

TO: Greensburg Redevelopment Commission (RDC) Commissioners
CC: Mayor Joshua Marsh
FROM: Reedy Financial Group, P.C.
SUBJECT: Greensburg RDC Financial Services
DATE: December 4, 2023

Introduction

RFG's management team has made it a priority to rethink the way we invoice and contract for services. By offering the option of a fixed fee billing structure, it is our goal to contract in a more transparent manner. By placing an emphasis on client choice for the level of service that will be provided, it is our goal to mitigate any misunderstandings that may relate to invoicing or service level moving forward.

We have drafted this memo as an updated addendum to our hourly engagement with the City of Greensburg that allows us to provide services to the RDC. If the RDC prefers a fixed fee structure for specific services, the RDC will be billed monthly going forward in accordance with the service categories chosen below. Any services outside of these categories will fall under the ongoing hourly engagement and be billed at our hourly TIF Consulting rates.

RDC Service Options & Annual Costs

Tax increment Finance (TIF) is one of the most valuable tools for generating economic development activity in a community. It is also one of the most misunderstood, and often neglected, revenue sources in a municipality. As such, there are many ongoing services RFG provides that are vital components to a successful RDC.

Please consider this an "a la carte" proposal. All, some, or none, of the services described may be selected. Administration/out of pocket expenses will be billed in accordance with the ongoing engagement.

- 1. Plan Update.** Planning is the single most vital component for effective economic development.

Please consider one of the following:

- **Monthly Plan Updates - \$30,000 Annually (\$2,500 per month/per update)**
 - Commissioners would have access to an updated report ahead of each RDC meeting.
 - Does not include RFG professionals attending meetings.
- **Quarterly Plan Updates - \$22,500 Annually (\$1,875 per month) (\$5,625 per update)**
 - Commissioners would have access to an updated report each quarter. More labor intensive to update the plan quarterly. Each plan will cost more to update.
 - Does not include RFG professionals attending meetings.
- **Bi-Annual Plan Updates - \$15,000 Annually (\$1,250 per month) (\$7,500 per update)**
 - Commissioners would have access to an updated report bi-annually. More labor intensive to update the plan bi-annually. Each plan will cost more to update.
 - Does not include RFG professionals attending meetings.

2. **TIF Neutralization & Revenue Review/Guidance.** The one service that often pays for itself. RFG has found tens of millions of dollars in lost TIF revenue across the State as a result of neutralization and County software errors.

Please consider the following for selection:

- **TIF Neutralization & Revenue Review/Guidance - \$10,000 Annually (\$833.33 per month)**
 - Provide the County Auditor with the completed neutralization form and factor
 - Ensure the factor is property applied at the County level
 - Review TIF certified assessed values
 - Review Abstract for errors
 - Review property tax settlement
 - *Any specific findings requiring remedy are not included and would be billed at our standard hourly rate*

- 3. **Statutory Reporting Requirements.** Each year, it seems the General Assembly comes out with a new requirement for RDC reporting. Effective and timely reporting is an essential part of a transparent and compliant RDC.

Please select one of the following:

- **Full-Service Compliance - \$10,000 Annually (\$833.33 per month)**
 - a. Annual Reporting Requirement (due April 1 & April 15 each year)
 - i. RFG to attend Council meeting if asked by RDC
 - b. Pass Through Reporting Requirement (due June 15th each year)
 - i. RFG to attend RDC meeting, if asked, and provide mailing list
 - c. TIF Impact Meeting (due annually each year)
 - i. Provide impact, attend RDC meeting, if required, and provide mailing list
 - ii. This is the most time-consuming reporting requirement

- **Partial Service Compliance - \$6,000 Annually (\$500 per month)**
 - TIF Impact Meeting (due annually each year)
 - Provide impact, attend RDC meeting, if required, and provide mailing list
 - This is the most time-consuming reporting requirement
 - Most important reporting requirement to have consulting

Special Project – Hourly

Periodically, projects and special analysis fall outside of the service items listed above. Our ongoing engagement letter includes language to accommodate these projects and they will be billed at the TIF Consulting rate. These projects may include decrement analysis (opportunity for new revenue), researching projects (such as the annexation for new housing tracts, housing TIF, developer negotiations, etc.) and establishing new allocation areas to name a few.

Municipal Advising Services (Bond Issuance)

When municipal advising services are required, these services are funded from debt issuance proceeds. RFG is a full-service Municipal Advising firm with the reputation and experience to lead their clients through any debt issuance from start to finish. RFG's municipal advising services can be arranged through a separate municipal advising engagement process.

The selections below have been pre-populated with the existing level of services provided to the RDC.

Contractual Services Summary

Chosen Services to be completed by RFG:

- **Financial Plan Update Frequency**
 - Monthly - \$30,000 annually (\$2,500 monthly)
 - Quarterly - \$22,500 annually (\$1,875 monthly)
 - Bi-Annual - \$15,000 annually (\$1,250 monthly)

- **TIF Neutralization & Revenue Review**
 - Full-Service - \$10,000 annually (\$833.33 monthly)

- **Statutory Reporting Requirements**
 - Full-Service - \$10,000 annually (\$833.33 monthly)
 - Partial-Service - \$6,000 annually (\$500 monthly)

Total annualized cost of services: \$ 35,000

Contract to be paid by Client on the following basis:

- Monthly
- Quarterly
- Annually

Client to be invoiced at the following amount monthly: \$ 2,916.66

Please note that this amount could vary from period to period due to certain items being billed outside of the contract that are considered "Special Project".

Annual Inflationary Adjustments

Upon 30 days written notice, the fixed contract amount for each future calendar year beginning January 1st may be adjusted in accordance with the CPI inflation read for the trailing 12 months.

Closing Comments

It is not uncommon for our services, and attention to detail, to result in a **significant increase in annual TIF collections**. We have found our services to bring an overall peace of mind by incorporating all allocation area resolution dates, project expenditure tracking, projected TIF expirations, real time revenue projections, etc. Having this level of organization is a critical component to planning for future projects and staying compliant with the applicable laws and regulations.


Greensburg Redevelopment Commission President

1-4-2024
Date