

Cover Letter

Diane Nakagawa
Director of Finance
Hawaii County
25 Aupuni Street, Suite 2103
Hilo, HI 96720

Dear Diane,

On behalf of three+one®, we are pleased to present you with the enclosed offer to provide Hawaii County with Accounting (Accounting, Analysis, and Administration of Special Financing Districts) Services. Our proposal will complement the County's staff with liquidity and treasury management through our independent data, technology platforms, robust analytic tools, and implementation team.

three+one provides cash-management tools through data analysis that lead to benefits in maximizing the value of every dollar on deposit for the County. We aim to help improve current banking relationships and strengthen future ones. By using cashVest®, the County will benefit from a more effective liquidity strategy, liquidity stress-testing and forecasting, and actionable time-horizon data.

Because three+one solely serves the public sector and higher-education institutions and is a liquidity-data provider/aggregator, we are independent and free of any conflicts of interest; we operate objectively to help complement and improve the County's overall liquidity/treasury-management strategy. Since our inception, the data we have collected allows us to bring a unique perspective that benchmarks services and pricing to ensure the County attains the best results. Our unique background in the banking industry and service in the public sector make it possible for three+one to deliver results that lead to higher performance standards.

I invite you to visit our cashVest resource center at <https://threeplusone.us/get-started> to see our platform's capabilities firsthand. If there are any questions we can answer, please feel free to contact me. My contact information is below. On behalf of three+one, thank you for the opportunity to submit this response for your Statement of Qualifications.

Thank you for your consideration,



Garrett Macdonald
Chief Executive Officer
gam@threeplusone.us
(585) 484-0311 x704

1. The name of the firm or person, contact information including email address the principal place of business, and location of all of its offices.

Name: Garrett Macdonald

Title: Chief Executive Officer

Email: gam@threeplusone.us

Phone: (585) 484-0311 x704

Primary Place of Business/Only Office: 180 Office Park Way, Pittsford, NY 14534

2. The age of the firm and its average number of employees over the past five years.

The roots of three+one span over 27 years, with rich experience in the areas of business, public service, secondary/higher education, and government banking. It was founded by our co-founder and CEO, Joe Rulison, in 1988. Over the next dozen years, Joe and his co-founder, Peter Forsgren deepened their banking experience while also serving their communities in several leadership roles that further shaped their vision for three+one. In 2014, Joe and Peter founded three+one, applying their unique perspective and experience in banking, business, and the public experience.

three+one has now expanded its team with treasury, public management, and public sector-banking experience to better serve communities nationwide. three+one has gained national recognition and cemented its footprint as a pioneer/leader in defining and providing liquidity analysis and data services to public entities through our proprietary cashVest services.

three+one specializes in liquidity and cash-management solutions tailored for public entities, higher-education institutions, and other organizations focused on maximizing their financial resources. Our core expertise lies in providing data-driven insights and strategies that help clients optimize liquidity, increase investment income, and reduce costs. Our innovative cashVest platform empowers confident borrowing, investing, and cash-management decisions for the public sector, enhancing liquidity management with ease.

Currently we have 32 employees, with an average of 22 employees over the past five years and below is the breakdown.

2020: 15

2021: 20

2022: 24

2023: 25

2024: 28

2025: 32

3. The education, training, and qualifications of the individual, or if a firm, its key employees in accordance with HRS 103D-304 and/or the professional and scientific occupation series contained in the United States Office of Personnel Management's Qualifications Standards Handbook.

Our firm has over 250 years of combined experience across public banking, higher education, and both the public and private sectors. This includes key members with deep expertise in financial analysis, public sector banking, investment strategies, and corporate finance.

Most key personnel meet or exceed the education, training, and experience requirements in accordance with HRS §103D-304 and the applicable OPM professional occupation series, particularly those in the Accounting Series (GS-0510).

Our team has consistently demonstrated its capability to provide highly technical, data-driven services to governmental and quasi-governmental entities nationwide. Below is a summary of our key employees' qualifications:

Joe Rulison, Co-Founder and Executive Chairman
BS in Political Science and MS in Philosophy.
Over 35 years of experience.

Peter Forsgren, Co-Founder and Chief Operations Officer
BS in Social Science and MPA in State and Local Finance
Certified Treasury Professional (CTP) Certification
Over 30 years of experience.

Garrett Macdonald, Chief Executive Officer
BS in Corporate Finance and MBA
Certified Treasury Professional (CTP) and Certified Corporate Financial Planning & Analysis Professional (FPAC) Certifications
Over 10 years of experience.

Scott Allen, Chief Financial Officer
BS in Business and Finance and MBA
Over 35 years of experience.

Michael Ablowich, Vice President of Client Servicing and Implementation
BA in International Relations and MBA
Over 30 years of experience.

Jessica Van Zile, Vice President of Technology Project Coordination
BS in Finance and MS in Applied Economics
Over 20 years of experience.

Alex DeRosa, Associate Vice President
BS in Economics and MPA in Ethical Leadership
Over 10 years of experience.

4. A list of recent projects and the names of up to five clients who may be contacted, including at least two for whom services were rendered during the preceding year.

Company Name: Kauai County, HI
Address: 4444 Rice Street, Suite 280, Lihue, HI 96766
Contact: Nancee Robles
Email: nrobles@kauai.gov
Phone Number: (808) 241-4200
Project/Contract Award Date: August 2023

Company Name: Allegheny County, PA
Address: 436 Grant Street, Pittsburgh, PA 15219
Contact: Erica Rocchi Brusselars
Email: erica.brusselars@alleghenycounty.us
Phone Number: (412) 350-4100
Project/Contract Award Date: August 2024

Company Name: Orange County, NY
Address: 256 Main Street, Suite 102, Goshen, NY 10924
Contact: Kerry Gallagher
Email: kgallagher@orangecountygov.com
Phone Number: (845) 291-2485
Project/Contract Award Date: September 2018

Company Name: City and Borough of Juneau, AK
Address: 155 Heritage Way, Juneau, AK 99801
Contact: Angie Flick
Email: angie.flick@juneau.gov
Phone Number: (907) 586-5215 x4057
Project/Contract Award Date: March 2023

Company Name: Cambria County, PA
Address: 200 South Center Street, Edensburg, PA 15931
Contact: Alex Ashcom
Email: aashcom@co.cambria.pa.us
Phone Number: (814) 472-1647
Project/Contract Award Date: September 2024

5. Any promotional or descriptive literature which the individual or firm desires to submit.

Our marketplace is exclusively for public entities and higher-ed institutions, enabling us to provide more relevant data and benchmarking to our clients nationwide. Our cashVest methodology and platform allow our clients to fundamentally change how they analyze liquidity data and help them drive efficiencies in their cash-management operations.

three+one's cutting-edge, digital cashVest portal provides a platform for entities to view all banking and treasury-services data from all providers in one comprehensive location. Our ongoing monitoring continually searches for ways to earn and save more. As financial markets constantly change, so should an entity's banking-fee structures and liquidity strategy.

three+one has implemented cashVest with public entities nationwide with budgets ranging from \$1 million to \$4.5 billion.

three+one's extensive knowledge of banking-related applications, products, and practices enhances our ability to generate informed and confident decisions. Our specializations ensure the maximization of every dollar and banking efficiency by statistically analyzing public entities nationwide. We do more than just benchmark and survey customers; we have a vast data lake of bank line-item fee information from around the country that elevates our clients' relevant savings/income. These data are used to compare line-item fees across the industry.

Our peer-market data will give the County valuable insights into the costs and benefits of changes and potential liquidity risks. Because three+one serves the public sector, our anonymized data is continuously expanding and becoming more valuable, enabling finance officials to see how their entity compares to its peers through our ability to benchmark many aspects of liquidity management.

Because three+one is not a registered investment advisor (RIA), municipal financial advisor, or bank, we do not sell or offer investments. Rather, our incentives are directly aligned with the County and its stakeholders. three+one's tailored approach means we provide actionable recommendations and will help the County execute those recommendations with your financial providers.

Data is always at the forefront of three+one's cashVest services. The liquidity analysis conducted by the three+one team uses transaction-level data from every account to build a liquidity profile for a public entity. This level of detail allows the analysis to be custom-tailored to each entity. For example, the County will be able to customize its view of liquidity data based on all County accounts or any subset of accounts that would be beneficial.

The above data will allow three+one to create initial and quarterly liquidity-analysis updates that explore opportunities to increase earnings and savings. The dedicated three+one representative for the County will be actively involved in reviewing these analyses, answering questions, and steering the County to areas with the greatest potential for increased value.

Initial and Ongoing Liquidity & Treasury Monitoring Analyses

Our initial analysis involves a level of data that no one else has duplicated. We take up to two years of banking transactions, seeing every single deposit, check clearing, ACH, wire, etc.—anything that passes through the operating and reserve bank/investment accounts. We parse the data and stress-test the daily net impact on cash. This level of detail, analysis, and stress-testing continues into the quarterly reports we produce.

The initial analysis and each quarterly update will also include a detailed review of the County's treasury services and fees. The County's analysis (billing) statements from each banking provider are ingested into the cashVest system to provide clear and easy-to-understand breakdowns of banking fees. Combined with the transaction-level data mentioned above, this information allows three+one to observe the technologies and services used at each banking partner and the cost of those services.

By updating our analyses on a quarterly basis, we will ensure the County has the most up-to-date data to improve overall cash management/performance to define its liquidity needs. Through three+one's services, and by utilizing allowable investments authorized by the state of Hawaii, the County can be confident that it knows the value of its cash and can ensure it has equitable banking relationships throughout any market cycle. On a quarterly basis, our cashVest liquidity analyses continually monitor the County's liquidity needs while identifying areas where its cash can generate additional value through better cash management.

cashVest Reports

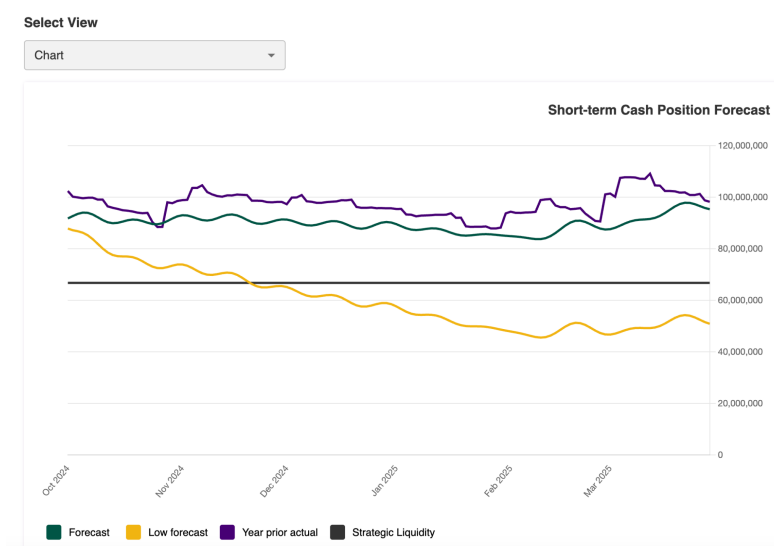
cashVest reports are generated quarterly. These reports will generate a scorecard consisting of scores related to the staples of finance and treasury business practices. These rankings will identify areas for improvement for the County to implement. The relationship specialist assigned to the County will review these current scores with the County's administrators to assist in implementing suggestions to continually enhance and complement the County's current liquidity management.

After years of working with public entities to optimize investment decisions and treasury-management processes, three+one took the next step into cash-flow forecasting by developing the MC Short-Term Forecast Model in the Short-Term Liquidity Tab on cashVest. This model's output provides week-by-week cash-balance projections six months into the future based on the most up-to-date balance information.

Each initial and quarterly cashVest analysis incorporates transaction data from every account as far back as data is available to three+one. The MC short-term forecast model uses these data to identify predictable or repeatable transactions (e.g., payroll, annual debt service) and transactions that are less likely to occur again (e.g., COVID-19 federal relief dollars, project spending).

This forecast is especially valuable in demonstrating short-term liquidity to rating agencies, where liquidity typically accounts for 10% of a national credit-rating agency's methodology. By giving these agencies a clearer view of the County's liquidity and ability to cover debt service and large payments, this service alone could save the County millions of dollars in potential debt-service costs.

As seen below, this forecast can be displayed in a chart or a table format. The forecast displays the year-prior actual balances (purple), the forward-looking forecast (green line), the low forecast (yellow), and the strategic liquidity line (black).



Benchmarking, Stress-Testing Data, and IPS Review

As an independent third-party data company, three+one represents a unique opportunity for the County. We have a data warehouse of banking and cash-management information that produces marketplace benchmarks for banking-fee arrangements which helps ensure that three+one clients are receiving the most competitive pricing in their marketplace. This comprehensive marketplace information is used to have informed negotiations with current and new providers to minimize costs. We intend to pair the results of our initial review and interview process with the results of our cashVest analysis to develop recommendations for the County.

The foundations of cashVest were established to help public entities manage liquidity risks. Our stress-test model is the longest-standing model used at three+one. Each cashVest analysis uses the transaction data collected to stress test a public entity's cash position and provide optimal liquidity levels with time-horizon data.

The three+one team uses the liquidity data to work with finance officials to identify stable long-term cash with duration capability. This cash can be used to lock in interest rates and reduce the amount of interest-rate risk the County is exposed to without sacrificing safety or liquidity.

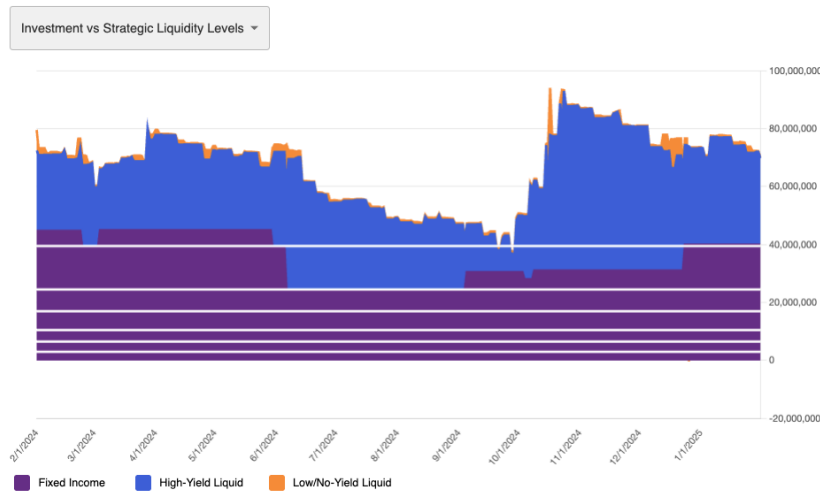
cashVest's liquidity-analysis tool stress-tests your liquidity position, considering each transaction (every debit and credit from each account three+one has access to) to comprehensively assess its duration capability. The cashVest data will identify the potential to complement current investment strategies by utilizing the duration capability of existing cash balances to optimize opportunities for increased value.

An example of the total strategic liquidity section can be seen below. This analysis helps to determine the duration capability related to the customized amount of funds. These funds are put into different investment horizons and high-yield liquid accounts to maximize earnings while still having appropriate liquidity.

cashVest Analysis							\$66,800,000	
Insert text here							Total Strategic Liquidity	
	LEVEL 5 \$20.5M	LEVEL 4 \$3.4M	LEVEL 3 \$3.4M	LEVEL 2 \$8.5M	LEVEL 1 \$16M	Cushion \$15M	Working Capital ? \$28,282,823	Total \$95,082,823
Duration	24-30 months	18-24 months	12-18 months	6-12 months	1-6 months	Up to 30 days	Daily	Varies
Benchmark Rates *	3.66%	3.82%	3.98%	4.38%	4.66%	4.93%	4.93%	4.49%
Benchmark Values	\$750,300	\$129,880	\$135,320	\$372,300	\$744,800	\$739,500	\$1,394,343	\$4,266,443

* Treasury Yield Curve Rates as of 9/30/2024

A graph of these funds over time, with reference to what each account is considered (low-yield liquid, high-yield liquid, and fixed-income investments), is also displayed on the Long-Term Liquidity part of our analysis. The graph below has white lines referencing the strategic liquidity levels, as seen in the table above, and corresponding to the duration capability. three+one's cashVest portal includes an investment-tracking component that can be exported into Microsoft Excel and shared with any department needing access to investment details. When a County was experiencing challenges with journal entries for investment purchases, three+one created a custom investment report that tracks each fixed-income investment by fund and includes details on updated market values, costs, and yields each month. three+one is able to establish direct data feeds so these types of reports can be delivered without manual efforts from the County's staff.



Is the County's Investment Policy Statement current with Hawaii Law regarding the use of public funds? Is the County using all of Hawaii's allowable investments to the County's advantage? At three+one, we will assist the County in crafting an up-to-date Investment Policy Statement to ensure all permissible options are available.

Promotional Videos

NACo Endorsement Video



<https://vimeo.com/showcase/7641990/video/402386781>

Kauai County Testimonial Videos

Video 1



<https://vimeo.com/1071820302>

Video 2



<https://vimeo.com/1071820722>

Video 3



<https://vimeo.com/1071820928>

Alignment with HRS §103D-304

three+one's cashVest services meet and exceed the professional qualifications outlined in HRS §103D-304. Our staff includes Certified Treasury Professionals (CTPs), MBAs, MPAs, and experienced public finance executives. With over 250 years of combined experience, our team has a proven record of providing analytical and consultative treasury solutions to public entities ranging from \$1 million to \$4.5 billion in budget size.

three+one acts solely in the interest of the public entity, providing impartial, actionable insights with no financial products to sell. Our services are fully compliant with Hawaii statutes, and our recommendations are always aligned with the County's best interests.

By leveraging cashVest by three+one, Hawaii County can ensure it is maximizing every dollar, maintaining liquidity security, and improving financial outcomes through data-driven strategies tailored specifically to its needs.