pursue different projects than Measure G authorized)?

**A. Please see attached Board Resolution (Exhibit A).**

**Please submit a signed copy of this addendum with your RFQ response.**

Company Name: Dale Scott & Company \_\_\_\_\_

Signature:  \_\_\_\_\_

Print Name: Dale Scott \_\_\_\_\_ Date: 1/5/2022 \_\_\_\_\_

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Hilaria Bauer, Ph.D., Superintendent

Board of Trustees: Corina Herrera-Loera, President · Andrés Quintero, Vice-President  
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## APPENDIX B

## CURRENT LINE OF CREDIT



## Advisors

Cliff Foltz  
Field Support Governance Specialist  
First Vice President

555 California Street, Suite 2300  
San Francisco, CA 94104

Tel: 415 291 1279  
Fax: 415 291 8657  
Toll Free: 800 634 4965  
clifford.foltz@wfa.com

December 23, 2021

Dale Scott & Company Inc.  
Attn: Dale Scott  
548 Market Street PMB 44410  
San Francisco, CA 94104

Re: Account XXXX-4503

Dear Dale,

This is to confirm that as the above date your Priority Credit Line maximum credit limit is in excess of \$2,000,000. Included in the Loan Limit is the amount that has already been drawn, so the remaining credit extension limit amount remains in excess of \$2,000,000. The Loan Limit will fluctuate daily with the loanable value of the pledged securities.

The Priority Credit Line Agreement governs the terms of your Priority Credit Line Account.

Sincerely,

Clifford Foltz

Wells Fargo Advisors, LLC ("WFA"), or Wells Fargo Advisors Financial Network, LLC ("WFAFN"), as applicable, will act as broker-dealer, and First Clearing, LLC ("FCC"), will act as lender and carry the Priority Credit Line Account. WFA, WFAFN, and FCC are separate, registered broker-dealers, Members SIPC, and non-bank affiliates of Wells Fargo & Company.

Securities-based lending has special risks and is not suitable for everyone. If the market value of a client's pledged securities declines below required levels, the client may be required to pay down his or her line of credit or pledge additional eligible securities in order to maintain it, or the lender may require the sale of some or all of the pledged securities. Wells Fargo Advisors will attempt to notify the client of maintenance calls but is not required to do so. Clients are not entitled to choose which securities in their accounts are sold. The sale of pledged securities may cause clients to suffer adverse tax consequences. Clients should discuss the tax implications of pledging securities as collateral with their tax advisor. Wells Fargo Advisors and its affiliates are not tax or legal advisors. All securities and accounts are subject to eligibility requirements. Clients should read all lines of credit documents carefully. The proceeds from securities-based lines of credit may not be used to purchase additional securities or pay down margin.

#### Investment and Insurance Products are:

- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank affiliate
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

Investment products and services are offered through Wells Fargo Advisors, a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

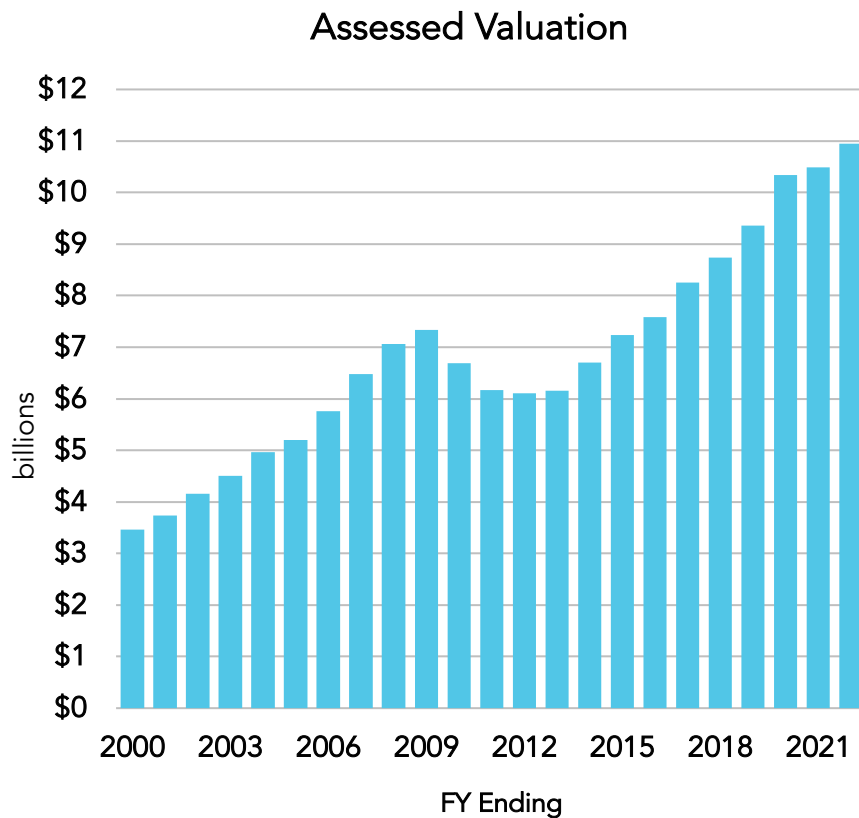


## APPENDIX C

## DEBT MANAGEMENT STRATEGY

## DEBT MANAGEMENT STRATEGY FOR ALUM ROCK UNION ESD

DISTRICT ASSESSED VALUATION HAS GROWN BY 17% OVER THE PAST THREE YEARS



ASSESSED VALUATION: 2000 TO 2022		
FY Ending	(billions)	% change
2000	\$3.46	
2001	\$3.74	8.1%
2002	\$4.16	11.2%
2003	\$4.50	8.3%
2004	\$4.96	10.3%
2005	\$5.20	4.7%
2006	\$5.76	10.8%
2007	\$6.48	12.6%
2008	\$7.06	9.0%
2009	\$7.33	3.8%
2010	\$6.69	-8.7%
2011	\$6.18	-7.7%
2012	\$6.11	-1.1%
2013	\$6.16	0.8%
2014	\$6.70	8.8%
2015	\$7.24	8.0%
2016	\$7.58	4.7%
2017	\$8.25	8.8%
2018	\$8.74	6.0%
2019	\$9.36	7.1%
2020	\$10.34	10.4%
2021	\$10.49	1.5%
2022	\$10.95	4.5%
5 Year Average		5.8%
10 Year Average		6.0%
20 Year Average		5.0%

Source: California Municipal Statistics, Inc

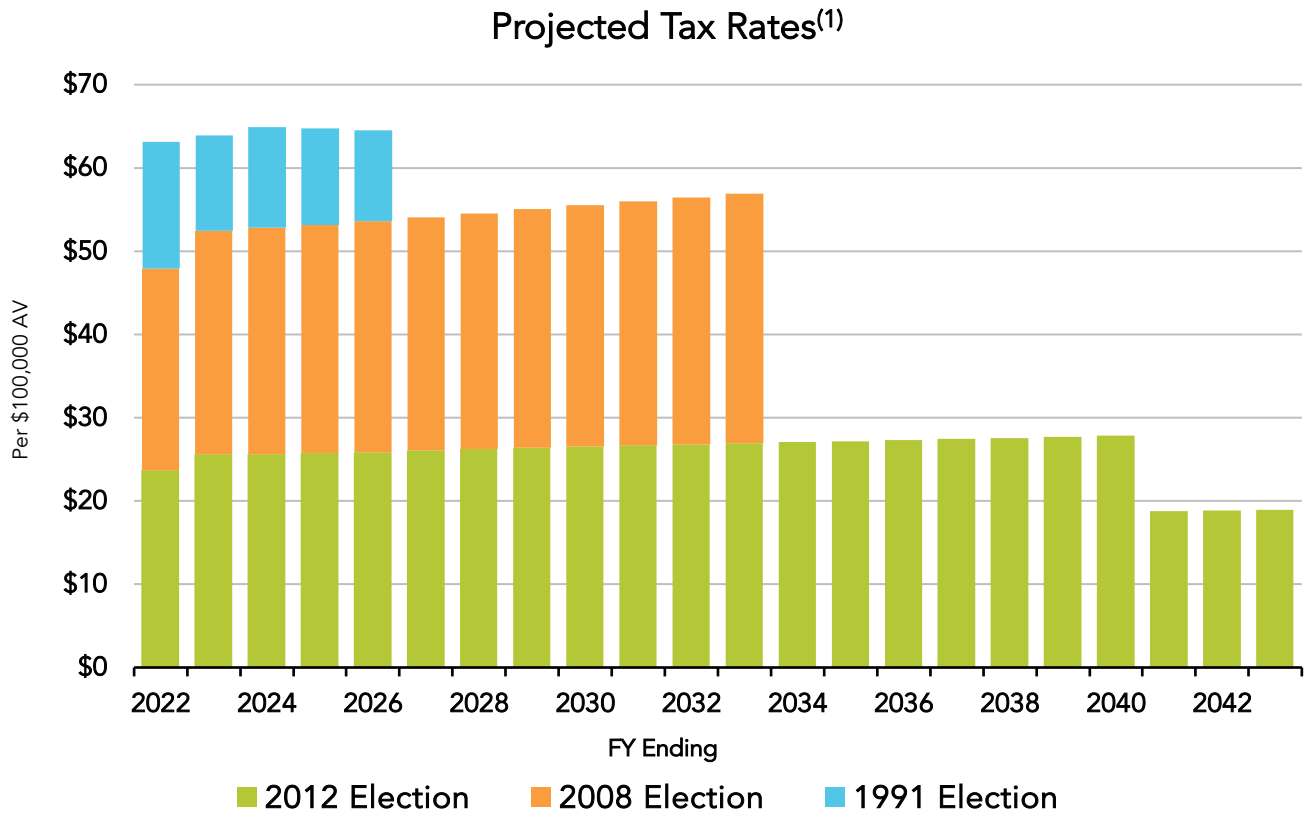
## PRIOR BONDS

### DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS

Series	Sale Date	Original Principal	Outstanding Principal	Call Date	Final Maturity
GO Refunding Bonds, 2010 Series A	03/18/10	\$13,600,000	\$1,345,000	9/1/2020	9/1/2026
GO Bonds 2012 Election, Series A	07/18/13	\$32,400,000	\$32,400,000	8/1/2023	8/1/2043
Taxable GO Bonds, 2012 Election, Series B	08/15/13	\$3,600,000	\$400,000	non-callable	8/1/2023
2015 GO Refunding Bonds	08/13/15	\$37,395,000	\$33,780,000	8/1/2025	8/1/2033
GO Bonds 2012 Election, Series C	01/14/16	\$17,500,000	\$16,770,000	8/1/2025	8/1/2040
2016 GO Refunding Bonds, Series A	10/26/16	\$1,855,000	\$1,560,000	non-callable	8/1/2026
2016 GO Refunding Bonds, Series B	10/26/16	\$7,085,000	\$3,970,000	non-callable	8/1/2026
<b>TOTALS</b>		<b>\$113,435,000</b>	<b>\$90,225,000</b>		



## PROJECTED TAX RATES FOR OUTSTANDING GO BONDS



<sup>(1)</sup> Assumes 3.50% annual AV growth

## BOND ELECTIONS

ALUM ROCK UNION ESD HAS \$211.5 MILLION OF UNISSUED GO BONDS

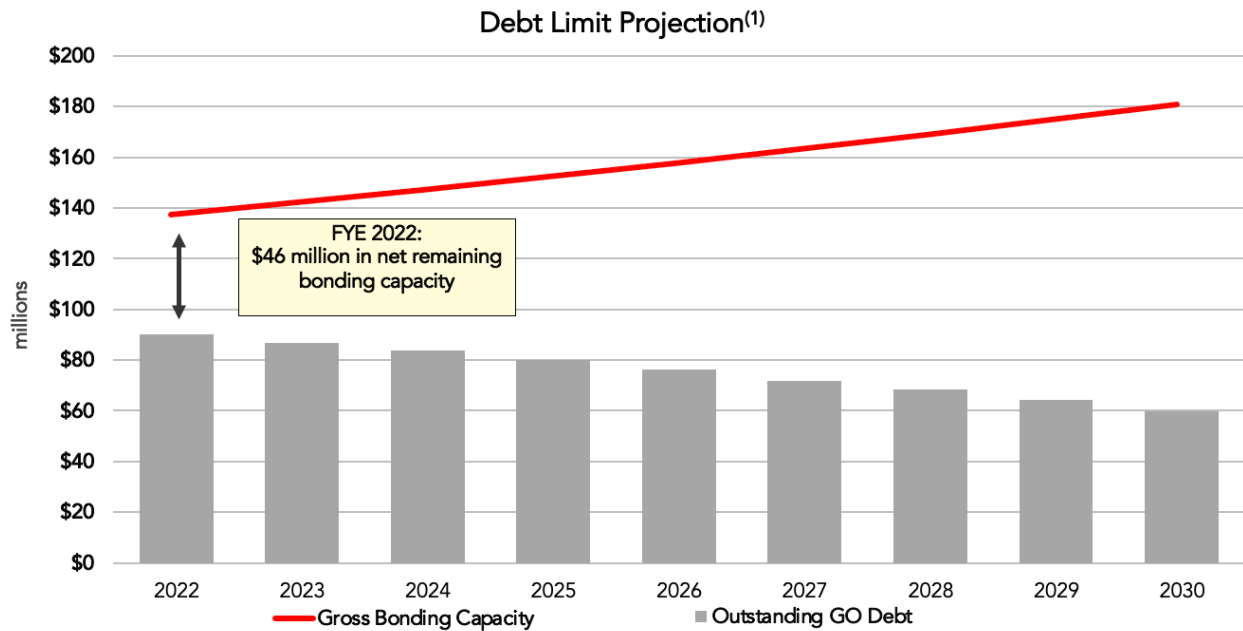
ALUM ROCK UNION ESD GO BOND ELECTIONS					
Election Date	Amount	Type	% Yes	Pass/Fail	Unissued Bonds
March 5, 1991	\$47,000,000	Two-Thirds	85.40%	Pass	\$0
June 3, 2008	\$179,000,000	Prop 39	80.00%	Pass	<del>\$139,999,672<sup>(1)</sup></del> \$0
November 6, 2012	\$125,000,000	Prop 39	79.53%	Pass	\$71,500,000
June 7, 2016	\$140,000,000	Prop 39	78.80%	Pass	\$139,999,672
<b>Total</b>					<b>\$211,499,672</b>

<sup>(1)</sup> Unissued 2008 Bonds reapproved under the June 2016 ballot measure

Source: Ed-data.org

## DEBT LIMIT

EDUCATION CODE LIMITS OUTSTANDING GO BONDS TO 1.25% OF ASSESSED VALUE



<sup>(1)</sup> Assumes 3.50% annual AV growth

## PARCEL TAX ELECTIONS

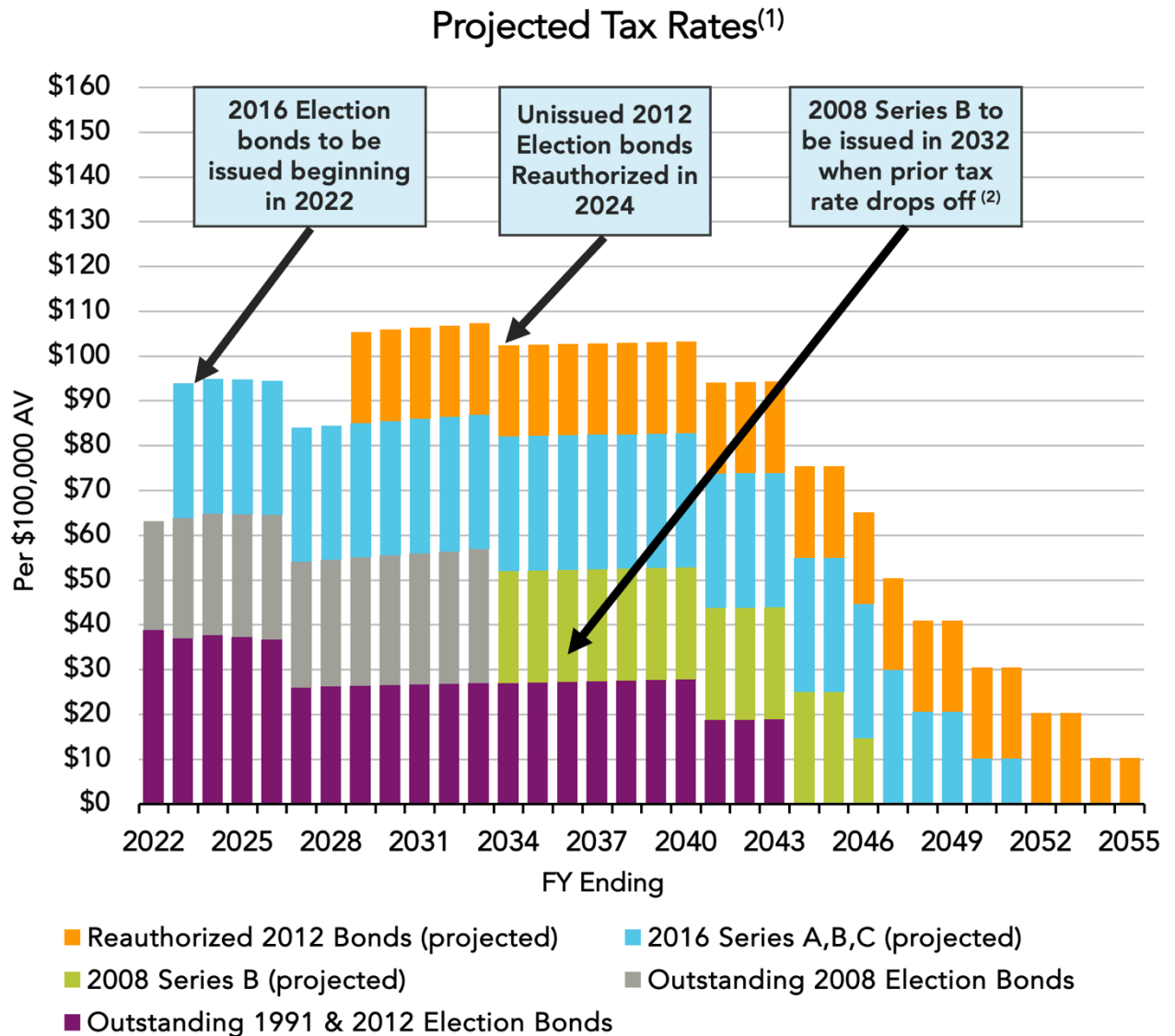
MEASURE O EXPIRES IN JUNE 2022

ALUM ROCK UNION SD PARCEL TAX ELECTIONS					
Election Date	Measure Letter	Amount <sup>(1)</sup>	% Yes	Pass/Fail	Expiration
November 2, 2004	R	\$100/year	68.90%	Pass	2010
June 8, 2010	I	\$160/year	74.40%	Pass	2015
November 4, 2014	O	\$176.42/year	75.00%	Pass	2022

<sup>(1)</sup> Adjusted annually for inflation  
Source: Ed-data.org

## FUTURE GO BONDS PROJECTED ISSUANCE SCHEDULE

GO BONDS TO BE ISSUED EVERY TWO YEARS THROUGH 2032



<sup>(1)</sup> Assumes 3.50% annual AV growth; 3.75% interest rates

<sup>(2)</sup> Measure G has a \$25.00 tax rate limit per 2008 ballot language

## FUTURE GO BONDS PROJECTED ISSUANCE SCHEDULE

GO BONDS TO BE ISSUED EVERY TWO YEARS THROUGH 2032

ALUM ROCK UNION SD PROJECTED BOND ISSUANCE SCHEDULE			
Year Issued	Authorization	Series	Principal
2022	2016	A	\$30,750,000
2024	2016	B	\$30,750,000
2026	2016	C	\$30,750,000
2028	2012	D	\$35,750,000
2030	2012	E	\$35,750,000
2032	2008	B	\$47,745,000
<b>Total</b>			<b>\$211,495,000</b>
2008 Remaining Authorization			\$0
2012 Remaining Authorization			\$0
2016 Remaining Authorization			\$4,672