

**RESOLUTION NO. 2022-47
(5/9/2022)**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE VILLAGE OF
CALEDONIA APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH
EHLERS FOR FINANCIAL SERVICES AS RELATES TO A SPECIFIC PROPOSED
PROJECT WITHIN TID#4.**

The Board of Trustees of the Village of Caledonia, Racine County, Wisconsin do resolve as follows:

WHEREAS, the Village of Caledonia is in need of financial services pertaining to a specific proposed project within TID#4 which cannot be performed with inhouse staff.

WHEREAS, the Village of Caledonia has been in discussion with a developer for the development of multiple properties within TID #4 and Professional Financial Services have been requested by counsel to be part of the Development Review Team.


WHEREAS, counsel has recommended that Ehlers, Inc be utilized for Professional Financial Services for the proposed development in TID #4 based on past work experience.

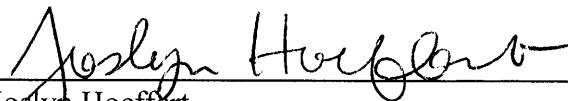
WHEREAS, the Professional Financial Services would be utilized on an as needed basis and would be charged on a Time & Material basis according to the General Billing Rates. Professional Financial Services that are identified outside of General Financial will be scoped and authorized.

NOW THEREFORE BE IT RESOLVED THAT, the Board of Trustees of the Village of Caledonia approves the Professional Services Agreement set forth in **Exhibit A**.

Adopted by the Board of Trustees of the Village of Caledonia, Racine County, Wisconsin, this 9 day of May, 2022.

VILLAGE OF CALEDONIA

By: 
Lee Wishau
Acting Village President

Attest: 
Joslyn Hoeffert
Village Clerk

May 2, 2022

Kathy Kasper, Village Administrator
Village of Caledonia, Wisconsin
5043 Chester Lane
Racine, WI 53402

Re: Written Municipal Advisor Client Disclosure with the Village of Caledonia (“Client”) for South Hills Development Project Review and Analysis (TID 4) (“Project” Pursuant to MSRB Rule G-42)

Dear Kathy:

As a registered Municipal Advisor, we are required by Municipal Securities Rulemaking Board (MSRB) Rules to provide you with certain written information and disclosures prior to, upon or promptly, after the establishment of a municipal advisory relationship as defined in Securities and Exchange Act Rule 15Ba1-1. To establish our engagement as your Municipal Advisor, we must inform you that:

1. When providing advice, we are required to act in a fiduciary capacity, which includes a duty of loyalty and a duty of care. This means we are required to act solely in your best interest.
2. We have an obligation to fully and fairly disclose to you in writing all material actual or potential conflicts of interest that might impair our ability to render unbiased and competent advice to you. We are providing these and other required disclosures in **Appendix A** attached hereto.

As your Municipal Advisor, Ehlers shall provide this advice and service at such fees, as described within **Appendix B** attached hereto.

This documentation and all appendices hereto shall be effective as of its date unless otherwise terminated by either party upon 30 days written notice to the other party.

During the term of our municipal advisory relationship, this writing might be amended or supplemented to reflect any material change or additions.

We look forward to working with you on this Project.

Sincerely,

Ehlers & Associates

A handwritten signature in black ink, appearing to read 'Todd Taves', written over a horizontal line.

Todd Taves
Senior Municipal Advisor/Managing Director

¹ This document is intended to satisfy the requirements of MSRB Rule G-42(b) and Rule G-42(c).

Appendix A

DISCLOSURE OF CONFLICTS OF INTEREST/OTHER REQUIRED INFORMATION

Actual/Potential Material Conflicts of Interest

Ehlers has identified the following actual or potential material conflicts of interest as part of this project:

Client is aware that Ehlers has a municipal advisory relationship with the Village of Mount Pleasant. With respect to the work to be completed as part of the Project it is possible that Client and the Village of Mount Pleasant could have differing objectives as the Project proceeds.

Ehlers made the Village of Mount Pleasant and its legal counsel aware of Client's request to engage Ehlers for the Project. Mount Pleasant has no objection to the engagement. Based on our discussion on Monday, April 25, and as confirmed by Mount Pleasant, both Client and Mount Pleasant have a common objective in pursuing the Project. If during the course of work on the Project Ehlers identifies an actual conflict of interest we will notify both Client and Mount Pleasant to determine whether the conflict can be mitigated to allow Ehlers work on the Project to continue.

Other Engagements or Relationships Impairing Ability to Provide Advice

Ehlers is not aware of any other engagement or relationship Ehlers has that might impair Ehlers' ability to either render unbiased and competent advice to or to fulfill its fiduciary duty to Client.

Affiliated Entities

Ehlers offers related services through two affiliates of Ehlers, Bond Trust Service Corporation (BTSC) and Ehlers Investment Partners (EIP). BTSC provides paying agent services while Ehlers Investment Partners (EIP) provides investment related services and bidding agent service. Ehlers and these affiliates do not share fees. If either service is needed in conjunction with an Ehlers municipal advisory engagement, Client will be asked whether or not they wish to retain either affiliate to provide service. If BTSC or EIP are retained to provide service, a separate agreement with that affiliate will be provided for Client's consideration and approval.

Solicitors/Payments Made to Obtain/Retain Client Business

Ehlers does not use solicitors to secure municipal engagements; nor does it make direct or indirect payments to obtain or retain Client business.

Payments from Third Parties

Ehlers does not receive any direct or indirect payments from third parties to enlist Ehlers recommendation to the Client of its services, any municipal securities transaction or any financial product.

Payments/Fee-splitting Arrangements

Ehlers does not share fees with any other parties and any provider of investments or services to the Client. However, within a joint proposal with other professional service providers, Ehlers could be the contracting party or be a subcontractor to the contracting party resulting in a fee splitting arrangement. In such cases, the fee due Ehlers will be identified in a Municipal Advisor writing and no other fees will be paid to Ehlers from any of the other participating professionals in the joint proposal.

Municipal Advisor Registration

Ehlers is registered with the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB).

Material Legal or Disciplinary Events

Neither Ehlers nor any of its officers or municipal advisors have been involved in any legal or disciplinary events reported on Form MA or MA-I nor are there any other material legal or disciplinary events to be reported. Ehlers' application for permanent registration as a Municipal Advisor with the (SEC) was granted on July 28, 2014 and contained the information prescribed under Section 15B(a)(2) of the Securities and Exchange Act of 1934 and rules thereunder. It did not list any information on legal or disciplinary disclosures.

Client may access Ehlers' most recent Form MA and each most recent Form MA-I by searching the Securities and Exchange Commission's EDGAR system (currently available at <http://www.sec.gov/edgar/searchedgar/companysearch.html>) and searching under either our Company Name (Ehlers & Associates, Inc.) or by using the currently available "Fast Search" function and entering our CIK number (0001604197).

Ehlers has not made any material changes to Form MA or Form MA-I since that date.

Conflicts Arising from Compensation Contingent on the Size or Closing of Any Transaction

The forms of compensation for municipal advisors vary according to the nature of the engagement and requirements of the client. Compensation contingent on the size of the transaction presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation. Compensation contingent on the closing of the transaction presents a conflict because the advisor may have an incentive to recommend unnecessary financings or recommend financings that are disadvantageous to the client. If the transaction is to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Any form of compensation due a Municipal Advisor will likely present specific conflict of interests with the Client. If a Client is concerned about the conflict arising from Municipal Advisor compensation contingent on size and/or closing of their

transaction, Ehlers is willing to discuss and provide another form of Municipal Advisor compensation. The Client must notify Ehlers in writing of this request within 10 days of receipt of this Municipal Advisor writing.

MSRB Contact Information

The website address of the MSRB is www.msrb.org. Posted on the MSRB website is a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the financial regulatory authorities.

Appendix B

SOUTH HILLS DEVELOPMENT PROJECT REVIEW AND ANALYSIS

Scope of Service

Client has retained Ehlers to assist Client with evaluating the economic feasibility of a proposed industrial development within the Village's Tax Incremental District No. 4. We will provide the following scope of services in connection with the Project:

- Update our last TID No. 4 model to reflect the current financial position of the District.
- Model one or more alternative development and cash flow scenarios to determine whether provision of the requested assistance for the Project is economically feasible, and if so, how best to structure that assistance.
- Provide recommendations as to the timing of an amendment to the TID No. 4 Project Plan based on established constraints.
- If it is determined that undertaking the Project in TID No. 4 is not feasible, assist with identifying and evaluating potential alternatives.
- Attend meetings of the Project working group as requested.
- Attend meetings of the Village Board or its committees as requested.
- Provide input on deal terms related to the tax incremental financing plan for the Project that will need to be incorporated into a development agreement.
- Review and provide comment on development agreement.

Compensation

We will bill Client hourly at the rates shown in the table. Meeting attendance or calls involving attendance or participation by more than one advisor will be billed at the rate of the Senior Advisor present.

Advisor	Position	Hourly Rate
Todd Taves	Senior Municipal Advisor	\$350
Harry Allen	Financial Specialist	\$200