



# City of Beaumont

## *Municipal Advisory Qualifications*

Urban Futures, Inc.  
February 2025



Jennifer Ustation, Finance Director  
City of Beaumont  
550 E. 6th Street  
Beaumont, CA 92223

Dear Jennifer,

Urban Futures, Inc. (UFI) is pleased to submit this summary of qualifications to the City of Beaumont (the City) for the purpose of providing objective, independent municipal advisory services to the City on upcoming refunding transactions for the City's CFD program and wastewater utility. We feel privileged to have had a long-standing relationship with the City since 2015, and we are eager to continue working with you on these upcoming important assignments.

Since 1972, our firm has strived to offer the highest level of service, technical skills, innovation, and local knowledge to California municipalities. We advocate on behalf of our clients and keep our clients informed regarding advancements in public financing, current interest rate trends, and relevant new State and Federal legislation that could affect our California clients' financing choices. We are prepared to assist the City with each phase of the upcoming engagements from planning, project prioritization through transaction closing. The following is a summary of our distinguishing expertise and services:

- **Local and Relevant Experience:** UFI and its staff have long maintained an active presence assisting communities in Riverside County, going back to the incorporation of the City of Jurupa Valley in 2011, during which time Michael Busch served as the City's first finance director. In addition to our work with the City, we have extensive experience working with the Cities of Lake Elsinore, Desert Hot Springs, Menifee, Coachella, and Calimesa. Most recently, we were engaged by the Cities of Eastvale and San Jacinto to assist with capital planning and financing services for civic center projects. In addition, we regularly engage with cities with large and diverse CFD programs, such as the City of Ontario.
- **Leading Municipal Advisor:** Since 2017, no financial advisory firm has managed more bond transactions in California than UFI. As a leading financial advisor in the State, UFI is in the market virtually every week. This experience keeps us apprised of the latest market trends and pricing conditions, thus enabling us to offer the City the highest level of service on its upcoming financing transactions.
- **Experienced Personnel:** UFI's financial advisors and consultants include former city finance directors, public administrators, city attorneys, public finance investment bankers, and rating agency analysts, allowing us to offer the City a comprehensive and multi-disciplinary blend of qualifications and resources. The UFI municipal advisory team assigned to Beaumont, consisting of Michael Busch and Branden Kfoury, has assisted the City with over \$340 million of debt issuances since 2017, allowing us to develop a deep understanding of the City, its priorities and objectives.
- **Technical Competence:** Providing our clients with responsive and high-quality analytical services is central to our corporate mission. UFI is staffed with financial advisors who have extensive financial modeling experience, and we have built proprietary financial models and fiscal impact studies that are tailored to our client's needs. We take a proactive approach to our work, bringing innovative and data-driven financial solutions to our clients.
- **Responsiveness and Community Engagement.** We understand that our clients have many competing priorities, are often short-staffed, and can be working under tight deadlines. We strive to serve as an extension of staff on our engagements and to reply within 24 hours of clients reaching out to us. UFI has a depth of experience presenting to public agency boards and participating in community engagement where constituents have a wide range of financing knowledge and buy-in. Our goal is to develop a financing strategy that best achieves the City's strategic objectives and, if desired, partner with staff to deliver effective communications to the City Council and public—distilling complex financing structures and processes into transparent and digestible presentations.

We appreciate the opportunity to work with the City on the proposed pooled CFD and wastewater bonds refunding. Enclosed you will find a summary of our qualifications as well as engagement letters for each transaction. Should you have any questions or wish to discuss, please do not hesitate to reach out to us.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Busch".

Michael Busch, Chief Strategy Officer  
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[michaelb@urbanfuturesinc.com](mailto:michaelb@urbanfuturesinc.com)

## Firm Overview

### UFI IS A TOP-RANKED MUNICIPAL ADVISOR

Since 1972, Urban Futures, Inc. (UFI), has provided municipal advisory services to hundreds of California special districts, cities, redevelopment agencies, counties, schools, community colleges, and non-profits. UFI is registered as an Independent Registered Municipal Advisor (IRMA) with the Municipal Securities Rulemaking Board (MSRB) and the Securities and Exchange Commission (SEC). Our firm has been doing business for the past 52 years under the same name. As stated above, UFI is one of the most active municipal advisors in the State. Since 2017, we have completed more transactions than any other firm in California as shown in the table to the right.

### Top Municipal Advisors for CA Municipal Bonds (January 1, 2017 - Present)

Rank	Firm	No. of Issues
1	Urban Futures Inc	831
2	Fieldman Rolapp & Associates	552
3	KNN Public Finance	439
4	PFM Financial Advisors LLC	411
5	Public Resources Advisory Group	252

Source: SDC Platinum (Thomson Reuters)

Our firm has 20 employees, 16 of which are municipal advisory professionals that have all passed the MSRB Series 50 Municipal Advisor (MA) Representative examination. UFI combines a top-ranked municipal advisory practice with a financial consulting practice that has decades of public finance and executive-level government experience. Clients engage our firm to provide a range of services, including municipal advisory assignments for debt issuance across a multitude of credits, capital funding analysis and preparation of finance plans, and non-municipal advisory services including post-issuance compliance financial forecasting, tax and revenue analysis, and development of fiscal strategies. UFI provides these services through three divisions:

**Public Finance Group (“PFG”)** provides municipal advisory services, debt analysis, financing plans, and access to capital markets for various transaction types, including Lease Revenue, Utility, Tax Increment, Utility, Community Facility Districts and Pension Obligation Bonds, as well as Private Placements, Public Private Partnerships (P3), and Enhanced Infrastructure Financing Districts (EIFDs). We help staff evaluate and implement various financing options for priority projects (including bonds, revolving lines of credit, and State and Federal loan programs) and refinancing opportunities. This group includes Isom Advisors, a division of UFI, that specializes in education financing.

**Public Management Group<sup>1</sup> (“PMG”)** provides in-depth and insightful analysis of our client's financial history and current position, revenue and expense structures, long-term liabilities and risks, and fiscal outlook through the use of custom financial models, long-term forecasts, and fiscal assessment tools that integrate a wide variety of econometric, financial and demographic data with key metrics, benchmarks and best practices. More importantly, the diversity and experience of our PMG team enables UFI to transform the financial data and analysis into actionable management information, reports and plans that provide specific recommendations, and strategies supported by the analytics that help our clients achieve their goals and objectives.

**Analytics and Compliance Group<sup>2</sup>** provides services related to post-issuance compliance, including continuing disclosure, arbitrage rebate, and CDIAC reporting compliance.

<sup>1</sup> Non-Municipal Advisory Service

## Our Experience with the City

As stated previously, UFI feels privileged to have had the opportunity to work with the City over the last ten years. We have served as municipal advisor on over \$340 million of City issuances, which began in 2017 with the refunding of several of the City’s CFD bonds. In addition to helping the City reorganize its debt and restructure its financial systems and practices, UFI was asked in 2018 to completely overhaul a prior long-term financial forecast the City had been unable to keep up to date because of its complexity and lack of good user interface. The forecast helped to reconcile inconsistencies between the City’s previous labor costing data and budgeted personnel expenses and to identify opportunities for strengthening its general fund. Less than two years after emerging from the SEC investigation, UFI was engaged by the City to serve as financial advisor on its first rated bond transaction— 2018 Wastewater Revenue Bonds, which we are now looking to refund. Provided below is a list of transactions where we have been engaged as municipal advisor.

**City of Beaumont Transactions since 2017 - UFI as MA**

Issue Name	Project/Series Name	Closing Date	Principal Amount
Special Tax Bonds, Series 2024	Improvement Area No. 17D	11/6/2024	\$9,400,000
2024 Special Tax Bonds	Fairway Canyon	1/25/2024	14,550,000
2023 Special Tax Bonds (Sundance)	Sundance	5/24/2023	8,800,000
2021 Local Agency RBs	CFD No 93-1 IA Nos 7B, 7C, 17C, 19C, & 20 Series A (Taxable)	6/30/2021	18,675,000
2020 Special Tax Bonds	Sundance Facilities/Maintenance/Public Services	9/23/2020	2,355,000
2020 Local Agency RBs	CFD No 93-1 IA No 8C & IA No 17B Series A Federal Taxable	8/13/2020	17,200,000
2020 Special Tax Bonds	IA No 8F	6/17/2020	12,780,000
2019 Special Tax Bonds	Four Seasons	11/7/2019	4,185,000
2019 Ref Local Agency Bonds	CFD No 93-1 IA Nos 3,11,9,10A &12A Series A	8/8/2019	5,375,000
2019 Special Tax Bonds	Area 8 Sundance	8/8/2019	10,285,000
2019 Special Tax Bonds	Fairway Canyon Zones 1-3	3/12/2019	9,045,000
2018 Special Tax Bonds	IA No 8E	12/7/2018	12,680,000
2018 Special Tax Bonds	IA No 7D	11/8/2018	3,725,000
2018 Special Tax Bonds	IA No 7B Series A	11/8/2018	2,370,000
2018 Installment Purchase Agreement	Treatment Plant Series A	9/27/2018	81,105,000
2018 Special Tax Bonds	IA No 17C Series A	6/21/2018	8,730,000
2018 Special Tax Bonds	IA No 8D Series A	6/21/2018	7,675,000
2018 Special Tax Bonds	IA No 8C Series A	6/21/2018	16,915,000
2017 Special Tax Ref Bonds	IA No 14A Series A	8/8/2017	13,275,000
2017 Special Tax Refunding Bonds	IA No 14 Series A	8/8/2017	6,950,000
2017 Special Tax Refunding Bonds	IA No 8B Series A	8/8/2017	5,735,000
2017 Special Tax Refunding Bonds	IA No 8 Series A	8/8/2017	7,320,000
2017 Special Tax Refunding Bonds	IA No 19C Series A	7/27/2017	14,339,091
2017 Special Tax Refunding Bonds	IA No 14B Series A	7/27/2017	3,847,190
2017 Special Tax Ref Bonds	IA No 6A1 Series A	7/27/2017	29,977,849
2017 Special Tax Refunding Bonds	IA No 8D Series A	7/27/2017	726,793
2017 Special Tax Ref Bonds	IA No 8C Series A	7/27/2017	5,801,612
2017 Special Tax Refunding Bonds	IA No 8A Series A	7/27/2017	6,208,722
<b>Total</b>			<b>\$340,031,257</b>

## Case Studies

UFI and its staff have long maintained an active presence assisting communities in Riverside County and have extensive and relevant experience assisting cities with land secured and utility financings. Besides our work with the City, our notable CFD experience includes assignments for the Cities of Ontario, Lake Elsinore, Menifee, Desert Hot Springs, Calimesa and Coachella. Additionally, UFI staff members have worked across the State to assist issuers with water and wastewater related assignments, advising on 19 utility transactions for a total of \$321.9 million in par since 2018. Provided below are select case studies that we believe underscore our specific expertise in these areas.



**City of Lake Elsinore** - Since 2014, UFI has provided Municipal Advisory Services to the City of Lake Elsinore on approximately \$287 million of land secured financings, lease revenue bonds, tax allocation bonds, and private placements.

Notably in 2014, we completed a pooled CFD refunding similar to one being contemplated by the City. UFI evaluated all of the City's outstanding CFD bonds and determined that there were several refinancing opportunities that would provide significant savings. Specifically, we identified steps to refinance six CFD bonds which could produce savings. As we began to move forward on the refinancing, interest rates fell, which enabled two additional CFD bonds for inclusion into the pool. Early in the refunding process, UFI inquired as to whether all of the capital facilities which were built within the district were subject to the refinancing. By asking this very simple question, we discovered three neighborhood parks which did not get fully built due to the financial impacts from the Great Recession and we now had a potential funding source to complete them. As a result, savings generated for each CFD were used to either: (1) reduce special taxes paid by existing property owners, or (2) complete unfinished projects that were originally approved to be funded from the CFD.



**City of Menifee** - UFI has been pleased to assist the City of Menifee in various capacities over the past several years. Most notably, we have been assisting the City with execution of its inaugural CFD program financings, completing ten land secured transactions for over \$80 million of par since 2022.

In July 2023, we closed an \$11.525 million bond issue for CFD 2022-1 (Quartz Ranch). The Quartz Ranch bonds were issued to finance the purchase, construction, expansion or rehabilitation of certain public facilities to serve the area within the District. The 2023 Bonds priced on June 28, 2023 and were met with strong investor demand, receiving 96 investor orders totaling \$38.5 million. As a result of strong investor interest, the underwriter able to reduce yields by 0.02% to 0.06% across various maturities. The final true interest cost for the transaction was 4.97%, which was 0.33% below the good faith estimates presented to the City Council, resulting in \$486,939 in additional net proceeds from such estimates.

In addition, in 2022, we were engaged via a competitive process to provide consulting and municipal advisory services on the City's proposed Civic Center project. As part of the engagement, UFI's Public Management Group was hired to prepare a financial forecast to help the City in assessing its overall fiscal health. Since incorporation in 2008, the City has grown 84% and is currently the fifth fastest growing city in California. Menifee has a population of over 110,000 residents and is expected to have 150,000 residents by 2045. The City's current City Hall facility does not provide sufficient space to meet service delivery needs over the next several years. The City is currently completing a space needs assessment to determine next steps with constructing a new facility.



**City of Ontario**

UFI was engaged by the City of Ontario in 2023 via a competitive RFP process. Since 2023, we have assisted the City with three CFD financings and four CFD formations. In addition, UFI is actively working with the City on three additional CFD formations for residential and industrial development projects. As part of our work with the City, we engage with various developer teams to ensure that the City's needs and objectives are met in forming districts in the Ontario Ranch area, which is expected to include 24,000 homes at buildout.

In August 2024, UFI served as municipal advisor on a \$44 million fixed rate water revenue bond financing for the City. The new money bonds funded various improvements to the City's water system, including well and water main improvements. UFI coordinated all aspects of the financing process and worked with the underwriter to develop a credit strategy that highlighted the diversified system water supplies and strong local economy. As a result of the rating process, S&P raised its long-term rating on the City's outstanding water bonds to "AA+" from "AA" based upon the system's very strong debt service coverage and liquidity metrics. The bonds priced on August 7, 2024. Despite volatile conditions in the market and rising MMD yields, the bonds received strong investor demand, with \$106.8

million in total orders (2.5x oversubscribed) across 19 unique accounts. Based on the strong order period, the underwriter reduced spreads on several oversubscribed maturities through 2039, resulting in a final TIC of 3.72%.



**City of Culver City Wastewater Facilities Revenue Bonds**— UFI advised the City of Culver City on the sale of its 2019 A Wastewater Facilities Revenue Bonds, which were issued to refund existing bonds and finance \$12 million of capital improvements. UFI was selected as municipal advisor by the City in June 2019 via a competitive bid process. Once selected as municipal advisor, we assisted the City in issuing RFPs for bond/disclosure counsel and making selections of those firms.

UFI worked diligently with the City to identify capital projects to be debt financed. At the time of the sale, the City maintained a large amount of excess cash reserves. UFI advised the City on an appropriate reserves level and advised on how to use excess cash for its capital spending program and to address the pension liability allocated to its wastewater enterprise. UFI was instrumental in the credit analysis and structuring of the issues. Given the large variances in payments the City makes to the City of Los Angeles for wastewater treatment, UFI helped to structure the 2019 Bonds to maintain target coverage in line with S&P's fixed-charge coverage methodology. The efforts resulted in the rating being affirmed at AA- and a successful sale.



## MICHAEL BUSCH

### *Chief Strategy Officer*

#### **CONTACT**

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Creek, CA 94596  
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[Michaelb@urbanfuturesinc.com](mailto:Michaelb@urbanfuturesinc.com)

#### **EDUCATION**

M.P.A. – Finance and Public Works  
*Cal State University, Long Beach*

B. A., Urban and Regional Planning  
*Cal State Polytechnic University, Pomona*

#### **PROFESSIONAL AFFILIATIONS**

Innovating Commerce Serving  
Communities (ICSC)  
California Society of Municipal Finance  
Officers (CSMFO)  
Past President – Municipal Management  
Association of Southern California  
(MMASC)  
Past Chair – Cal-ICMA

#### **Profile**

Michael Busch is an accomplished municipal executive and public finance professional who has helped manage several public agencies as an assistant city manager and finance director. Through his leadership of UFI and engagement with professional organizations, Michael helps cities, counties, special districts, and nonprofits across the State of California identify emerging trends, engage in critical policy issues, exchange proven practices, and advance their missions through sound fiscal and operational policy. During his 14-year tenure with UFI, numerous public agencies have engaged Michael as both a strategic consultant and municipal advisor based on his public finance expertise and broad understanding of fiscal issues affecting the public sector. Michael has worked on over \$5 billion in tax-exempt and taxable debt, including lease revenue bonds/COPs, water/wastewater revenue bonds, TABs, CFD and assessment district bonds, and New Market Tax Credits. He has executed transactions for cities with large and diverse CFD programs, including the Cities of Lake Elsinore, Beaumont, Menifee, Ontario, Coachella and Desert Hot Springs.

#### **Relevant Project Experience**

- City of Menifee – Various CFD Bonds; City Hall Project
- City of Eastvale - Project Planning & MA Services for Civic Center Project
- City of Beaumont – CFD Bonds and wastewater revenue bonds
- San Jacinto City Hall/Parking Structure Downtown Development P3 Project
- Lake Elsinore – CFD Bonds and numerous other assignments since 2014
- Desert Hot Springs – CFD Bonds and 2022 Lease Revenue Bonds (City Hall and Police Station Expansion Project)
- City of Coachella – CFD Bonds and Lease Revenue Bonds
- Cit of Ontario – CFD Bonds and Water Revenue Bonds





## BRANDEN KFOURY

*Director*

### CONTACT

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### EDUCATION

BS, Finance  
*New York University*

### PROFESSIONAL AFFILIATIONS

California Society of Municipal Finance  
Officers (CSMFO)

### Profile

Branden Kfoury joined Urban Futures in 2019. He has worked on a variety of debt offerings for cities and special districts in California including, but not limited to utility revenue bonds, general obligation bonds, lease revenue bonds, CFD and assessment district bonds, as well as tax allocation bonds. Mr. Kfoury has extensive experience in all aspects of the bond financing process and excels at providing value-added debt structuring, credit and quantitative analysis. Previously, Mr. Kfoury worked as a Senior Associate at Fieldman, Rolapp & Associates where he supported the firm's city and special district clients. Mr. Kfoury has held prior roles in public finance investment banking, bond insurance, as well as in the technology industry. He graduated Cum Laude from New York University with a Bachelor of Science degree in Finance and a minor in Politics.

### Relevant Project Experience

- City of Menifee – Various CFD Bonds; Project Planning & MA Services for Civic Center Facility
- City of Lake Elsinore – CFD Bonds and Lease Revenue Bonds
- City of Ontario – CFD Bonds and Water Revenue Bonds
- City of Moorpark – CFD Refunding Bonds
- City of Oceanside – CFD Refunding Bonds
- City of Fullerton – CFD Refunding Bonds
- City of Eastvale - Project Planning & MA Services for Civic Center Facility
- Culver City – Wastewater refunding bonds

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## Regulatory Disclosure

**Disclosure of Conflicts of Interest and Legal or Disciplinary Events.** Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Urban Futures, Inc. (“UFI”) and its associated persons.

**Conflicts of Interest. Compensation.** UFI represents that in connection with the issuance of municipal securities, UFI may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, UFI hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding UFI’s ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair UFI’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

It should be noted that other forms of compensation (i.e., hourly or fixed fee based) may also present a potential conflict of interest regarding UFI’s ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair UFI’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

**Other Municipal Advisor Relationships.** UFI serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another UFI client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, UFI could potentially face a conflict of interest arising from these competing client interests. UFI fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

If UFI becomes aware of any additional potential or actual conflict of interest after this disclosure, UFI will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

**Legal or Disciplinary Events.** UFI does not have any legal events or disciplinary history on UFI’s Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access UFI’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against UFI, UFI will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate UFI, its management and personnel