



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC:** Consideration and Possible Action to retain School Finance Consultants to Assist the District in Processing and Evaluating an Application for Appraised Value Limitation on Qualified Property

**SUBMITTED BY:** Juan Cruz **OF:** UISD Attorney

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** October 16, 2019

**RECOMMENDATION:**

It is recommended that the Board of Trustees consider and take action to retain School Finance Consultants to assist the District in processing and evaluating an Application for Appraised Value Limitation on qualified property

**RATIONALE:**

**BUDGETARY INFORMATION:**

**POLICY REFERENCE & COMPLIANCE:**



**CONSULTING AGREEMENT**

By and Between the

**UNITED INDEPENDENT SCHOOL DISTRICT**

and

**MOAK, CASEY & ASSOCIATES, INC.**

MOAK, CASEY & ASSOCIATES, INC. ("Consultant"), agrees to provide the services ("Services") indicated in this consulting agreement ("Agreement") in return for fees as enumerated below to the UNITED INDEPENDENT SCHOOL DISTRICT ("District"), relating to an Application for Appraised Value Limitation on Qualified Property ("Value Limitation") from CORAZON ENERGY, LLC ("Company"), for a new renewable energy electric generation facility, pursuant to Chapter 313, Texas Tax Code. The Services include the components listed below.

**PART I. SERVICES**

Consultant shall:

- 1.1. *Brief the school board, senior administrators and community leaders:* Consultant will provide a comprehensive briefing on the mandatory procedures, rules of the Comptroller's Office, financial risks, and impact under the Texas school finance system.
- 1.2. *Analyze the Company's Application Prior to Submission to the Comptroller's Office:* Consultant will assist in the review of the Company's application, if needed, for completeness prior to submission to the Comptroller's Office.
- 1.3. *Monitor the Comptroller's and T.E.A.'s application review:* Consultant will assist in monitoring the Comptroller's economic analysis and assessment of the project, if needed, as well as any review by T.E.A. to ensure that all information requests and any other issues are addressed during the review process.
- 1.4. *Prepare school-finance analysis:* Consultant will use district-specific financial models to estimate impact of the proposed economic development over the full period of the Value Limitation process.
- 1.5. *Negotiate with applicant company:* Consultant will undertake informal and formal negotiations with the Company or its representatives, as directed by the District.

- 1.6. *Prepare annual calculations required under the Value Limitation Agreement and annual and biennial reports required by the State Comptroller's Office and Texas Education Agency following execution of the Value Limitation Agreement. The annual financial calculations and the annual and biennial reports will be prepared by the Consultant as required, at no expense to the District.*
- 1.7. *Provide staff support for the District if it is subject to a review by the State Auditor's Office. In the event the District's Chapter 313 agreement is subject to a review by the State Auditor's Office, Consultant will provide staff support to address the information requirements associated with the audit, at no expense to the District.*

## **PART II. GENERAL PROVISIONS**

In performing these Services, Consultant and the District agree to the following additional terms and conditions:

- 2.1. Consultant shall be available for direct consultation with the Board of Trustees of the District, but shall maintain its primary contact with Robert J. Santos, its Superintendent.
- 2.2. The District shall provide for the reproduction and dissemination of major reports or other written materials.
- 2.3. Services provided by Consultant shall be provided by direct staff of Consultant or through resources under subcontract.
- 2.4. The District shall promptly provide Consultant with necessary background information relating to financial and other pertinent data.
- 2.5. Information obtained by Consultant from the District shall remain confidential unless authorization for the release of the information has been approved by an authorized representative of the District, or unless disclosure of the information is required by the Texas Public Information Act.
- 2.6. Consultant is not an employee of the District, and is not entitled to fringe benefits, pension, workers' compensation, retirement, etc. The District shall not deduct Federal income taxes, FICA (Social Security), or any other taxes required to be deducted by an employer, as this is the responsibility of Consultant. Consultant shall indemnify and hold the District harmless from any and all liability to the Internal Revenue Service for the payment of any taxes or withholding paid to Consultant under this Agreement. Consultant shall also indemnify and hold harmless the District, its officials and employees, against claims for damages, personal injury or death caused by the acts or omissions of Consultant or Consultant's employees or subcontractors in the performance of this Agreement.
- 2.7. Nothing in this Agreement shall be construed to prevent Consultant from entering into agreements with other individual school districts or other education groups regarding financial planning, legal, consulting, and other related services that do not conflict with this Agreement.

- 2.8. No provision of this Agreement shall be construed to prevent Consultant from undertaking sponsored research or services on Texas statewide school finance issues.
- 2.9. No provision of this Agreement shall be construed to entitle the District to access to general statewide finance modeling services and analyses prepared by Consultant except as covered under Part I.
- 2.10. This Agreement shall be in force from October 16, 2019, until the Services set forth herein as Items 1.1 to 1.5 have been completed, and for the services provided under Items 1.6 and 1.7 shall continue from year-to-year while the Value Limitation Agreement is in effect.
- 2.11. Services under this Agreement may be terminated at any time at the sole discretion of the District. In event of such termination by the District, District shall pay Consultant prorated fees for the services performed prior to the date of termination.
- 2.12. Consultant may cancel this agreement only upon ninety (90) days prior notice to the District.

### **PART III. FEES AND EXPENSES**

- 3.1. The fee shall be \$37,500 for the term of the Agreement, inclusive of expenses.
- 3.2. Fees shall be paid upon execution of this Contract, but only after receipt of the Completeness Letter as issued by the Texas Comptroller's Office.
- 3.3. All payments shall be due upon receipt of an invoice.
- 3.4. Fees paid under this Agreement by the District for Services listed as Items 1.1 to 1.5 are to be paid from the Application Fee established by the District pursuant to Section 313.031 (b), Texas Tax Code.
- 3.5. In no event shall the District be billed for Consultant expenses relating to the Services provided as Items 1.6 and 1.7, beyond the amounts that are allowed to be paid under the Chapter 313 Value Limitation Agreement.

### **PART IV. NOTICES AND MAILINGS**

Invoices, payments, and other official communications shall be considered delivered if mailed to the following, or to such other address as may be designated, in writing, from time to time:

- 4.1. If to Consultant:

Mr. Daniel T. Casey, Partner  
MOAK, CASEY & ASSOCIATES, INC.  
901 S. MoPac Expressway  
Bldg. III, Suite 310  
Austin, Texas 78746



4.2. If to District:

Mr. Robert J. Santos  
Superintendent  
UNITED ISD  
201 Lindenwood  
Laredo, Texas 78045

DISTRICT:

UNITED INDEPENDENT SCHOOL DISTRICT

CONSULTANT:

MOAK, CASEY & ASSOCIATES, INC.

A handwritten signature in blue ink that reads "Daniel T. Casey".

Printed Name: \_\_\_\_\_

Daniel T. Casey  
Partner

Date: \_\_\_\_\_

Date: October 16, 2019