

## BID COVER PAGE



Procurement Division  
200 E University Avenue, Rm 339  
Gainesville, FL 32601  
(352) 334-5021(main)

**REQUEST FOR PROPOSAL: #FADM-200022-DS**  
**Financial Advisor Services**

PRE-PROPOSAL MEETING:  Non-Mandatory  Mandatory  N/A  Includes Site Visit  
DATE: \_\_\_\_\_ TIME: \_\_\_\_\_  
LOCATION: \_\_\_\_\_

QUESTION SUBMITTAL DUE DATE: February 10, 2020

**DUE DATE FOR UPLOADING PROPOSAL: February 26, 2020, 3:00pm**

**SUMMARY OF SCOPE OF WORK:**

Financial advisory services are required related to proposed bond issues as well as continuing consulting services in regard to the City debt structure and any other issues that may arise.

For questions relating to this solicitation, contact: Daphne SESCO, Procurement Specialist 3, [sescoda@cityofgainesville.org](mailto:sescoda@cityofgainesville.org)

Bidder is not in arrears to City upon any debt, fee, tax or contract:  Bidder is NOT in arrears  Bidder IS in arrears  
Bidder is not a defaulter, as surety or otherwise, upon any obligation to City:  Bidder is NOT in default  Bidder IS in default

Bidders who receive this bid from sources other than City of Gainesville Procurement Division or DemandStar.com MUST contact the Procurement Division prior to the due date to ensure any addenda are received in order to submit a responsible and responsive offer. Uploading an incomplete document may deem the offer non-responsive, causing rejection.

**ADDENDA ACKNOWLEDGMENT:** Prior to submitting my offer, I have verified that all addenda issued to date are considered as part of my offer: Addenda received (list all) # 1

Legal Name of Bidder: PFM Financial Advisors LLC

DBA: \_\_\_\_\_

Authorized Representative Name/Title: James Glover, Managing Director

E-mail Address: gloverj@pfm.com FEIN: 81-1642787

Street Address: 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801

Mailing Address (if different): SAB

Telephone: ( 407 ) 406-5760 Fax: ( 407 ) 648-1323

By signing this form, I acknowledge I have read and understand, and my business complies with all General Conditions and requirements set forth herein; and,

- Proposal is in full compliance with the Specifications.  
 Proposal is in full compliance with the Specifications except as specifically stated and attached hereto.

SIGNATURE OF AUTHORIZED REPRESENTATIVE: 

SIGNER'S PRINTED NAME: James Glover DATE: 2-25-20

***This page must be completed and uploaded to DemandStar.com with your Submittal.***



**pfm**

# Advice for people transforming their world

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## **Expertise + Insight = Ingenuity**

**We are avid problem-solvers, using our collective expertise to deliver the best solutions. We mine the experience of our colleagues, combining wisdom and agile thinking to develop answers and execute strategies for our clients.**

[pfm.com](http://pfm.com)

# City of Gainesville

Proposal for Financial Advisor Services

RFP #FADM-200022-DS

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## ABOUT PFM

PFM is the marketing name for a group of affiliated companies providing a range of services. All services are provided through separate agreements with each company. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation.

Financial advisory services are provided by PFM Financial Advisors LLC and Public Financial Management, Inc. Both are registered municipal advisors with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) under the Dodd-Frank Act of 2010. Investment advisory services are provided by PFM Asset Management LLC which is registered with the SEC under the Investment Advisers Act of 1940. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request.

Consulting services are provided through PFM Group Consulting LLC. Institutional purchasing card services are provided through PFM Financial Services LLC. PFM's financial modelling platform for strategic forecasting is provided through PFM Solutions LLC. A web-based platform for municipal bond information is provided through Munite LLC.



February 26, 2020

Daphyne SESCO, Procurement Specialist 3  
City of Gainesville  
Procurement Division  
200 E University Avenue, Rm 339  
Gainesville, FL 32601

RE: City of Gainesville RFP# FADM-200022-DS Financial Advisor Services

Dear Ms. SESCO:

**pfm**

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300 S Orange Avenue  
Suite 1170  
Orlando, FL 32801

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[pfm.com](http://pfm.com)

PFM Financial Advisors LLC (“PFM”) is pleased to submit our proposal to continue serving as financial advisor to the City of Gainesville (the “City”). We believe the superior qualifications and experience of our project team, as demonstrated first hand by serving as the City’s financial advisor, uniquely qualifies PFM to continue assisting the City with achieving its financial goals. Moving forward, the City faces challenges along with tremendous opportunities. PFM is prepared to continue working as an extension of staff to deliver the analytical tools and expertise required so policymakers have confidence in the financial implications of their decisions. PFM creates a true partnership with clients by providing continuing education opportunities and training workshops throughout the year. We embrace the responsibility to meet current client needs by committing resources to develop solutions and products such as Munite™ and Synario, as described in our response.

Our roots in the municipal finance industry go back over 40 years. From the outset, we wanted to be a financial advisor that is very different from our competitors – an independent financial advisory firm with technical resources matching those of the most sophisticated Wall Street investment banks. Local governments around the nation have responded to this focus, resulting in us sustaining long-term relationships with our clients while adding new clients. Our independence is significant, but it is just the beginning of our qualifications. We believe PFM is the optimal advisor for the City for the following reasons:

**A Leading Advisor to Florida Cities.** PFM currently (as of February 1, 2020) serves as financial advisor to many Florida municipalities including: Boca Raton, Boynton Beach, Clermont, Coral Gables, Coral Springs, Daytona Beach, DeBary, Delray Beach, Ft. Lauderdale, Jacksonville, Leesburg, Marco Island, Melbourne, Miami, Miami Gardens, Orlando, Ormond Beach, Palm Beach Gardens, Panama City Beach, Plantation, Pompano Beach, Riviera Beach, St. Petersburg, Stuart, Tallahassee, Town of Palm Beach, West Palm Beach, Winter Park, Winter Springs, Winter Haven and Winter Garden<sup>1</sup>. We have in-depth knowledge of the issues facing local governments in today’s economy through our work with these entities on a day-to-day basis.

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<sup>1</sup> Client list as of February 1, 2020 is for informational purposes only and does not represent an endorsement or testimonial by clients of PFM’s financial advisory services.



**Innovative Team Approach.** We believe advising the public sector carries with it a sacred trust, and our 40+ year reputation is built upon our recommendations and ideas. PFM incorporates our team's expertise with long-term financial planning, sophisticated model development, credit rating strategies, and pricing analysis to advise on the City's unique financial considerations and to reduce financing costs and risks in ever-changing markets.

**Municipal Advisor.** PFM serves exclusively as an independent financial advisor and has a fiduciary relationship with our clients, avoiding potential conflicts of interest. We are a registered municipal advisor and maintain a compliance program within the requirements as set forth under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and ensuing regulations to serve as the City's municipal advisor.

**Track Record of Performance.**

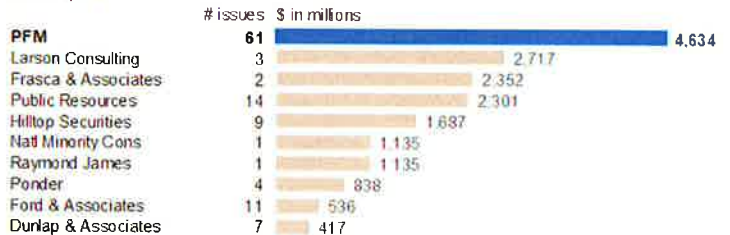
We continue to provide our clients with what we believe to be highly effective services, as proven by being the #1 ranked financial advisor in the country for the last 22 years and in Florida for the last 17 years (Source: Refinitiv, formerly Thomson Reuters). Particularly

in Florida, we continue to add clients and have grown our presence to provide clients with the same level of service they expect and deserve. As shown in the graph above, we completed more Florida transactions in 2019 than all of our competitors combined.

**2019 Full Year Florida Overall Long Term Municipal New Issues**

Municipal Financial Advisory Ranking - Full Credit to Each Financial Advisor

Source: Ipreo



In closing, we are pleased to have this opportunity to present our qualifications and credentials to continue serving as financial advisor to the City. We understand the scope of work to be performed and commit to doing so on the City's schedule. We believe PFM's relevant experience and dedicated project team – as well as our decades of work in Florida, our national presence, our depth of knowledge, and our commitment to acting as a fiduciary for our clients – makes us the ideal choice as the City's strategic partner and financial advisor.

Sincerely,  
PFM Financial Advisors LLC

James W. Glover  
Managing Director

Nicklas Rocca  
Senior Managing Consultant



# I. Technical Proposal

## Qualifications

### A. Firm Qualifications

#### 1. Name and address of your firm and contact individual or corporate officer authorized to execute agreements as the financial advisor to the City.

**Legal Name:** PFM Financial Advisors LLC

**Engagement Manager and Day-to-Day Contact:**

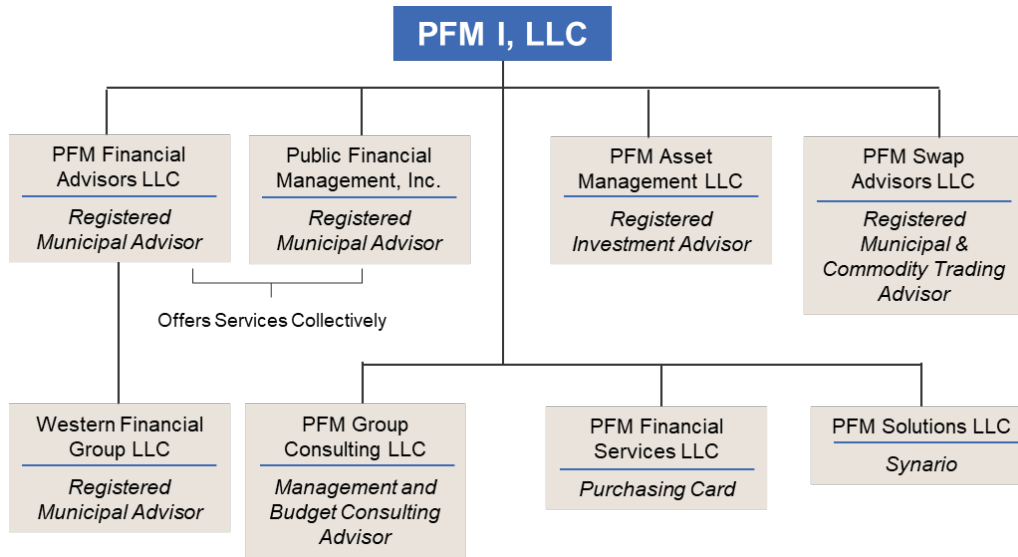
James “Jay” Glover, Managing Director  
300 South Orange Avenue, Suite 1170  
Orlando, FL 32801  
407-406-5760 phone  
[gloverj@pfm.com](mailto:gloverj@pfm.com)

#### 2. Brief description of your firm's history, ownership, organizational structure, location of its management, and charter authorization and licenses to do business in the State of Florida.

Public Financial Management, Inc. (“PFM, Inc.”) was founded in 1975 to provide independent financial advisory services to the public sector. In 2014, as a result of the U.S. Securities and Exchange Commission’s (“SEC’s”) new rules for Municipal Advisors (born out of Dodd-Frank) our firm’s corporate structure was reorganized so that municipal advisory services could be delineated clearly from other financial consulting services. Accordingly, given the regulation of municipal advisory activities, financial advisory services are now offered through PFM Financial Advisors LLC (“PFMFA”), which commenced operations on June 1, 2016. Financial advisory relationships previously with PFM, Inc. have transitioned and been assigned from PFM, Inc. to PFMFA — which are collectively referred to as PFM. This engagement will be serviced through PFMFA. PFMFA is a Partnership under Limited Liability Company formed in the State of Delaware.

At PFM, financial advisors, swap advisors and asset managers partner with clients to transform their world. Our clients have individual needs and our tailored advice reflects this. We have the flexibility to support ambitious client endeavors with teams that provide the creativity and collaboration that defines working with PFM. We combine superior financial advice, disciplined management and ingenuity to build and advance clients’ goals. Our combined expertise in these areas is of essential importance to our ability to provide the highest quality of service and commitment to the City.

PFM is owned by the firm’s 89 Managing Directors (as of February 1, 2020), who set the firm’s strategic direction. Individual partners are responsible for specific practice areas and also personally manage specific client engagements. Jay Glover, engagement manager for the City’s relationship, is one of the firm’s Managing Directors.



**Principal Place of Business:** 1735 Market Street, 43rd Floor  
Philadelphia, PA 19103  
215-567-6100 phone / 215-567-4180 fax

PFM is licensed to conduct business in the State of Florida and is in good standing with the Florida Secretary of State Department. A copy of PFM’s charter authorization and license to do business in the State of Florida is provided in **TAB II Appendix A**.

Assigned document number: M16000004976.

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, PFM Financial Advisors LLC is registered as a Municipal Advisor under regulations issued by the Securities Exchange Commission and the Municipal Securities Rulemaking Board.

**PFM Financial Advisors LLC**  
Securities and Exchange Commission  
SEC File No: 867-02030

Municipal Securities Rulemaking Board  
PFM’s MSRB ID Number: K1162  
Registration Type: Municipal Advisor





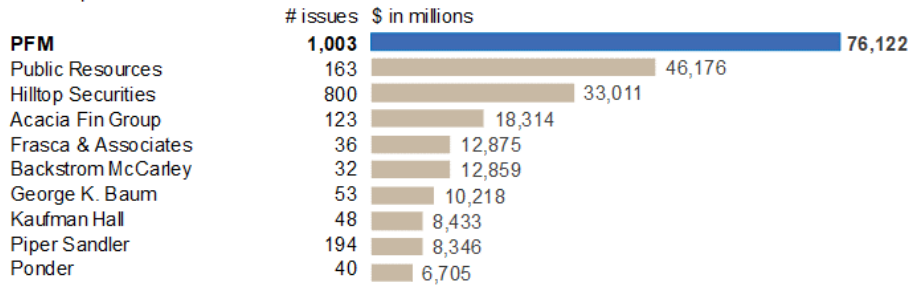
### 3. General description of your firm's national and statewide service capabilities.

#### National Market Leader

PFM's national reputation and consistent growth are evident in our ranking as the nation's top financial advisor in terms of number of transactions and par amount for 22 straight years (Source: Refinitiv, formerly Thomson Reuters). In 2019, we served as financial advisor on 1,003 publically offered bond transactions with a par amount in excess of \$76 billion (Source: Ipreo). Many firms may claim to be the top-ranked advisor, but we rely upon factual data from industry standard databases such as Refinitiv (formerly Thomson Reuters) and Ipreo to demonstrate this standing.



**2019 Full Year Overall Long Term Municipal New Issues**  
Municipal Financial Advisory Ranking - Full Credit to Each Financial Advisor  
Source: Ipreo

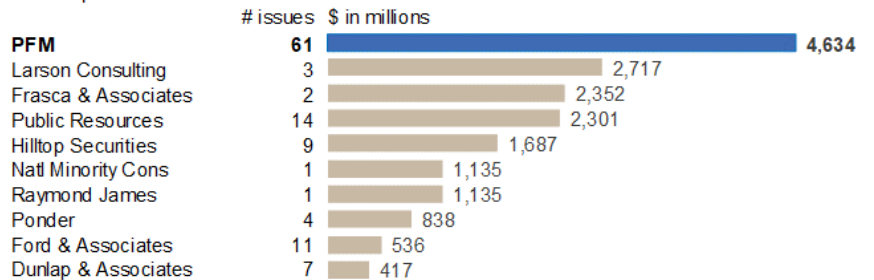


#### Florida Market Leader

Our national market presence is enhanced by our presence in the State of Florida being ranked #1 for 17 consecutive years (Source: Refinitiv, formerly Thomson Reuters). In 2019, we served as financial advisor on 61 publically offered bond transactions with a par amount in excess of \$4.6 billion (Source: Ipreo), which is more than all of our competitors combined. (Note that Ipreo does not include our vast bank loan experience.) As such, we are extremely familiar with relevant Florida law and debt management practices.



**2019 Full Year Florida Overall Long Term Municipal New Issues**  
Municipal Financial Advisory Ranking - Full Credit to Each Financial Advisor  
Source: Ipreo





**4. Provide the latest full audited fiscal year and most recent partial year financial information of the firm, including, but not limited to, the balance sheet, equity capital position, restricted and unrestricted retained earnings, results of operations, and changes in financial position (as based on the Securities and Exchange Commission and National Association of Securities Dealers, if applicable).**

PFM Financial Advisors LLC has the capacity to fulfill the services sought by this RFP. The financial position of PFM remains strong and the stability of the firm is best demonstrated by our 40+ years of providing financial advisory services to local governments throughout the country. Due to the variety of clients and expertise, PFM has a strong client base to ensure continued success. Furthermore, there are no foreseen factors to impede our continuance as a financially secure, ongoing business. A copy of PFM's most recent audited financial statements can be found in **TAB II Appendix B**.

**5. Financial ratings and rankings of your firm relative to independently published sources (provide copies of the referenced sources).**

As shown in the response to question #3, PFM has been the #1 ranked financial advisor in the Nation for 22 consecutive years and in the State of Florida for 17 consecutive years. As a privately held firm that is owned by 89 Managing Directors who are employees of the firm, we don't possess any financial ratings.

**6. For the last two years ending September 30, 2019, provide and identify specific issues and amounts, handled as either financial advisor or senior underwriter (but not as co-manager) separately for:**

- a) Each traditional singular governmental unit issue, fixed or variable rate - over \$10 million**
- b) Any pooled bond programs, fixed or variable rate**

The table below provides a sample listing of transactions over \$10 million that PFM has served as financial advisor on in the State of Florida for the last two years ending September 30, 2019 (Source: PFM internal bond finance record). Given PFM's national presence, a national deal list would be too long to include but can be provided upon request. As you can see, we have significant experience working with municipalities of all sizes and implementing financings with a variety of security structures for both new money and refunding needs via publicly offered bonds and direct placement loans.

Issuer Name	Sale Date	Par Amount	Issue Description	Sale Method
Orlando, City of	09/03/19	57,351,000	Tax Increment Revenue Refunding Bonds (Downtown District), Series 2019A	Negotiated
Magic Place Community Development District	08/28/19	18,800,000	Special Assessment Revenue Bonds, Series 2019	Negotiated
Jacksonville, City of	08/27/19	151,625,000	Special Revenue and Refunding Bonds, Series 2019A	Negotiated
Jacksonville, City of	08/27/19	45,535,000	Special Revenue Refunding Bonds, Series 2019B	Negotiated
Miami-Dade County Public Schools	08/27/19	400,000,000	Tax Anticipation Note, Series 2019	Competitive
Sarasota County	08/22/19	10,270,000	Capital Improvement Revenue Bonds, Series 2019B (RZEDBs)	Negotiated
Miami-Dade County	08/06/19	64,650,000	Capital Asset Acquisition Special Obligation Bonds, Series 2019A	Competitive
Miami-Dade County	08/06/19	96,930,000	Capital Asset Acquisition Special Obligation Refunding Bonds, Series 2019B	Competitive
Monroe County	07/24/19	15,560,000	One-Cent Infrastructure Sales Surtax 2019 Line of Credit Term-Out	Negotiated
Sarasota County	07/23/19	10,215,000	Capital Improvement Refunding Revenue Bonds, Series 2019C	Competitive
Broward County, School District of	07/16/19	157,480,000	Tax Anticipation Notes, Series 2019	Competitive
Madeira Beach, City of	07/11/19	15,063,000	Capital Improvement Revenue Bond, Series 2019	Negotiated
Santa Rosa County School District	07/10/19	30,275,000	Certificates of Participation, Series 2019	Negotiated
Titusville, City of	07/09/19	15,965,000	Water and Sewer Refunding Revenue Bond, Series 2020 (Forward Refunding)	Negotiated
Winter Park, City of	07/09/19	25,405,000	Electric Refunding Revenue Bond, Series 2019	Negotiated
West Palm Beach City Center CRA	06/12/19	91,285,000	Tax Increment Revenue and Revenue Refunding Bonds, Series 2019	Negotiated
Sarasota County	06/04/19	32,455,000	General Obligation Bonds, Series 2019	Competitive
Pasco County	05/29/19	15,690,000	General Obligation Bonds, Series 2019B	Competitive
Pasco County	05/29/19	19,675,000	General Obligation Bonds, Series 2019A	Competitive
Sarasota County	05/27/19	38,725,000	Utility System Revenue Refunding Bonds, Series 2019A	Negotiated
Sarasota County	05/14/19	19,385,000	Capital Improvement Refunding Revenue Bonds, Series 2019B	Negotiated
Jacksonville, City of	05/02/19	50,210,000	Capital Project Revenue Bonds, Series 2008B (2019 Direct Placement FRN)	Negotiated
Doral, City of	04/30/19	45,100,000	General Obligation Bonds, Series 2019	Competitive
Sarasota County	04/17/19	15,085,000	Capital Improvement Revenue Bonds, Series 2019A	Negotiated



Bay County	04/05/19	100,000,000	Revenue Bond, Series 2019C - Line of Credit	Competitive
Bay County	03/01/19	50,000,000	Revenue Bond, Series 2019A	Negotiated
Bay County	03/01/19	50,000,000	Revenue Bond, Series 2019B	Negotiated
Callaway, City of	02/21/19	15,000,000	Hurricane Recovery Revenue Note, Series 2019	Negotiated
Solid Waste Authority of Palm Beach County	02/20/19	347,605,000	Refunding Revenue Bonds, Series 2019	Negotiated
St. John's County	02/20/19	10,840,000	Special Obligation Refunding Revenue Bonds, Series 2019	Competitive
Broward County, School District of	01/29/19	174,750,000	General Obligation Bonds, Series 2019	Competitive
Orlando Utilities Commission	01/16/19	54,735,000	Utility System Revenue Refunding Bonds, Series 2019A	Negotiated
Canaveral Port Authority	12/21/18	37,000,000	Port Improvement Revenue Note, Series 2018C	Negotiated
Canaveral Port Authority	12/21/18	30,000,000	Port Improvement Revenue Bonds, Series 2018B	Negotiated
Canaveral Port Authority	12/21/18	44,995,000	Port Improvement Revenue Bonds, Series 2018A	Negotiated
Winter Park, City of	12/04/18	25,405,000	Electric Refunding Revenue Bond, Series 2019	Competitive
Bay County	11/21/18	50,000,000	Revenue Bond, Series 2018	Negotiated
Central Florida Expressway Authority	11/15/18	221,045,000	Senior Lien Revenue Bonds, Series 2018	Negotiated
Orlando, City of	11/08/18	105,135,000	Capital Improvement Special Revenue Bonds, Series 2018B	Negotiated
Miami-Dade County	11/01/18	200,000,000	Public Facilities Revenue Bonds, 2018 Line of Credit	Negotiated
Hillsborough County Aviation Authority	10/23/18	102,500,000	Subordinated Revenue Bonds 2018 Series A (PFC AMT)	Negotiated
Hillsborough County Aviation Authority	10/23/18	140,120,000	Senior Revenue Bonds 2018 Series E (AMT)	Negotiated
Hillsborough County Aviation Authority	10/23/18	160,855,000	Senior Revenue Bonds 2018 Series F (Non-AMT)	Negotiated
Boca Raton, City of	10/22/18	20,000,000	Capital Improvement Bond, Series 2018	Negotiated
Port St. Lucie, City of	10/18/18	54,085,000	Taxable Special Obligation Refunding Revenue Bonds, Series 2018A	Negotiated
Jacksonville, City of	10/10/18	53,180,000	Transportation Refunding Revenue Bonds, Series 2018	Competitive
Collier County	10/09/18	62,965,000	Tourist Development Tax Revenue Bonds, Series 2018	Competitive
EC Regional Wastewater Treatment Facilities	10/01/18	41,500,000	Wastewater Treatment Facilities Revenue Bond, Series 2018	Negotiated
Palm Beach County	09/28/18	22,540,000	Revenue Improvement Refunding Bonds, Series 2018	Negotiated
Flagler County	09/25/18	15,000,000	Tax Anticipation Note, Series 2018	Negotiated
Port Tampa Bay	09/19/18	37,880,000	Hillsborough Port District Revenue Bonds, Series 2018B	Negotiated
Broward County, School District of	09/18/18	125,000,000	Tax Anticipation Notes, Series 2018	Competitive
Palm Beach, Town of	09/13/18	56,040,000	General Obligation Bonds, Series 2018	Negotiated
Pompano Beach, FL	09/11/18	99,375,000	General Obligation Bonds, Series 2018	Competitive
Jacksonville, City of	09/07/18	72,540,000	Special Revenue Bonds, Series 2018	Negotiated
Lake County	08/15/18	19,980,000	Infrastructure Sales Surtax Revenue Bond, Series 2018	Negotiated
Coconut Creek, City of	08/02/18	10,000,000	Capital Improvement Revenue Note, Series 2018	Negotiated
Coral Springs, City of	07/25/18	10,000,000	Line of Credit (2018)	Negotiated
Jacksonville Port Authority	07/25/18	42,400,000	Revenue Bonds, Series 2018B (Non-AMT)	Negotiated
Davie, Town of	07/11/18	140,740,000	Educational Facilities Revenue and Refunding Bonds, Series 2018	Negotiated
Sunrise, City of	07/03/18	89,625,000	Utility System Revenue Refunding Bonds, Series 2018	Negotiated
Miami Omni Redevelopment District, City of	07/02/18	15,000,000	Tax Increment Revenue Note, Series 2018B	Negotiated
Hialeah Housing Authority	06/29/18	10,400,000	Affordable Housing Note A, Series 2018	Competitive
Port Tampa Bay	06/29/18	14,022,900	Refunding Revenue Note, Series 2018	Negotiated
Boynton Beach, City of	06/08/18	11,065,000	Utility System Revenue Bond, Series 2018	Negotiated
Pasco County School District	06/06/18	35,000,000	Sales Tax Revenue Bonds, Series 2018	Negotiated
Flagler County	05/24/18	13,730,000	Public Safety Equipment Lease, Series 2018	Negotiated
Sarasota County	05/17/18	16,215,000	Capital Improvement Refunding Revenue Bonds, Series 2018B	Negotiated
Temple Terrace, City of	05/17/18	10,050,000	Taxable Non Ad Valorem Refunding Revenue Note, Series 2018B	Negotiated
Temple Terrace, City of	05/17/18	13,595,000	Taxable Non Ad Valorem Refunding Revenue Note, Series 2018A	Negotiated
Sarasota County	05/08/18	22,965,000	Infrastructure Sales Surtax Revenue Refunding Bonds, Series 2018	Negotiated
Brevard County	04/28/18	12,410,000	Non-Ad Valorem Refunding Revenue Note, Series 2018B	Negotiated
Sarasota County	04/19/18	18,015,000	Capital Improvement Refunding Revenue Bonds, Series 2018A	Negotiated
Miami-Dade County	04/16/18	15,728,014	Equipment Lease, Series 2018	Negotiated
Brevard County	02/28/18	20,210,000	Non-Ad Valorem Revenue Note, Series 2018A	Negotiated
Collier County	02/28/18	35,965,000	Water and Sewer Revenue Bond, Series 2018	Competitive
Boca Raton, City of	02/23/18	19,100,000	Revenue Bond, Series 2018	Negotiated
Monroe County	01/29/18	10,000,000	Tax-Exempt Master Revenue Note, Series 2018	Negotiated
Collier County	12/28/17	43,713,000	Special Obligation Refunding Revenue Note, Series 2017	Negotiated
Winter Park, City of	12/19/17	35,030,000	Water & Sewer Refunding Revenue Bond, Series 2017	Negotiated
Jacksonville Electric Authority	12/13/17	185,745,000	Electric System Subordinated Revenue Bonds, 2017 Series B	Negotiated
Jacksonville Electric Authority	12/13/17	198,095,000	Electric System Revenue Bonds, Series Three 2017B	Negotiated
Sarasota County	12/13/17	21,625,000	Capital Improvement Revenue Bonds, Series 2017 (Federally Taxable)	Competitive
Jacksonville Electric Authority	12/12/17	58,940,000	Water and Sewer System Subordinated Revenue Bonds, 2017 Series A	Negotiated
Jacksonville Electric Authority	12/12/17	378,220,000	Water and Sewer System Revenue Bonds, 2017 Series A	Negotiated
West Villages Improvement District	12/12/17	13,955,000	Taxable Florida State Sales Tax Payment Revenue Bonds, Series 2017A	Negotiated
CityPlace CDD	12/07/17	82,350,000	Wastewater Treatment Facilities Revenue Refunding Bonds, Series 2017	Negotiated
Gainesville, City of	12/07/17	10,365,000	Capital Improvement Revenue Note, Series 2017	Negotiated
North Broward Hospital District	12/01/17	317,255,000	Revenue Bonds, Series 2017B	Negotiated
Miami, City of	11/28/17	59,310,000	Special Obligation Non-Ad Valorem Refunding Note, Series 2017	Negotiated
Clermont, City of	11/01/17	10,817,000	Water and Sewer Revenue Refunding Bond, Series 2017	Competitive
Gainesville Regional Utilities	10/25/17	115,000,000	Variable Rate Utilities System Revenue Bonds, 2017 Series C	Negotiated
Gainesville Regional Utilities	10/25/17	150,000,000	Variable Rate Utilities System Revenue Bonds, 2017 Series B	Negotiated
Coral Springs, City of	10/24/17	10,000,000	Special Obligation Bonds, Series 2017	Negotiated
Gainesville Regional Utilities	10/24/17	415,920,000	Utilities System Revenue Bonds, 2017 Series A	Negotiated
Miramar, City of	10/18/17	32,315,000	Utility System Refunding Revenue Bonds, Series 2017	Negotiated
Flagler County	10/05/17	15,000,000	Tax Anticipation Note, Series 2017	Negotiated
Duval County School Board	10/02/17	27,944,000	Refunding Certificates of Participation, Series 2017A	Negotiated
98 Transactions		6,810,638,914		



**7. Provide and identify the names, experience, qualifications, and applicable licenses held by the individuals primarily responsible for servicing the City and any other person(s), whether as employees or subcontractors, with specialized skills that would be assigned to service the City.**

PFM creates customized project teams for each engagement. In doing so, we take into account a number of factors, including the types of financings completed by a client, complexity of expected assignments, and geographic considerations. For the City, we have assembled a team based out of our Orlando office that will work to meet the City's unique need for: (i) multi-faceted strategic advice rendered with strict independence; (ii) extensive knowledge of the City's outstanding debt and future needs; (iii) broad experience processing financings; and (iv) sophisticated analytical and financial modeling support. The team outlined below has demonstrated the ability to work effectively on a wide range of assignments.

**Jay Glover**, Managing Director in PFM's Orlando office will serve as Engagement Manager for this relationship and will be responsible for engagement oversight on a day-to-day basis. As the Engagement Manager, Jay will take the lead role in providing the requested financial advisory services and be responsible for review of all work products completed by PFM. He specializes in Florida municipal finance for cities, counties, school districts, and a variety of authorities. Jay has managed more than \$15 billion in financings over the last 20 years. Jay is a Registered Municipal Advisor Representative (Series 50).

**David Moore**, Managing Director in PFM's Orlando office will serve as senior project support for this engagement. David is one of the most seasoned finance professionals in Florida providing financial advisory services to a vast array of cities, counties and school districts managing over \$20 billion of debt transactions since 1991. David is a Registered Municipal Advisor Representative (Series 50).

**Nicklas Rocca**, Senior Managing Consultant in PFM's Orlando office will serve as Project Manager. He will provide senior project support and transaction management for the City's engagement. Nick has provided transaction management services and technical support for a variety of our Florida clients over the last 12 years. Nick is a Registered Municipal Advisor Representative (Series 50).

**Mara Lugo**, Analyst in the Orlando office will provide analytical and technical support for the engagement. Mara is a Registered Municipal Advisor Representative (Series 50).



## James “Jay” Glover, Managing Director

Jay Glover is a Managing Director in PFM’s Orlando, Florida office. Jay has assumed an active role in providing project management services to clients throughout the Southeast. Over the last 20 years, Jay has been one of the most active financial advisors in the southeast in terms of both total par amount and number of transactions completed. He has taken an active role in working with clients on new money issuances, refundings, pooled financings, conduit borrowings, derivative products analyses, and innovative financing solutions.

The clients that Jay serves are located primarily in Florida and include cities, counties, school districts, and a variety of authorities. His project finance experience includes water and sewer, economic development, transportation, sports venues, education, public power, solid waste, pension bonds and special assessment programs. Local governments for which Jay currently serves as project manager are the cities of Marco Island, Melbourne, Titusville, Cocoa Beach, St. Petersburg, Gainesville, Boca Raton, Boynton Beach, Ormond Beach, Delray Beach, Coral Gables, and Winter Park; the Counties of Brevard, Volusia, Lake, Sarasota, Orange, Marion, Flagler, St. Johns, and St. Lucie; the School Districts of Volusia County, Sarasota County, and Seminole County; and the Sunshine State Governmental Financing Commission.<sup>2</sup>

Mr. Glover has expertise in conducting competitive bond sales and negotiating pricings for both tax-exempt and taxable new money and refunding bond issues. Since joining PFM in 2000, Mr. Glover has served as project manager on over 500 transactions with a total par amount of over \$15 billion.

Mr. Glover has worked with the City of Boca Raton, Florida to help improve its water and sewer system ratings to AAA/Aaa/AAA, making it the highest rated system in the country. In addition, Mr. Glover recently assisted the City of Coral Gables with regaining its AAA/Aaa/AAA status that was lost in 2004 when reserves were spent down below acceptable levels for this rating category.

Jay is an active sponsor and past speaker for the Florida Association of Counties, Florida School Finance Officers Association, Florida Government Finance Officers Association and other industry consortia. He is a registered Municipal Advisor Representative (Series 50).

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### Office Location

300 S. Orange Avenue  
Suite 1170  
Orlando, FL 32801

### Education

Master of Business  
Administration University of  
South Carolina

Bachelor of Science in Business  
Administration  
College of Charlestown

### Professional Designations or Licenses

Municipal Advisor  
Representative (Series 50)

### Years with PFM

20 Years

### Years of Experience

20 Years

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<sup>2</sup> Client list as of February 1, 2020 is for informational purposes only and does not represent an endorsement or testimonial by clients of PFM’s financial advisory services.



## David Moore, Managing Director

David Moore, Managing Director, works in PFM's Orlando, Florida office. Mr. Moore managed PFM's Southern region for a number of years and is among the most active financial advisors in Florida, completing financings in excess of \$20 billion. During his professional career, Mr. Moore has worked as an engineer, investment banker, and financial advisor, focusing on public finance for more than 25 years, and joined PFM in 1998.

Mr. Moore has led multiple clients through credit upgrades, and currently advises Broward County, Orange County and Palm Beach County, which are all rated AAA. Mr. Moore's analytical foundation enables him to lead clients through complex structures and implement first-time credits to create client specific solutions. One of Mr. Moore's first time credits, the South Florida Water Management District, earned the Bond Buyer's Deal of the Year for 2007 for the first Certificate of Participation (COP) financing program for environmental restoration. The \$546 million financing also obtained a AAA rating (implied General Obligation). A sample of Mr. Moore's Florida client experience includes the cities of Boca Raton, Coral Gables, Daytona Beach, Gainesville, Jacksonville, Key West, Melbourne, Ormond Beach, Sunrise, St. Petersburg and Tallahassee<sup>3</sup>.

Mr. Moore holds a Master of Business Administration degree, cum laude, from the Crummer School of Business at Rollins College and a Bachelor of Science in Electrical Engineering from Auburn University. He is a registered Municipal Advisor Representative (Series 50).

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### Office Location

300 S. Orange Avenue  
Suite 1170  
Orlando, FL 32801

### Education

Master of Business  
Administration  
Crummer School of Business  
Rollins College

Bachelor of Science in  
Electrical Engineering  
Auburn University

### Professional Designations or Licenses

Municipal Advisor  
Representative (Series 50)

### Years with PFM

22 Years

### Years of Experience

25+ Years

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<sup>3</sup> Client list as of February 1, 2020 is for informational purposes only and does not represent an endorsement or testimonial by clients of PFM's financial advisory services.



## Nicklas Rocca, Senior Managing Consultant

Nicklas Rocca, joined the Orlando office in May 2008. Mr. Rocca provides primary analytical and project management support for clients located throughout Florida and Georgia. His daily responsibilities include structuring financings, pricing new money, refunding municipal bond issues, identifying and running analyses of refunding opportunities, and assessing debt structures for clients. Mr. Rocca also creates and assists in the development of specialized quantitative models used to help clients with their unique financings.

Mr. Rocca has been involved directly in more than 140 financings, totaling over \$6 billion in debt issuance for Florida clients. Some of his notable Florida clients include: the cities of Clermont, Coral Springs, Groveland, Key West, Lake Wales, Madeira Beach, Satellite Beach, Sunrise and Winter Springs.<sup>4</sup>

Mr. Rocca graduated from the University of Central Florida with a Bachelor of Science degree in Accounting. Mr. Rocca is a registered Municipal Advisor Representative (Series 50).

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### Office Location

300 S. Orange Avenue  
Suite 1170  
Orlando, FL 32801

### Education

Bachelor of Science in  
Accounting  
University of Central Florida

### Professional Designations or Licenses

Municipal Advisor  
Representative (Series 50)

### Years with PFM

12 Years

### Years of Experience

12 Years

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<sup>4</sup> Client list as of February 1, 2020 is for informational purposes only and does not represent an endorsement or testimonial by clients of PFM's financial advisory services.



## Mara Lugo, Analyst

Mara Lugo joined PFM in 2018 and works as a financial advisory analyst based in the Orlando office. In this role, she provides technical and quantitative analytical support for client engagements primarily in Florida and works with issuers like City of Jacksonville, Broward Schools<sup>5</sup> and various other local governments throughout the state. Her present duties include structuring, sizing and pricing new money and refunding municipal bond issues, as well as performing analysis of refunding opportunities and providing multi-year financial modeling for strategic planning, capacity analysis and ratings support. She has been involved in executing debt transactions totaling over \$1.4 billion in par. Mara is a registered Municipal Advisor Representative (Series 50).

Prior to joining PFM, she worked in public policy and project management while completing an MBA with a concentration in Finance.

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**Office Location**

300 S. Orange Avenue  
Suite 1170  
Orlando, FL 32801

**Education**

Master of Business  
Administration  
Crummer School of Business  
Rollins College

Bachelor of Arts in Journalism  
University of Richmond

**Professional Designations or Licenses**

Municipal Advisor  
Representative (Series 50)

**Years with PFM**

2 Year

**Years of Experience**

6 Years



<sup>5</sup> Client list as of February 1, 2020 is for informational purposes only and does not represent an endorsement or testimonial by clients of PFM's financial advisory services.





**8. Provide a listing of local governmental clients that you have similar financial advisory contracts with, include the name, address and telephone number of a contact person.**

PFM opened its first Florida office in 1986 and has been providing independent financial advisory services to Florida issuers for over 34 years. During this time we have developed an unmatched expertise in providing services to meet all of the financial needs of our clients. While ranking tables and awards provide information to the general markets, we feel that our greatest accomplishments are the achievements of our clients. It is our long-term relationships with clients that speaks to our value-added and services. PFM has continued to grow our Florida footprint, adding clients each year, while at the same time maintaining the high level of service our clients have come to recognize.

The table below provides a representative listing of our **current** Florida clients (as of February 1, 2020), with cities highlighted in the red box.

**PFM's FLORIDA CLIENTS**

CITIES	COUNTIES	SCHOOL DISTRICTS	TRANSPORTATION
Alachua • Belle Isle Boca Raton Boynton Beach • Clermont Cocoa Beach • Coral Gables Coral Springs • Daytona Beach DeBary • Delray Beach Doral Fort Lauderdale • Fort Meade Fort Walton Beach Gainesville Green Cove Springs Groveland Hallandale Beach • Hialeah Jacksonville • Key West Lake Wales • Leesburg Margate • Madeira Beach Marco Island Melbourne • Miami • Miramar North Palm Beach • North Port Oldsmar • Orlando Ormond Beach • Palatka Palm Beach Palm Beach Gardens Panama City Beach Plantation • Pompano Beach Riviera Beach Satellite Beach • St. Augustine St. Petersburg • Sunrise Tallahassee • Temple Terrace Titusville • West Palm Beach Winter Haven • Winter Garden Winter Park • Winter Springs	Alachua • Bay Brevard • Broward Clay • Collier • Flagler Highlands • Lake • Leon Marion • Martin • Miami-Dade Monroe • Orange Osceola • Palm Beach Pasco • Sarasota Santa Rosa St. John's • St. Lucie Volusia	Alachua • Broward Citrus • Columbia Duval • Flagler Hernando • Lake Manatee • Marion Martin • Miami-Dade Orange • Osceola Palm Beach Pasco • Polk Sarasota • Seminole Volusia • Walton	Canaveral Port Authority Central Florida Expressway Authority Hillsborough County Aviation Authority Jacksonville Aviation Authority Jacksonville Seaport Authority Lee County Port Authority Melbourne Airport Authority Tampa Hillsborough Expressway Authority Tampa Port Authority
	<p><b>STATE OF FLORIDA</b> Division of Bond Finance</p> <p><b>SPECIAL DISTRICTS</b> Blueprint Intergovernmental Agency Boggy Creek CDD Greenway CDD Myrtle Creek Improvement District North Sumter County Utility Dependent District Sumter Landing CDD Village CDD</p>	<p><b>UTILITIES</b> Clay County Utility Authority Gainesville Regional Utilities Jacksonville Electric Authority Orlando Utilities Commission</p> <p><b>HIGHER EDUCATION</b> Flagler College Florida Gulf Coast University New College Nova Southeastern University Stetson University St. Leo University University of North Florida University of South Florida University of West Florida</p>	<p><b>HEALTHCARE</b> Brooks Rehabilitation Jackson Health System LifeSouth Community Blood Centers North Broward Hospital District Orange County Health Facilities Authority Winter Park Health Foundation</p> <p><b>OTHER AUTHORITIES</b> Florida Development Finance Corporation Sunshine State Governmental Financing Commission Tampa Bay Water</p>

**Note:** Client list as of February 1, 2020 is for informational purposes only and does not represent an endorsement or testimonial by clients of PFM's financial advisory services. PFM consists of Public Financial Management Inc. and PFM Financial Advisors LLC. PFM Financial Advisors LLC commenced its operations on June 1, 2016. All financial advisory engagements prior to that date were effected through Public Financial Management, Inc. Accordingly, PFM's financial advisory services referenced herein includes the experience of both firms.







Provided below is list of references for PFM and the core team assigned to this engagement. It is important to note the length of time we have worked with these clients, in most cases being re-hired through multiple RFP cycles. We encourage the City to reach out to any of our clients to gauge the level of service provided. PFM's completed Reference Form can be found in **TAB II Appendix A**.

<p><b>City of Boca Raton</b> 201 West Palmetto Park Road Boca Raton, FL 33432</p>  <p><b>Linda Davidson</b> Financial Services Director (561) 393-7737 <a href="mailto:ldavidso@ci.boca-raton.fl.us">ldavidso@ci.boca-raton.fl.us</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 1999 to Present</p>
<p><b>City of St. Petersburg</b> One Fourth Street N. 5th FL St. Petersburg, FL 33701</p>  <p><b>Anne Fritz</b> Finance Director (727) 892-5113 <a href="mailto:anne.fritz@stpete.org">anne.fritz@stpete.org</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 2008 to Present</p>
<p><b>City of Winter Park</b> 401 Park Avenue South Winter Park, FL 32789</p>  <p><b>Wes Hamil</b> Finance Director (407) 599-3381 <a href="mailto:whamil@cityofwinterpark.org">whamil@cityofwinterpark.org</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, GO Referendum Planning, Credit Rating Management</p> <p>Dates of Service: 2011 to Present</p>



<p><b>City of Coral Gables</b> 405 Biltmore Way Coral Gables, FL 33114</p>  <p><b>Diana Gomez</b> Finance Director (305) 460-5275 <a href="mailto:dgomez@coralgables.com">dgomez@coralgables.com</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Special Assessment Implementation, Credit Rating Management, Pension Consulting</p> <p>Dates of Service: 2004 to Present</p>
<p><b>City of Coral Springs</b> 9551 West Sample Road Coral Springs, FL 33065</p>  <p><b>Kim Moskowitz</b> Director of Financial Services (954) 344-1092 <a href="mailto:kmoskowitz@coralsprings.org">kmoskowitz@coralsprings.org</a></p>	<p>Engagement Manager: Nicklas Rocca</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 2012 to Present</p>
<p><b>City of Melbourne</b> 900 East Strawbridge Avenue Melbourne, FL 32901</p>  <p><b>Jeffrey Towne</b> Finance Director (321) 608-7010 <a href="mailto:jeff.towne@mlbfl.org">jeff.towne@mlbfl.org</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 2000 to Present</p>
<p><b>City of Miramar</b> 2300 Civic Center Place Miramar, FL 33025</p>  <p><b>Ian Thomas</b> Treasurer (954) 602-3073 <a href="mailto:ijthomas@miramarfl.gov">ijthomas@miramarfl.gov</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 2014 to Present</p>
<p><b>City of Orlando</b> 400 S. Orange Avenue, 4<sup>th</sup> Floor Orlando, FL 32801</p>  <p><b>Christopher McCullion</b> Chief Financial Officer (407) 246-4274 <a href="mailto:christopher.mccullion@cityoforlando.net">christopher.mccullion@cityoforlando.net</a></p>	<p>Engagement Manager: Nicklas Rocca</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Specialized Pricing Models, Credit Rating Management</p> <p>Dates of Service: 2011 to Present</p>



<p><b>City of St. Augustine</b> 50 Bridge Street St. Augustine, FL 32084</p>  <p><b>Mark Litzinger</b> Director of Financial Services (904) 825-1030 <a href="mailto:mlitzinger@citystaug.com">mlitzinger@citystaug.com</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 2017 to Present</p>
<p><b>City of Sunrise</b> 10770 West Oakland Park Blvd. Sunrise, FL 33351</p>  <p><b>Wendy Dunbar</b> Director of Finance &amp; Admin Services (954) 746-3297 <a href="mailto:WDunbar@sunrisefl.gov">WDunbar@sunrisefl.gov</a></p>	<p>Engagement Manager: Nicklas Rocca</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 1998 to Present</p>
<p><b>City of Titusville</b> 555 S. Washington Avenue Titusville, FL 32796</p>  <p><b>Bridgette Clements</b> Director of Finance (321) 567-3712 <a href="mailto:bridgette.clements@titusville.com">bridgette.clements@titusville.com</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 1998 to Present</p>
<p><b>Town of Palm Beach</b> 360 South County Road Palm Beach, FL 33480</p>  <p><b>Jane Le Clainche</b> Director of Finance (561) 835-4724 <a href="mailto:JLeClainche@TownofPalmBeach.com">JLeClainche@TownofPalmBeach.com</a></p>	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Special Assessment Implementation/Utility Undergrounding, Credit Rating Management</p> <p>Dates of Service: 2013 to Present</p>
<p>PFM's financial advisory business consists of Public Financial Management Inc. and PFM Financial Advisors LLC. PFM Financial Advisors LLC commenced operations on June 1, 2016, accordingly all client engagements that occurred prior to such date were effected through Public Financial Management Inc. Financial advisory relationships previously with Public Financial Management Inc. have been assigned to PFM Financial Advisors LLC the affiliate that will provide services for this engagement.</p>	



**9. Provide proof of your firm's comprehensive general liability coverage for:**

- a) Blanket contractual**
- b) Professional errors and omissions**

PFM has a complete insurance program, including property, casualty, general liability, automobile liability and workers compensation. PFM maintains professional liability and fidelity bond coverages which total \$40 million and \$25 million single loss/ \$50 million aggregate, respectively. PFM also carries a \$10 million cyber liability policy.

Our Professional Liability policy is a "claims made" policy and our General Liability policy claims would be made by occurrence.

**Deductibles/SIR:**

- Automobile \$250 comprehensive & \$250 collision
- Cyber Liability \$25,000
- General Liability \$0
- Professional Liability (E&O) \$1,000,000
- Financial Institution Bond \$75,000

**Insurance Company & AM Best Rating**

Professional Liability (E&O).....	Endurance American Insurance Company; (A+; XV)
.....	Argonaut Insurance Company; (A+; XIV)
.....	Everest National Insurance Company; (A+; XV)
.....	XL Specialty Insurance Company; (A+; XV)
.....	Continental Casualty Company; (A; XV)
.....	Starr Indemnity & Liability Company; (A; XV)
.....	Federal Insurance Company; (A++; XV)
Financial Institution Bond.....	Federal Insurance Company; (A++; XV)
.....	Great American Insurance Company; (A+; XV)
.....	U.S. Fire Insurance Company; (A; XV)
Cyber Liability.....	Greenwich Insurance Company (A+; XV)
.....	Arch Insurance Company; (A+; XV)
General Liability.....	Great Northern Insurance Company; (A++; XV)
Automobile Liability.....	Great Northern Insurance Company; (A++; XV)
Excess /Umbrella Liability.....	Federal Insurance Company; (A++; XV)
Workers Compensation.....	Vigilant Insurance Company; (A++; XV)
& Employers Liability	

Evidence of Insurance Certificates can be found in **TAB II Appendix A.**



**10. Provide a statement of assurance to the effect that your firm is not currently in violation of any regulatory rules and regulations that may have an impact on your firm's operations. This would include the Securities and Exchange Commission, Municipal Securities Rulemaking Board, National Association of Securities Dealers, etc.**

PFM Financial Advisors LLC is not currently in violation of any regulatory rules and regulations that may have an impact on its operations. This would include the Securities and Exchange Commission, Municipal Securities Rulemaking Board, National Association of Securities Dealers, etc.

**11. Provide information on the nature and magnitude of any litigation or proceeding whereby, during the past two years, a court or any administrative agency has ruled against the firm in any matter related to the professional activities of the firm. Similar information shall be provided for any current or pending litigation.**

PFM Financial Advisors LLC is not presently involved in any litigation or regulatory actions whereby, during the past two years, a court or any administrative agency has ruled against the firm in any matter related to the professional activities of the firm.

On May 21, 2018, Public Financial Management, Inc., an affiliate of PFM Financial Advisors LLC, was one of several defendants, including law firms, an investment bank, and an engineering consultant, named in a complaint related to advisory services provided more than 10 years ago on an incinerator project in Harrisburg, PA. The matter has only recently commenced and discovery has not yet begun; however, Public Financial Management, Inc. believes that the claims against it are both legally and factually without merit.

**12. If your firm has been terminated for any reason during the past three years, provide an explanation.**

PFM Financial Advisors LLC maintains a nationwide financial advisory practice servicing hundreds of different clients at any one time. Our client base has increased regularly over the years, as a result, we believe, of client satisfaction. All of PFM Financial Advisors LLC's client service contracts are terminable in the discretion of the client on short notice. PFM Financial Advisors LLC does not maintain records that are indexed to identify why a client engagement has become inactive, if we in fact have been informed by the client, and, consequently PFM Financial Advisors LLC is not in a position to provide a factual response.



## B. Experience and Performance Data Qualifications and Personnel Data

### 1. For competitively bid issues:

a) Explain your firm's role as either a financial advisor or successful bidder (but only as senior manager) for the last three issues and provide reasons why these issues were bid.

b) For the last two local governmental tax exempt issues, preferably in Florida, provide:

1) Dates awarded, ratings, if and how insured, and related premiums, premium or discount from amount issued, average coupon, average life, the NIC and TIC for each issue.

2) A detailed debt service schedule with dates, principal amounts, coupon rates, and interest amounts for each issue.

3) Sources and uses of funds.

4) Where applicable for Florida issues, copies of the bond disclosure forms for competitive bidding. For non-Florida issues, similar disclosures that may be required in other states. If none were required, leave blank.

5) Briefly explain what your firm did to stimulate the bidding process and marketability of these issues.

c) If your firm has been involved in a competitively bid refunding transaction or a bond pool program, explain how the process was used and your capacity in the transaction.

d) Other pertinent comments and schedules as determined by your firm.

PFM's financial advisory business possesses extensive expertise and experience in regard to both competitive and negotiated sales. Depending on our clients' needs and situations, we have experience with all roles in the negotiated sale financing process. Likewise, as independent financial advisors, we place considerable corporate emphasis on the professional and skillful conduct of competitive issues. The public-finance departments of investment banks generate the vast majority of their revenues from negotiated bond issues, and therefore have a natural bias both in attitude and experience to negotiated issues. We work on hundreds of competitive issues each year — in fact, the team prides itself on successfully bringing issuers to the competitive markets. We are proud of our role as being on the leading edge of the municipal industry in developing innovative ways to use the competitive-bid process. Our recommendation regarding the method of sale is derived after considering all the relevant factors.

We recognize that empirical evidence supports the assertion that competitive sales can produce lower borrowing costs for municipal issuers. We also recognize that issuers have, at times, valid non-financial objectives to be achieved through debt issuances, and may be subject to conditions which require added flexibility not present in competitive sales. As a result, we are highly experienced in both modes.

Refinitiv reported competitive and negotiated transactions for PFM's financial advisory business in 2019 as follows:

	# of Transactions	Par Amount
Competitive	396	\$13,825,000,000
Negotiated	695	\$52,220,000,000



Our role in both a negotiated and competitive sales has many similarities. Our job is simply to get the best results available — this includes structuring, marketing, and pricing of a transaction. Regardless of the choice of a negotiated or competitive sale, we run the numbers and prepare the sensitivity analyses necessary so that our client has an independent evaluation of the pricing. For a competitive sale, we work with a number of underwriters and investors to market the bonds, so the maximum number of bids is received. On a negotiated sale, we support the marketing efforts of the senior manager, and begin to set pricing and interest-rate expectations early in the process.

The factors supporting one sales methodology versus another are highlighted below.

- **Issuer Attributes** – Type of Credit / Frequency of Issuer / Market Awareness
- **Credit Quality** – Underlying Credit Rating / Security Structure / Pledged Revenues
- **Market Conditions** – Market Volatility / Investor Demand / Fund Liquidity Levels / Sale Calendar
- **Debt Structure** – Tax Status / Debt Instruments
- **Marketing** – Underwriter Selection / Investor Distribution / Pre-Marketing Ability / Timing Flexibility

Provided on the following pages are descriptions of two recent competitive transactions and relevant information as requested in the RFP.<sup>6</sup> Provided in **TAB II Appendix C** are copies of each Official Statement cover and Notice of Sale required for a competitive bid.

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<sup>6</sup> For informational purposes only and does not represent an endorsement or testimonial by clients of PFM's financial advisory services.





**City of St. Petersburg, Florida**  
**Public Utility Refunding Revenue Bonds, Series 2019B**

On October 16, 2019 the City of St. Petersburg accepted competitive bids for its Public Utility Refunding Revenue Bonds, Series 2019B. Due to the well-known/frequent issuer status of the City, straightforward structure and strong “Aa2” / “AA” underlying credit ratings, PFM recommended a competitive sale process. The City received 9 bids for the Series 2019B Bonds. The Series 2019B Bonds resulted in a TIC of 2.68% (along with producing over \$6.75 million, or 14.6% NPV savings of the refunded par).

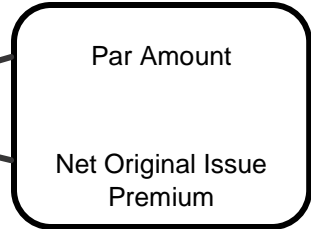
**SOURCES AND USES OF FUNDS**

City of St. Petersburg, Florida  
 Public Utility Refunding Revenue Bonds, Series 2019B

Dated Date            11/14/2019  
 Delivery Date        11/14/2019

Sources:

<b>Bond Proceeds:</b>	
Par Amount	42,545,000.00
Net Premium	2,379,237.30
	<u>44,924,237.30</u>
<b>Other Sources of Funds:</b>	
DSRF Release	3,681,480.00
Sinking Fund	190,945.46
	<u>3,872,425.46</u>
	<u>48,796,662.76</u>



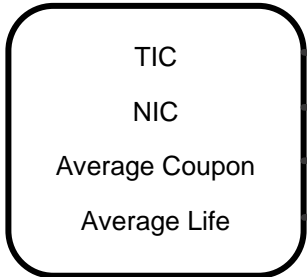
Uses:

<b>Refunding Escrow Deposits:</b>	
Cash Deposit	4.72
SLGS Purchases	48,453,174.00
	<u>48,453,178.72</u>
<b>Delivery Date Expenses:</b>	
Cost of Issuance	198,456.64
Underwriter's Discount	145,027.40
	<u>343,484.04</u>
	<u>48,796,662.76</u>

**BOND SUMMARY STATISTICS**

City of St. Petersburg, Florida  
 Public Utility Refunding Revenue Bonds, Series 2019B

Dated Date	11/14/2019
Delivery Date	11/14/2019
First Coupon	04/01/2020
Last Maturity	10/01/2040
Arbitrage Yield	2.228791%
True Interest Cost (TIC)	2.683112%
Net Interest Cost (NIC)	2.754204%
All-In TIC	2.717336%
Average Coupon	3.064441%
Average Life (years)	16.927
Duration of Issue (years)	13.162
Par Amount	42,545,000.00
Bond Proceeds	44,924,237.30
Total Interest	22,068,975.14
Net Interest	19,834,765.24
Total Debt Service	64,613,975.14
Maximum Annual Debt Service	14,476,650.00
Average Annual Debt Service	3,094,456.70





BOND DEBT SERVICE

City of St. Petersburg, Florida  
Public Utility Refunding Revenue Bonds, Series 2019B

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
10/01/2020	485,000	5.000%	1,216,856.24	1,701,856.24	42,060,000	42,060,000
10/01/2021	495,000	5.000%	1,357,668.76	1,852,668.76	41,565,000	41,565,000
10/01/2022	520,000	5.000%	1,332,918.76	1,852,918.76	41,045,000	41,045,000
10/01/2023	550,000	5.000%	1,306,918.76	1,856,918.76	40,495,000	40,495,000
10/01/2024	560,000	5.000%	1,279,418.76	1,839,418.76	39,935,000	39,935,000
10/01/2025	590,000	5.000%	1,251,418.76	1,841,418.76	39,345,000	39,345,000
10/01/2026	620,000	5.000%	1,221,918.76	1,841,918.76	38,725,000	38,725,000
10/01/2027	640,000	5.000%	1,190,918.76	1,830,918.76	38,085,000	38,085,000
10/01/2028	675,000	5.000%	1,158,918.76	1,833,918.76	37,410,000	37,410,000
10/01/2029	730,000	5.000%	1,125,168.76	1,855,168.76	36,680,000	36,680,000
10/01/2030	755,000	4.000%	1,088,668.76	1,843,668.76	35,925,000	35,925,000
10/01/2031	785,000	4.000%	1,058,468.76	1,843,468.76	35,140,000	35,140,000
10/01/2032	810,000	2.000%	1,027,068.76	1,837,068.76	34,330,000	34,330,000
10/01/2033	840,000	2.125%	1,010,868.76	1,850,868.76	33,490,000	33,490,000
10/01/2034	845,000	2.250%	993,018.76	1,838,018.76	32,645,000	32,645,000
10/01/2035	855,000	2.375%	974,006.26	1,829,006.26	31,790,000	31,790,000
10/01/2036	4,155,000	3.000%	953,700.00	5,108,700.00	27,635,000	27,635,000
10/01/2037	4,265,000	3.000%	829,050.00	5,094,050.00	23,370,000	23,370,000
10/01/2038	4,395,000	3.000%	701,100.00	5,096,100.00	18,975,000	18,975,000
10/01/2039	4,920,000	3.000%	569,250.00	5,489,250.00	14,055,000	14,055,000
10/01/2040	14,055,000	3.000%	421,650.00	14,476,650.00		
	42,545,000		22,068,975.14	64,613,975.14		

Detailed Debt Service Schedule

SAVINGS

City of St. Petersburg, Florida  
Public Utility Refunding Revenue Bonds, Series 2019B

Date	Prior Debt Service	Prior Adjustments	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 11/14/2019 @ 2.2287913%
10/01/2020	3,378,000.00	-1,086,654.58	190,945.46	2,100,399.96	1,701,856.24	398,543.72	391,464.43
10/01/2021	3,372,300.00	-1,079,837.04		2,292,462.96	1,852,668.76	439,794.20	424,350.38
10/01/2022	3,360,910.00	-1,072,792.24		2,288,117.76	1,852,918.76	435,199.00	410,791.68
10/01/2023	3,354,060.00	-1,065,595.94		2,288,464.06	1,856,918.76	431,545.30	398,492.23
10/01/2024	3,331,520.00	-1,058,172.38		2,273,347.62	1,839,418.76	433,928.86	391,958.06
10/01/2025	3,323,980.00	-1,050,748.84		2,273,231.16	1,841,418.76	431,812.40	381,571.21
10/01/2026	3,315,750.00	-1,043,098.04		2,272,651.96	1,841,918.76	430,733.20	372,346.90
10/01/2027	3,294,550.00	-1,032,822.32		2,261,727.68	1,830,918.76	430,808.92	364,293.49
10/01/2028	3,282,750.00	-1,022,348.98		2,260,401.02	1,833,918.76	426,482.26	352,805.08
10/01/2029	3,299,750.00	-1,011,480.44		2,288,269.56	1,855,168.76	433,100.80	350,440.14
10/01/2030	3,283,750.00	-999,623.84		2,284,126.16	1,843,668.76	440,457.40	348,592.48
10/01/2031	3,266,550.00	-987,372.02		2,279,177.98	1,843,468.76	435,709.22	337,324.61
10/01/2032	3,241,550.00	-974,198.02		2,267,351.98	1,837,068.76	430,283.22	325,870.92
10/01/2033	3,245,612.50	-960,715.26		2,284,897.24	1,850,868.76	434,028.48	321,434.85
10/01/2034	3,216,862.50	-946,306.18		2,270,556.32	1,838,018.76	432,537.56	313,270.65
10/01/2035	3,187,175.00	-931,588.36		2,255,586.64	1,829,006.26	426,580.38	302,170.95
10/01/2036	7,411,550.00	-916,561.76		6,494,988.24	5,108,700.00	1,386,288.24	955,664.54
10/01/2037	7,286,550.00	-811,169.76		6,475,380.24	5,094,050.00	1,381,330.24	931,042.65
10/01/2038	7,174,070.00	-701,667.48		6,472,402.52	5,096,100.00	1,376,302.52	906,976.55
10/01/2039	7,042,510.00	-587,527.94		6,454,982.06	5,489,250.00	965,732.06	622,482.48
10/01/2040	16,869,450.00	-442,272.36		16,427,177.64	14,476,650.00	1,950,527.64	1,228,514.23
	98,539,200.00	-19,782,553.78	190,945.46	78,565,700.76	64,613,975.14	13,951,725.62	10,431,860.50

Annual Debt Service Savings

Savings Summary

PV of savings from cash flow	10,431,860.50
Less: Prior funds on hand	-3,681,480.00
<b>Net PV Savings</b>	<b>6,750,380.50</b>



11:01:06 a.m. EDST    Upcoming Calendar    Overview    Compare    Summary

**Bid Results**

**St Petersburg  
\$39,855,000 Public Utility Refunding Revenue Bonds, Series  
2019B**

The following bids were submitted using *PARITY*<sup>®</sup> and displayed ranked by lowest TIC.  
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	<a href="#">Wells Fargo Bank, National Association</a>	2.742007
<input type="checkbox"/>	<a href="#">Citigroup Global Markets Inc.</a>	2.742854
<input type="checkbox"/>	<a href="#">J.P. Morgan Securities LLC</a>	2.749933
<input type="checkbox"/>	<a href="#">Raymond James &amp; Associates, Inc.</a>	2.759931
<input type="checkbox"/>	<a href="#">Bank of America Merrill Lynch</a>	2.767044
<input type="checkbox"/>	<a href="#">Robert W. Baird &amp; Co., Inc.</a>	2.769083
<input type="checkbox"/>	<a href="#">Mesirow Financial, Inc.</a>	2.809384
<input type="checkbox"/>	<a href="#">HilltopSecurities</a>	3.010434
<input type="checkbox"/>	<a href="#">RBC Capital Markets</a>	3.050331

Summary of  
Competitive Bids  
Received



**City of Ft. Lauderdale, Florida  
General Obligation Bonds, Series 2020B**

On January 28, 2020 the City of Fort Lauderdale accepted competitive bids for its General Obligation Bonds, Series 2020B. Due to the general obligation credit and strong "Aa1" / "AAA" underlying credit ratings, PFM recommended a competitive sale process. The City received 10 bids for the Series 2020B Bonds. The Series 2020B Bonds resulted in a TIC of 2.43%, which is extremely low for a 30 year transaction. This was the first transaction PFM completed with the City after being engaged through an RFP process in 2019. As part of the transaction, we assisted with the City with an onsite rating presentation that resulted in an upgrade to "AAA" by S&P.

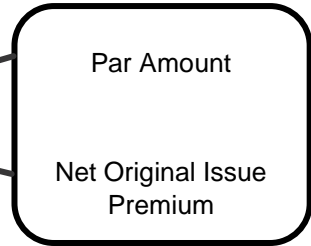
**SOURCES AND USES OF FUNDS**

City of Fort Lauderdale, Florida  
General Obligation Bonds, Series 2020B  
(Police and Public Safety Projects)

----  
\*FINAL NUMBERS\*  
Winning Bidder: J.P. Morgan Securities LLC  
Sale Date: 1/28/2020

Dated Date           02/12/2020  
Delivery Date       02/12/2020

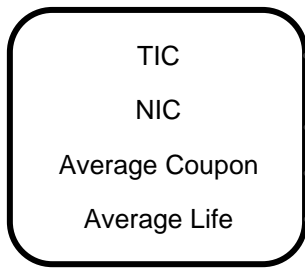
Sources:	
<hr/>	
Bond Proceeds:	
Par Amount	92,290,000.00
Net Premium	8,283,575.20
	<hr/>
	100,573,575.20
	<hr/>
Uses:	
<hr/>	
Project Fund Deposits:	
Police Facility	100,000,000.00
<hr/>	
Delivery Date Expenses:	
Cost of Issuance	379,472.70
Underwriter's Discount	189,602.42
	<hr/>
	569,075.12
<hr/>	
Other Uses of Funds:	
Additional Proceeds	4,500.08
	<hr/>
	100,573,575.20
	<hr/>



**BOND SUMMARY STATISTICS**

City of Fort Lauderdale, Florida  
General Obligation Bonds, Series 2020B  
(Police and Public Safety Projects)

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\*FINAL NUMBERS\*  
Winning Bidder: J.P. Morgan Securities LLC  
Sale Date: 1/28/2020



Dated Date	02/12/2020
Delivery Date	02/12/2020
First Coupon	07/01/2020
Last Maturity	07/01/2049
Arbitrage Yield	2.173597%
True Interest Cost (TIC)	2.429992%
Net Interest Cost (NIC)	2.543927%
All-In TIC	2.458705%
Average Coupon	3.044054%
Average Life (years)	17.536
Weighted Average Maturity (years)	17.066
Duration of Issue (years)	13.362
Par Amount	92,290,000.00
Bond Proceeds	100,573,575.20
Total Interest	49,264,484.12
Net Interest	41,170,511.34
Total Debt Service	141,554,484.12
Maximum Annual Debt Service	4,819,406.26
Average Annual Debt Service	4,817,054.00



BOND DEBT SERVICE

City of Fort Lauderdale, Florida  
 General Obligation Bonds, Series 2020B  
 (Police and Public Safety Projects)

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 \*FINAL NUMBERS\*

Winning Bidder: J.P. Morgan Securities LLC  
 Sale Date: 1/28/2020

Detailed Debt Service Schedule

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
07/01/2020	655,000	5.000%	1,204,533.94	1,859,533.94	91,635,000	91,635,000
07/01/2021	1,730,000	5.000%	3,086,906.26	4,816,906.26	89,905,000	89,905,000
07/01/2022	1,815,000	5.000%	3,000,406.26	4,815,406.26	88,090,000	88,090,000
07/01/2023	1,905,000	5.000%	2,909,656.26	4,814,656.26	86,185,000	86,185,000
07/01/2024	2,005,000	5.000%	2,814,406.26	4,819,406.26	84,180,000	84,180,000
07/01/2025	2,105,000	5.000%	2,714,156.26	4,819,156.26	82,075,000	82,075,000
07/01/2026	2,210,000	5.000%	2,608,906.26	4,818,906.26	79,865,000	79,865,000
07/01/2027	2,320,000	5.000%	2,498,406.26	4,818,406.26	77,545,000	77,545,000
07/01/2028	2,435,000	5.000%	2,382,406.26	4,817,406.26	75,110,000	75,110,000
07/01/2029	2,555,000	5.000%	2,260,656.26	4,815,656.26	72,555,000	72,555,000
07/01/2030	2,685,000	4.000%	2,132,906.26	4,817,906.26	69,870,000	69,870,000
07/01/2031	2,790,000	4.000%	2,025,506.26	4,815,506.26	67,080,000	67,080,000
07/01/2032	2,905,000	4.000%	1,913,906.26	4,818,906.26	64,175,000	64,175,000
07/01/2033	3,020,000	4.000%	1,797,706.26	4,817,706.26	61,155,000	61,155,000
07/01/2034	3,140,000	2.250%	1,676,906.26	4,816,906.26	58,015,000	58,015,000
07/01/2035	3,210,000	2.375%	1,606,256.26	4,816,256.26	54,805,000	54,805,000
07/01/2036	3,285,000	2.375%	1,530,018.76	4,815,018.76	51,520,000	51,520,000
07/01/2037	3,365,000	2.500%	1,452,000.00	4,817,000.00	48,155,000	48,155,000
07/01/2038	3,450,000	2.500%	1,367,875.00	4,817,875.00	44,705,000	44,705,000
07/01/2039	3,535,000	2.500%	1,281,625.00	4,816,625.00	41,170,000	41,170,000
07/01/2040	3,625,000	2.625%	1,193,250.00	4,818,250.00	37,545,000	37,545,000
07/01/2041	3,720,000	2.625%	1,098,093.76	4,818,093.76	33,825,000	33,825,000
07/01/2042	3,815,000	2.625%	1,000,443.76	4,815,443.76	30,010,000	30,010,000
07/01/2043	3,915,000	3.000%	900,300.00	4,815,300.00	26,095,000	26,095,000
07/01/2044	4,035,000	3.000%	782,850.00	4,817,850.00	22,060,000	22,060,000
07/01/2045	4,155,000	3.000%	661,800.00	4,816,800.00	17,905,000	17,905,000
07/01/2046	4,280,000	3.000%	537,150.00	4,817,150.00	13,625,000	13,625,000
07/01/2047	4,410,000	3.000%	408,750.00	4,818,750.00	9,215,000	9,215,000
07/01/2048	4,540,000	3.000%	276,450.00	4,816,450.00	4,675,000	4,675,000
07/01/2049	4,675,000	3.000%	140,250.00	4,815,250.00		
	92,290,000		49,264,484.12	141,554,484.12		

11:03:06 a.m. EDST | Upcoming Calendar | Overview | Compare | Summary

Bid Results

**Fort Lauderdale**  
**\$87,910,000 General Obligation Bonds, Series 2020B**  
**(Police and Public Safety Projects)**

The following bids were submitted using *PARITY*<sup>®</sup> and displayed ranked by lowest TIC.  
 Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	<a href="#">J.P. Morgan Securities LLC</a>	2.456829
<input type="checkbox"/>	<a href="#">Morgan Stanley &amp; Co, LLC</a>	2.459937
<input type="checkbox"/>	<a href="#">Wells Fargo Bank, National Association</a>	2.473283
<input type="checkbox"/>	<a href="#">Robert W. Baird &amp; Co., Inc.</a>	2.474001
<input type="checkbox"/>	<a href="#">PNC Capital Markets</a>	2.474581
<input type="checkbox"/>	<a href="#">Citigroup Global Markets Inc.</a>	2.476822
<input type="checkbox"/>	<a href="#">RBC Capital Markets</a>	2.484059
<input type="checkbox"/>	<a href="#">Mesirow Financial, Inc.</a>	2.485022
<input type="checkbox"/>	<a href="#">Bank of America Merrill Lynch</a>	2.488125
<input type="checkbox"/>	<a href="#">FHN Financial Capital Markets</a>	2.490908

Summary of Competitive Bids Received



2. For the last two negotiated fixed rate tax exempt issues (with a bond pool financing, if available), provide: a) An explanation of your firm's role and reasons why these issues were not competitively bid, either as financial advisor or as seen by the senior manager.

b) A copy of the RFP (if used), the awarded proposal, and the financial advisor recommendations (including proposed present value savings for refunding), as used to select the underwriter, including senior and any co-managers.

c) The applicable dates of purchase contract acceptance, ratings, if and how insured, and related premiums, any other credit enhancements and costs, premium or discount from amount issued, average coupon, average life, the NIC and TIC for each issue, as finally sold.

d) Sources and uses of funds.

e) A detailed debt service schedule with payment dates, principal amounts, coupon rates, and interest amounts for each issue.

f) The proposed takedown rates by coupon and amounts, as compared to the final actual takedown rates and amounts for each issue.

g) Where applicable for Florida issues, copies of the bond information and bid disclosure forms for negotiated sale. For non-Florida issues, similar disclosures that may be required in other states. If none were required, leave blank.

h) For any refunding transaction, also provide:

1) Detailed schedule verifying the actual accumulated and present value savings by each year and in total.

2) The bottom line variance between proposed and actual accumulated and present value savings and the reasons therefor.

i) Other pertinent comments and schedules as determined by your firm.

Provided on the following pages are descriptions of two recent negotiated transactions and relevant information as requested in the RFP. <sup>7</sup> Provided in **TAB II Appendix C** are copies of each Official Statement cover, underwriter RFPs, and financial advisor recommendations.

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<sup>7</sup> For informational purposes only and does not represent an endorsement or testimonial by clients of PFM's financial advisory services.



**City of Port St. Lucie, Florida**  
**Stormwater Utility Refunding Revenue Bonds, Series 2020**

As with all clients and prospective clients, PFM monitors outstanding debt for refunding opportunities. In the course of this monitoring, PFM identified the below refunding opportunity and presented it to the City of Port St. Lucie in early 2019. It was determined that a negotiated sale would be most advantageous for the following reasons: (i) so that the City would have timing flexibility to enter the market at the most opportune time to maximize savings and (ii) so the City could allow for local residents to purchase bonds via 1st priority. PFM assisted the City with the procurement of an underwriting team through an RFP process. Raymond James was engaged as senior manager with PNC serving as a co-manager. PFM worked with City staff to procure an underlying rating on the transaction from Moody's Aa3. Given the downward trend of interest rates, the actual pricing of the bonds was deferred until early 2020 when the refunded bonds could be currently callable. Due to favorable market conditions on the day of the pricing (purchasing contract acceptance on January 22, 2020), the City was able to achieve net present debt service savings of \$9.3 million or 25.82% of the refunded bonds par amount, which was well above the original projections of \$2.5 million from early 2019 due to a significant decline in interest rates throughout 2019 and early 2020. The below schedules provide the requested data related to the transaction.

**SOURCES AND USES OF FUNDS**

City of Port St. Lucie, Florida - Stormwater Utility  
 Stormwater Utility Refunding Revenue Bonds, Series 2020  
 Refunding of 2010A BABs and 2010B RZEDBs

Assumes BABs Subsidy at FY 2019 Sequestration Rate of 5.9% through 2027 and Full Subsidy Thereafter

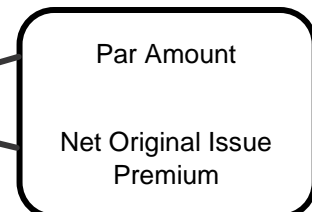
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Final Numbers

Pricing Date: January 22, 2020

Senior Underwriter: Raymond James

Sources:	
<hr/>	
Bond Proceeds:	
Par Amount	30,145,000.00
Net Premium	6,868,456.25
	<hr/> 37,013,456.25
Other Sources of Funds:	
Contribution	425,000.00
	<hr/> 37,438,456.25
	<hr/> <hr/>
Uses:	
<hr/>	
Refunding Escrow Deposits:	
Cash Deposit	2.54
SLGS Purchases	37,183,767.00
	<hr/> 37,183,769.54
Delivery Date Expenses:	
Cost of Issuance	173,588.82
Underwriter's Discount	81,097.89
	<hr/> 254,686.71
	<hr/> <hr/> 37,438,456.25





**BOND SUMMARY STATISTICS**

City of Port St. Lucie, Florida - Stormwater Utility  
 Stormwater Utility Refunding Revenue Bonds, Series 2020  
 Refunding of 2010A BABs and 2010B RZEDBs  
 Assumes BABs Subsidy at FY 2019 Sequestration Rate of 5.9% through 2027 and Full Subsidy Thereafter

---  
 Final Numbers  
 Pricing Date: January 22, 2020  
 Senior Underwriter: Raymond James

TIC NIC Average Coupon Average Life	Dated Date	02/13/2020
	Delivery Date	02/13/2020
	Last Maturity	05/01/2039
	Arbitrage Yield	1.704777%
	True Interest Cost (TIC)	2.410920%
	Net Interest Cost (NIC)	2.735565%
	All-In TIC	2.456503%
	Average Coupon	4.435416%
	Average Life (years)	13.246
	Duration of Issue (years)	10.468
	Par Amount	30,145,000.00
	Bond Proceeds	37,013,456.25
	Total Interest	17,710,235.84
	Net Interest	10,922,877.48
	Total Debt Service	47,855,235.84
	Maximum Annual Debt Service	3,192,800.00
	Average Annual Debt Service	2,490,298.48

**BOND DEBT SERVICE**

City of Port St. Lucie, Florida - Stormwater Utility  
 Stormwater Utility Refunding Revenue Bonds, Series 2020  
 Refunding of 2010A BABs and 2010B RZEDBs  
 Assumes BABs Subsidy at FY 2019 Sequestration Rate of 5.9% through 2027 and Full Subsidy Thereafter

---  
 Final Numbers  
 Pricing Date: January 22, 2020  
 Senior Underwriter: Raymond James

Period Ending	Principal	Coupon	Interest	Debt Service
05/01/2020			288,285.84	288,285.84
05/01/2021			1,330,550.00	1,330,550.00
05/01/2022			1,330,550.00	1,330,550.00
05/01/2023			1,330,550.00	1,330,550.00
05/01/2024	1,030,000	4.000%	1,330,550.00	2,360,550.00
05/01/2025	1,110,000	4.000%	1,289,350.00	2,399,350.00
05/01/2026	1,185,000	4.000%	1,244,950.00	2,429,950.00
05/01/2027	1,275,000	4.000%	1,197,550.00	2,472,550.00
05/01/2028	1,375,000	4.000%	1,146,550.00	2,521,550.00
05/01/2029	1,475,000	4.000%	1,091,550.00	2,566,550.00
05/01/2030	1,590,000	4.000%	1,032,550.00	2,622,550.00
05/01/2031	1,705,000	5.000%	968,950.00	2,673,950.00
05/01/2032	1,840,000	5.000%	883,700.00	2,723,700.00
05/01/2033	1,990,000	5.000%	791,700.00	2,781,700.00
05/01/2034	2,140,000	5.000%	692,200.00	2,832,200.00
05/01/2035	2,310,000	5.000%	585,200.00	2,895,200.00
05/01/2036	2,490,000	5.000%	469,700.00	2,959,700.00
05/01/2037	2,685,000	4.000%	345,200.00	3,030,200.00
05/01/2038	2,875,000	4.000%	237,800.00	3,112,800.00
05/01/2039	3,070,000	4.000%	122,800.00	3,192,800.00
	30,145,000		17,710,235.84	47,855,235.84

Detailed Debt  
 Service  
 Schedule





**SAVINGS**

City of Port St. Lucie, Florida - Stormwater Utility  
 Stormwater Utility Refunding Revenue Bonds, Series 2020  
 Refunding of 2010A BABs and 2010B RZEDBs  
 Assumes BABs Subsidy at FY 2019 Sequestration Rate of 5.9% through 2027 and Full Subsidy Thereafter

Final Numbers  
 Pricing Date: January 22, 2020  
 Senior Underwriter: Raymond James

Date	Prior Debt Service	Prior Adjustments	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 02/13/2020 @ 1.7047765%
05/01/2020	1,305,012.00	(459,270.71)	425,000.00	420,741.29	288,285.84	132,455.45	130,408.88
05/01/2021	2,610,024.00	(918,541.42)		1,691,482.58	1,330,550.00	360,932.58	355,061.32
05/01/2022	2,610,024.00	(918,541.42)		1,691,482.58	1,330,550.00	360,932.58	349,084.84
05/01/2023	2,610,024.00	(918,541.42)		1,691,482.58	1,330,550.00	360,932.58	343,208.96
05/01/2024	3,895,024.00	(918,541.42)		2,976,482.58	2,360,550.00	615,932.58	574,817.02
05/01/2025	3,896,293.40	(883,085.70)		3,013,207.70	2,399,350.00	613,857.70	563,214.92
05/01/2026	3,892,024.20	(845,284.64)		3,046,739.56	2,429,950.00	616,789.56	556,345.87
05/01/2027	3,892,216.40	(805,138.28)		3,087,078.12	2,472,550.00	614,528.12	544,953.24
05/01/2028	3,895,988.40	(758,038.78)		3,137,949.62	2,521,550.00	616,399.62	537,359.63
05/01/2029	3,891,508.00	(707,444.82)		3,184,063.18	2,566,550.00	617,513.18	529,210.55
05/01/2030	3,893,775.20	(653,356.36)		3,240,418.84	2,622,550.00	617,868.84	520,554.98
05/01/2031	3,897,893.60	(606,957.00)		3,290,936.60	2,673,950.00	616,986.60	510,954.80
05/01/2032	3,896,316.80	(557,035.18)		3,339,281.62	2,723,700.00	615,581.62	501,155.62
05/01/2033	3,898,676.00	(503,469.44)		3,395,206.56	2,781,700.00	613,506.56	491,003.87
05/01/2034	3,893,864.80	(445,895.38)		3,447,969.42	2,832,200.00	615,769.42	484,457.44
05/01/2035	3,896,514.40	(384,191.52)		3,512,322.88	2,895,200.00	617,122.88	477,286.90
05/01/2036	3,895,149.60	(317,872.02)		3,577,277.58	2,959,700.00	617,577.58	469,535.12
05/01/2037	3,894,032.80	(246,693.96)		3,647,338.84	3,030,200.00	617,138.84	461,239.20
05/01/2038	3,897,057.60	(170,292.92)		3,726,764.68	3,112,800.00	613,964.68	450,994.95
05/01/2039	3,897,748.80	(88,183.06)		3,809,565.74	3,192,800.00	616,765.74	445,264.54
	71,459,168.00	(12,106,375.45)	425,000.00	58,927,792.55	47,855,235.84	11,072,556.71	9,296,118.42

Annual Debt Service Savings

**AVERAGE TAKEDOWN**

City of Port St. Lucie, Florida - Stormwater Utility  
 Stormwater Utility Refunding Revenue Bonds, Series 2020  
 Refunding of 2010A BABs and 2010B RZEDBs  
 Assumes BABs Subsidy at FY 2019 Sequestration Rate of 5.9% through 2027 and Full Subsidy Thereafter

Final Numbers  
 Pricing Date: January 22, 2020  
 Senior Underwriter: Raymond James

Dated Date 02/13/2020  
 Delivery Date 02/13/2020

Bond Component	Maturity Date	Par Amount	Takedown \$/Bond	Takedown Amount
Bond Component:				
	05/01/2024	1,030,000	2.0000	2,060
	05/01/2025	1,110,000	2.0000	2,220
	05/01/2026	1,185,000	2.0000	2,370
	05/01/2027	1,275,000	2.0000	2,550
	05/01/2028	1,375,000	2.0000	2,750
	05/01/2029	1,475,000	2.0000	2,950
	05/01/2030	1,590,000	2.0000	3,180
	05/01/2031	1,705,000	2.0000	3,410
	05/01/2032	1,840,000	2.0000	3,680
	05/01/2033	1,990,000	2.0000	3,980
	05/01/2034	2,140,000	2.0000	4,280
	05/01/2035	2,310,000	2.0000	4,620
	05/01/2036	2,490,000	2.0000	4,980
	05/01/2037	2,685,000	2.0000	5,370
	05/01/2038	2,875,000	2.0000	5,750
	05/01/2039	3,070,000	2.0000	6,140
		30,145,000	2.0000	60,290

Annual and Total Takedown Amounts



**Sarasota County, Florida  
Capital Improvement Revenue Bonds, Series 2019A**

Sarasota County has historically used both the negotiated and competitive sale method depending on the characteristics of each transaction. In 2019 the County had multiple potential transactions to fund new money needs as well as refund existing debt. After discussing each of the potential transactions, it was determined that a negotiated sale would be most advantageous for the above referenced financing, which was being done in conjunction with the County's Capital Improvement Refunding Revenue Bonds, Series 2019B. A negotiated sale gave the County more structuring flexibility given the multi series financing. The County maintains a pool of underwriters and for each transaction PFM undertakes a "mini" RFP process among the pool to select an underwriting team. JP Morgan was engaged as senior manager with Raymond James serving as co-manager. PFM worked with City staff to procure underlying ratings on the transaction from S&P and Fitch of AA+ and AA+. The below schedules provide the requested data related to the transaction.

**SOURCES AND USES OF FUNDS**

Sarasota County, Florida  
Capital Improvement Revenue Bonds, Series 2019A  
SSO Fleet/Ops Facility  
---  
Final Numbers  
Sale Date: April 17, 2019  
Underwriter: J.P. Morgan

Dated Date            05/07/2019  
Delivery Date        05/07/2019

Sources:

<hr/>	
Bond Proceeds:	
Par Amount	15,085,000.00
Premium	2,485,308.20
<hr/>	
	17,570,308.20
<hr/>	

Uses:

<hr/>	
Project Fund Deposits:	
Project Fund	17,140,000.00
<hr/>	
Other Fund Deposits:	
Capitalized Interest Fund	284,720.00
<hr/>	
Delivery Date Expenses:	
Cost of Issuance	101,734.33
Underwriter's Discount	43,853.87
	<hr/>
	145,588.20
<hr/>	
	17,570,308.20
<hr/>	

Par Amount  
Net Original  
Issue Premium

**BOND SUMMARY STATISTICS**

Sarasota County, Florida  
Capital Improvement Revenue Bonds, Series 2019A  
SSO Fleet/Ops Facility  
---  
Final Numbers  
Sale Date: April 17, 2019  
Underwriter: J.P. Morgan

Dated Date	05/07/2019
Delivery Date	05/07/2019
First Coupon	10/01/2019
Last Maturity	10/01/2039
<hr/>	
Arbitrage Yield	2.494636%
True Interest Cost (TIC)	2.981018%
Net Interest Cost (NIC)	3.274034%
All-In TIC	3.042215%
Average Coupon	4.572273%
<hr/>	
Average Life (years)	12.467
Duration of Issue (years)	9.666
<hr/>	
Par Amount	15,085,000.00
Bond Proceeds	17,570,308.20
Total Interest	8,598,570.00
Net Interest	6,157,115.67
Total Debt Service	23,683,570.00
Maximum Annual Debt Service	1,172,550.00
Average Annual Debt Service	1,160,959.31

TIC  
NIC  
Average Coupon  
Average Life



BOND DEBT SERVICE

Sarasota County, Florida  
 Capital Improvement Revenue Bonds, Series 2019A  
 SSO Fleet/Ops Facility

Final Numbers  
 Sale Date: April 17, 2019  
 Underwriter: J.P. Morgan

Detailed Debt Service Schedule

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
10/01/2019			284,720	284,720	15,085,000	15,085,000
10/01/2020	460,000	5.000%	711,800	1,171,800	14,625,000	14,625,000
10/01/2021	480,000	5.000%	688,800	1,168,800	14,145,000	14,145,000
10/01/2022	505,000	5.000%	664,800	1,169,800	13,640,000	13,640,000
10/01/2023	530,000	5.000%	639,550	1,169,550	13,110,000	13,110,000
10/01/2024	555,000	5.000%	613,050	1,168,050	12,555,000	12,555,000
10/01/2025	585,000	5.000%	585,300	1,170,300	11,970,000	11,970,000
10/01/2026	615,000	5.000%	556,050	1,171,050	11,355,000	11,355,000
10/01/2027	645,000	5.000%	525,300	1,170,300	10,710,000	10,710,000
10/01/2028	675,000	5.000%	493,050	1,168,050	10,035,000	10,035,000
10/01/2029	710,000	5.000%	459,300	1,169,300	9,325,000	9,325,000
10/01/2030	745,000	5.000%	423,800	1,168,800	8,580,000	8,580,000
10/01/2031	785,000	5.000%	386,550	1,171,550	7,795,000	7,795,000
10/01/2032	825,000	5.000%	347,300	1,172,300	6,970,000	6,970,000
10/01/2033	865,000	5.000%	306,050	1,171,050	6,105,000	6,105,000
10/01/2034	905,000	5.000%	262,800	1,167,800	5,200,000	5,200,000
10/01/2035	955,000	5.000%	217,550	1,172,550	4,245,000	4,245,000
10/01/2036	1,000,000	4.000%	169,800	1,169,800	3,245,000	3,245,000
10/01/2037	1,040,000	4.000%	129,800	1,169,800	2,205,000	2,205,000
10/01/2038	1,080,000	4.000%	88,200	1,168,200	1,125,000	1,125,000
10/01/2039	1,125,000	4.000%	45,000	1,170,000		
	15,085,000		8,598,570	23,683,570		

AVERAGE TAKEDOWN

Sarasota County, Florida  
 Capital Improvement Revenue Bonds, Series 2019A  
 SSO Fleet/Ops Facility

Final Numbers  
 Sale Date: April 17, 2019  
 Underwriter: J.P. Morgan

Dated Date: 05/07/2019  
 Delivery Date: 05/07/2019

Bond Component	Maturity Date	Par Amount	Takedown \$/Bond	Takedown Amount
Bond Component:				
	10/01/2020	460,000	2.0000	920
	10/01/2021	480,000	2.0000	960
	10/01/2022	505,000	2.0000	1,010
	10/01/2023	530,000	2.0000	1,060
	10/01/2024	555,000	2.0000	1,110
	10/01/2025	585,000	2.0000	1,170
	10/01/2026	615,000	2.0000	1,230
	10/01/2027	645,000	2.0000	1,290
	10/01/2028	675,000	2.0000	1,350
	10/01/2029	710,000	2.0000	1,420
	10/01/2030	745,000	2.0000	1,490
	10/01/2031	785,000	2.0000	1,570
	10/01/2032	825,000	2.0000	1,650
	10/01/2033	865,000	2.0000	1,730
	10/01/2034	905,000	2.0000	1,810
	10/01/2035	955,000	2.0000	1,910
	10/01/2036	1,000,000	2.0000	2,000
	10/01/2037	1,040,000	2.0000	2,080
	10/01/2038	1,080,000	2.0000	2,160
	10/01/2039	1,125,000	2.0000	2,250
		15,085,000	2.0000	30,170

Annual and Total Takedown Amounts



**3. For your firm's last variable rate scenario (if applicable), provide:**

**a) Information in the format for a. through g. of the preceding Section 2 for this total single transaction, including:**

- 1) Original costs of issuance (as shown for d. as the sources and uses of funds) and all recurring costs to date separated for bond counsel, financial advisor, underwriter discount and expenses, remarketing fees, insurance, legal counsel, letter of credit, trustee, acceptance, and any other expenses not enumerated herein.**
- 2) The contractual bases on which original costs of issuance and recurring costs are calculated.**

**b) through g) (as applicable from Section 2).**

**h) A financial statement reflecting the latest results of the variable rate scenario:**

- 1) By period (i.e., week, month, etc.), rates, number of days (or weeks, months, etc.), and factors.**
- 2) Weighted bond average interest rate and rate reflecting recurring scenario expenses for a total loan rate.**
- 3) Principal amount outstanding, loan rate, and days outstanding.**
- 4) Amount of calculated interest due less reserve fund earnings for total payment due to bond holders.**

**i) Other pertinent comments and schedules as determined by your firm.**

Due to the flat yield curve and low long term interest rates, the issuance of traditional variable rate debt has become less common over the last year. In the current market, issuers are able to lock in long term fixed rates that are comparable to or lower than short term variable rates. However, local governments still commonly use lines of credit as a means to fund capital needs. These lines of credit allow issuers to draw funds down as needed to fund project cost and generally possess a variable rate of interest during the draw period. One such example that PFM recently completed was for Bay County as part of their Hurricane Michael recovery efforts. Provided below is a case study for a series of financings (including variable rate) that were used for debris clean up after the storm. <sup>8</sup>

- Hurricane Michael made landfall on October 10, 2018 with the eye of the storm making a direct hit on Bay County. PFM worked quickly to put multiple financings in place to begin the process of debris cleanup in anticipation of FEMA reimbursements. The initial financing closed on November 11, 2018 with subsequent financing being completed in March and April 2019. Over the course of 6 months, PFM assisted the County with the procurement of \$250,000,000 of funds at cost effective interest rates.
- In the immediate aftermath of the storm while the County was mobilizing recovery efforts, PFM went right to work discussing with lenders the ability to obtain funding on an expedited basis. On November 6, 2018 the County passed a resolution to approve an aggregate amount of not-

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<sup>8</sup> For informational purposes only and does not represent an endorsement or testimonial by clients of PFM's financial advisory services.



to-exceed \$300 million of storm related financings. Two weeks later the County closed its first \$50 million of funding (Series 2018) at a rate of 3.25%. The loan was structured with interest only for 3 years and the ability to prepay at any time without penalty. This structure will minimize payments over the 3 year period and allow the County to prepay the principal balance upon receipt of FEMA reimbursements.

- In March 2019 the County closed another \$100 million in loans (\$50 million Series 2019A and \$50 million Series 2019B). With rates trending lower, the County was able to secure a lower interest rate of 2.94%)
- **The final financing was structured as a draw down line of credit for \$100 million (Series 2019C closed April 2019) to give the flexibility to draw down funds as needed. This line of credit possess a variable rate of interest equal to 79% of LIBOR + 0.57% that resets monthly. This equates to an interest rate under current market conditions of 1.88%. There are no ongoing fees associated with this line of credit. The upfront costs to implement this line of credit were \$117,500 (includes bond counsel, financial advisor, and bank counsel).**
- Working with the County's current bond documents, the storm related financings were secured with a Covenant to Budget & Appropriate (CB&A) non-ad valorem revenues and structured to conform to outstanding bond issue coverage requirements. Each financing was structured with a longer principal repayment structure (up to 15 years), which allows the County to retain additional debt capacity for new money projects needed during the recovery efforts. However, all loans can be prepaid at any time without penalty when FEMA reimbursements are received.



**4. If your firm has been involved in local government taxable issues, explain the transaction (including detailed debt scheduling, and sources and uses of funds) and your role in this transaction.**

The issuance of taxable debt has become more prevalent in the municipal market over the last year. This change has been the result of the two main trends. First, historically low interest rates have allowed local governments to issue low cost taxable debt and not be restricted by IRS regulations related to tax exempt debt. Second, the ability to issue tax exempt debt to advance refund existing debt was eliminated as part of the tax reform measures. However, taxable debt can be issued to advance refund tax exempt debt for significant savings under current market conditions. Provided below are two examples of taxable transactions PFM has completed recently to advance refund tax exempt debt to eliminate the risk of rising interest rates and lock in substantial debt service savings. <sup>9</sup>

**Orange County, Florida  
Taxable Sales Tax Revenue Refunding Bonds, Series 2019**

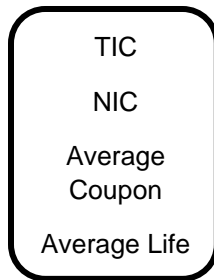
On November 5, 2019 Orange County accepted competitive bids for its Taxable Sales Tax Revenue Refunding Bonds, Series 2019. Due to the well-known/frequent issuer status of the County and strong underlying credit ratings (“AAA” Fitch / “AAA” Kroll / “Aa1” Moody’s / “AA+” S&P), PFM recommended a competitive sales process. The City received 10 bids for the Series 2019 Bonds. The Series 2019 Bonds resulted in a TIC of 2.59% (along with producing over \$10 million net present value savings, or 10.58% of the refunded bonds par).

**SOURCES AND USES OF FUNDS**

Orange County, Florida Taxable Sales Tax Revenue Refunding Bonds, Series 2019 ---	
Final Numbers	
Taxable Advance Refunding of Sales Tax Revenue Refunding Bonds, Series 2012B	
Sale Date: November 5, 2019	
Winning Bidder: Wells Fargo Bank, National Association	
Dated Date	12/05/2019
Delivery Date	12/05/2019
Sources:	
<hr/>	
Bond Proceeds:	
Par Amount	103,805,000.00
Other Sources of Funds:	
Contribution	1,941,666.67
	<hr/>
	105,746,666.67
<hr/>	
Uses:	
<hr/>	
Refunding Escrow Deposits:	
Cash Deposit	1.67
SLGS Purchases	104,748,334.00
	<hr/>
	104,748,335.67
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Delivery Date Expenses:	
Cost of Issuance	500,756.50
Underwriter's Discount	493,073.75
	<hr/>
	993,830.25
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Other Uses of Funds:	
Additional Proceeds	4,500.75
	<hr/>
	105,746,666.67
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**BOND SUMMARY STATISTICS**

Orange County, Florida Taxable Sales Tax Revenue Refunding Bonds, Series 2019 ---	
Final Numbers	
Taxable Advance Refunding of Sales Tax Revenue Refunding Bonds, Series 2012B	
Sale Date: November 5, 2019	
Winning Bidder: Wells Fargo Bank, National Association	
Dated Date	12/05/2019
Delivery Date	12/05/2019
First Coupon	07/01/2020
Last Maturity	01/01/2032
Arbitrage Yield	2.528007%
True Interest Cost (TIC)	2.589667%
Net Interest Cost (NIC)	2.587111%
All-In TIC	2.652655%
Average Coupon	2.532618%
Average Life (years)	8.717
Duration of Issue (years)	7.818
Par Amount	103,805,000.00
Bond Proceeds	103,805,000.00
Total Interest	22,916,323.06
Net Interest	23,409,396.81
Total Debt Service	126,721,323.06
Maximum Annual Debt Service	15,820,935.00
Average Annual Debt Service	10,496,934.26



<sup>9</sup> For informational purposes only and does not represent an endorsement or testimonial by clients of PFM's financial advisory services.



**BOND DEBT SERVICE**

Orange County, Florida  
Taxable Sales Tax Revenue Refunding Bonds, Series 2019

Final Numbers  
Taxable Advance Refunding of Sales Tax Revenue Refunding Bonds, Series 2012B  
Sale Date: November 5, 2019  
Winning Bidder: Wells Fargo Bank, National Association

Detailed Debt Service Schedule

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
01/01/2020					103,805,000	103,805,000
01/01/2021	955,000	1.790%	2,752,982.56	3,707,982.56	102,850,000	102,850,000
01/01/2022	1,160,000	1.860%	2,550,454.00	3,710,454.00	101,690,000	101,690,000
01/01/2023	1,180,000	1.930%	2,528,878.00	3,708,878.00	100,510,000	100,510,000
01/01/2024	1,205,000	2.030%	2,506,104.00	3,711,104.00	99,305,000	99,305,000
01/01/2025	9,670,000	2.180%	2,481,642.50	12,151,642.50	89,635,000	89,635,000
01/01/2026	9,880,000	2.280%	2,270,836.50	12,150,836.50	79,755,000	79,755,000
01/01/2027	10,110,000	2.370%	2,045,572.50	12,155,572.50	69,645,000	69,645,000
01/01/2028	10,340,000	2.470%	1,805,965.50	12,145,965.50	59,305,000	59,305,000
01/01/2029	14,270,000	2.500%	1,550,567.50	15,820,567.50	45,035,000	45,035,000
01/01/2030	14,625,000	2.600%	1,193,817.50	15,818,817.50	30,410,000	30,410,000
01/01/2031	15,005,000	2.650%	813,567.50	15,818,567.50	15,405,000	15,405,000
01/01/2032	15,405,000	2.700%	415,935.00	15,820,935.00		
	103,805,000		22,916,323.06	126,721,323.06		

**SAVINGS**

Orange County, Florida  
Taxable Sales Tax Revenue Refunding Bonds, Series 2019

Final Numbers  
Taxable Advance Refunding of Sales Tax Revenue Refunding Bonds, Series 2012B  
Sale Date: November 5, 2019  
Winning Bidder: Wells Fargo Bank, National Association

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 12/05/2019 @ 2.5280074%
01/01/2020	2,330,000.00	1,941,666.67	388,333.33		388,333.33	384,109.75
01/01/2021	4,660,000.00		4,660,000.00	3,707,982.56	952,017.44	937,307.48
01/01/2022	4,660,000.00		4,660,000.00	3,710,454.00	949,546.00	914,035.57
01/01/2023	4,660,000.00		4,660,000.00	3,708,878.00	951,122.00	892,944.69
01/01/2024	4,660,000.00		4,660,000.00	3,711,104.00	948,896.00	868,912.28
01/01/2025	13,105,000.00		13,105,000.00	12,151,642.50	953,357.50	851,419.52
01/01/2026	13,102,750.00		13,102,750.00	12,150,836.50	951,913.50	827,999.92
01/01/2027	13,104,500.00		13,104,500.00	12,155,572.50	948,927.50	803,717.18
01/01/2028	13,099,000.00		13,099,000.00	12,145,965.50	953,034.50	785,965.55
01/01/2029	16,770,500.00		16,770,500.00	15,820,567.50	949,932.50	762,823.99
01/01/2030	16,769,000.00		16,769,000.00	15,818,817.50	950,182.50	742,426.22
01/01/2031	16,767,750.00		16,767,750.00	15,818,567.50	949,182.50	721,570.72
01/01/2032	16,770,000.00		16,770,000.00	15,820,935.00	949,065.00	701,855.49
	140,458,500.00	1,941,666.67	138,516,833.33	126,721,323.06	11,795,510.27	0,194,998.36

Annual Debt Service Savings

Savings Summary

PV of savings from cash flow	10,194,998.36
Plus: Refunding funds on hand	4,500.75
<b>Net PV Savings</b>	<b>10,199,499.11</b>



**Town of Palm Beach, Florida**  
**Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019**

On December 4, 2019 the Town of Palm Beach accepted competitive bids for its Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019. Due to the well-known/frequent issuer status of the Town and strong underlying credit ratings (“Aa1” Moody’s / “AAA” S&P), PFM recommended a competitive sales process. The Town received 8 bids for the Series 2019 Bonds. The Series 2019 Bonds resulted in a TIC of 2.99% (along with producing over \$4.3 million net present value savings, or 10.24% of the refunded bonds par).

**SOURCES AND USES OF FUNDS**

Town of Palm Beach, FL  
 Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019

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 Final Numbers  
 Sale Date: December 4, 2019  
 Winning Bidder: Mesirov Financial

Dated Date                    01/08/2020  
 Delivery Date                01/08/2020

Sources:

Bond Proceeds:	
Par Amount	48,730,000.00
Premium	109,266.25
	48,839,266.25

Uses:

Refunding Escrow Deposits:	
Cash Deposit	1.14
SLGS Purchases	3,186,724.00
Open Market Purchases	45,015,236.23
	48,201,961.37

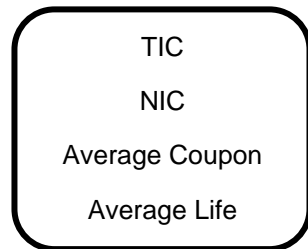
Delivery Date Expenses:	
Cost of Issuance	285,089.80
Underwriter's Discount	352,215.08
	637,304.88
	48,839,266.25

**BOND SUMMARY STATISTICS**

Town of Palm Beach, FL  
 Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019

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 Final Numbers  
 Sale Date: December 4, 2019  
 Winning Bidder: Mesirov Financial

Dated Date	01/08/2020
Delivery Date	01/08/2020
First Coupon	07/01/2020
Last Maturity	01/01/2043
Arbitrage Yield	2.923122%
True Interest Cost (TIC)	2.985502%
Net Interest Cost (NIC)	2.988158%
All-In TIC	3.036437%
Average Coupon	2.954276%
Average Life (years)	14.714
Duration of Issue (years)	11.762
Par Amount	48,730,000.00
Bond Proceeds	48,839,266.25
Total Interest	21,182,968.30
Net Interest	21,425,917.13
Total Debt Service	69,912,968.30
Maximum Annual Debt Service	3,407,455.00
Average Annual Debt Service	3,042,266.24







BOND DEBT SERVICE

Town of Palm Beach, FL  
Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019

Final Numbers  
Sale Date: December 4, 2019  
Winning Bidder: Mesirow Financial

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
01/01/2021	445,000	2.500%	1,371,465.30	1,816,465.30	48,285,000	48,285,000
01/01/2022	425,000	2.500%	1,387,536.50	1,812,536.50	47,860,000	47,860,000
01/01/2023	435,000	2.500%	1,376,911.50	1,811,911.50	47,425,000	47,425,000
01/01/2024	445,000	2.500%	1,366,036.50	1,811,036.50	46,980,000	46,980,000
01/01/2025	460,000	2.500%	1,354,911.50	1,814,911.50	46,520,000	46,520,000
01/01/2026	2,015,000	2.500%	1,343,411.50	3,358,411.50	44,505,000	44,505,000
01/01/2027	2,075,000	2.500%	1,293,036.50	3,368,036.50	42,430,000	42,430,000
01/01/2028	2,125,000	2.500%	1,241,161.50	3,366,161.50	40,305,000	40,305,000
01/01/2029	2,170,000	2.500%	1,188,036.50	3,358,036.50	38,135,000	38,135,000
01/01/2030	2,225,000	2.620%	1,133,786.50	3,358,786.50	35,910,000	35,910,000
01/01/2031	2,285,000	2.720%	1,075,491.50	3,360,491.50	33,625,000	33,625,000
01/01/2032	2,355,000	2.820%	1,013,339.50	3,368,339.50	31,270,000	31,270,000
01/01/2033	2,430,000	2.870%	946,928.50	3,376,928.50	28,840,000	28,840,000
01/01/2034	2,500,000	2.920%	877,187.50	3,377,187.50	26,340,000	26,340,000
01/01/2035	2,580,000	3.000%	804,187.50	3,384,187.50	23,760,000	23,760,000
01/01/2036	2,660,000	3.000%	726,787.50	3,386,787.50	21,100,000	21,100,000
01/01/2037	2,740,000	3.000%	646,987.50	3,386,987.50	18,360,000	18,360,000
01/01/2038	2,820,000	3.050%	564,787.50	3,384,787.50	15,540,000	15,540,000
01/01/2039	2,915,000	3.050%	478,777.50	3,393,777.50	12,625,000	12,625,000
01/01/2040	3,010,000	3.050%	389,870.00	3,399,870.00	9,615,000	9,615,000
01/01/2041	3,105,000	3.100%	298,065.00	3,403,065.00	6,510,000	6,510,000
01/01/2042	3,205,000	3.100%	201,810.00	3,406,810.00	3,305,000	3,305,000
01/01/2043	3,305,000	3.100%	102,455.00	3,407,455.00		
	48,730,000		21,182,968.30	69,912,968.30		

Detailed Debt Service Schedule

SAVINGS

Town of Palm Beach, FL  
Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019

Final Numbers  
Sale Date: December 4, 2019  
Winning Bidder: Mesirow Financial

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 01/08/2020 @ 2.9231216%
01/01/2021	2,074,912.50	1,816,465.30	258,447.20	256,386.24
01/01/2022	2,074,912.50	1,812,536.50	262,376.00	252,463.75
01/01/2023	2,074,912.50	1,811,911.50	263,001.00	245,887.04
01/01/2024	2,074,912.50	1,811,036.50	263,876.00	239,704.37
01/01/2025	2,074,912.50	1,814,911.50	260,001.00	229,565.03
01/01/2026	3,619,912.50	3,358,411.50	261,501.00	224,330.53
01/01/2027	3,627,662.50	3,368,036.50	259,626.00	216,222.52
01/01/2028	3,626,162.50	3,366,161.50	260,001.00	210,163.73
01/01/2029	3,620,662.50	3,358,036.50	262,626.00	205,992.95
01/01/2030	3,619,062.50	3,358,786.50	260,276.00	198,247.04
01/01/2031	3,622,337.50	3,360,491.50	261,846.00	193,620.31
01/01/2032	3,627,312.50	3,368,339.50	258,973.00	185,960.72
01/01/2033	3,636,250.00	3,376,928.50	259,321.50	180,782.33
01/01/2034	3,640,250.00	3,377,187.50	263,062.50	177,928.26
01/01/2035	3,643,750.00	3,384,187.50	259,562.50	170,390.85
01/01/2036	3,646,500.00	3,386,787.50	259,712.50	165,428.41
01/01/2037	3,648,250.00	3,386,987.50	261,262.50	161,449.68
01/01/2038	3,648,750.00	3,384,787.50	263,962.50	158,229.00
01/01/2039	3,652,750.00	3,393,777.50	258,972.50	150,615.98
01/01/2040	3,659,750.00	3,399,870.00	259,880.00	146,594.80
01/01/2041	3,664,250.00	3,403,065.00	261,185.00	142,878.36
01/01/2042	3,666,000.00	3,406,810.00	259,190.00	137,498.07
01/01/2043	3,669,750.00	3,407,455.00	262,295.00	134,908.14
	75,913,925.00	69,912,968.30	6,000,956.70	4,385,248.12

Annual Debt Service Savings

Savings Summary

PV of savings from cash flow	4,385,248.12
Net PV Savings	4,385,248.12



## 5. Describe any innovations your firm has made in municipal finance in the last three years.

At PFM, innovation and analytic excellence does not only occur in the context of debt transactions, but is the core of how we approach the financial advisory business. While some financial advisors advise only on bond and note transactions, we provide a more holistic approach to each relationship. We know the City is concerned not only with debt transactions, but also with how the budget is holding up, whether the capital program is progressing as planned, trying to control workforce costs, improving investment returns, as well as a myriad of other details. As such PFM has been at the forefront of creating tools to assist our clients, three of which are described below.

### **Synario – Agile Modeling Intelligence**

PFM has years of experience providing financial modeling solutions to our public sector clients in the form of multi-year financial planning. Our experience with both sides of the balance sheet, as well as our engagement with capital improvement planning and understanding how our clients operate has allowed to us to continue to refine our platform, culminating in the creation of the financial forecasting software “Synario.”



Synario is an agile financial modeling platform, offering transformative intelligence that helps visionary finance professionals achieve new levels of clarity, credibility, and consensus. Synario provides the ability to not only manipulate data to understand and project historical trends, but more importantly allow users to conduct forward-looking analysis to identify and plan for opportunities and risks. Synario connects to a municipality’s key drivers to provide a prospective view of its financial future. With Synario, finance departments can transform their financial analysis from inefficient and error-prone legacy technologies, including spreadsheets, to flexible financial modeling that can easily configure new scenarios, allowing users to instantly visualize outcomes to institutional challenges and opportunities, ultimately helping shape the direction of your institution.

### **MUNITE™ Investor Relations Platform<sup>10</sup>**

To optimize the flow of information from municipal bond issuers to their investors, and to make it easier for investors to use this information, PFM is launching Munite™, an investor relations platform designed for use by municipal bond issuers, and their institutional investors who own large portfolios of municipal credits. Munite™ also facilitates equal access to information for other market participants and issuer constituents that benefit from financial transparency.



Munite™ is a one-stop shop investor relations platform for the municipal bond community. The platform utilizes PFM’s role as a leader in the municipal market, leveraging our expertise to benefit bond issuers with an optimal approach to investor relations. The intuitive and efficient internet-based platform allows municipal bond issuers to put their information and data into the hands of those that help fund their

<sup>10</sup> For important disclosures, visit <https://www.munite.com/disclosures>.



projects – investors. Munite™ subscribers can provide highly organized, accessible sector-specific information that helps to inform the investor’s decision-making process. Munite™ subscribers also gain unparalleled insight into investor decision-making criteria as well as issuer comparison of key metrics amongst issuer-defined peer groups.

**Client Training**

We believe that the most successful clients and the most effective governmental administrators are those that understand how we operate and know how to use PFM to add value to their operation. In this regard, PFM offers a free, intensive week-long training course for our clients at our state of the art training center in Philadelphia at least once a year and also in a satellite location that rotates around the country. During this week, finance directors, treasurers, and other senior staff from our clients around the nation spend a full eight to ten hours a day learning the intricacies of bond math, the pricing of bonds, investment techniques, interest rate swaps and arbitrage regulations.

Our affiliate, PFM Asset Management LLC offers several investment training seminars that are registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. These seminars give clients the opportunity to fulfill their required CPE credits while staying abreast of the ever-evolving investment markets.

These options are available on a first-come first-serve basis and would be free to City staff (finance and other).

**20<sup>th</sup> Annual Investment Training Seminar**  
 January 17, 2020 | 8:00 a.m. – 5:00 p.m.  
 Rosen College of Hospitality Management • 9907 Universal Blvd • Orlando, FL 32819  
 Breakfast, lunch and breaks provided.

<b>8:00 – 8:30</b> Registration, Networking & Breakfast	<b>12:30 – 1:30</b> Lunch
<b>8:30 – 8:35</b> Welcome & Opening Remarks	<b>1:30 – 2:30</b> Let's Get Digital: Understanding Recent Advancements in Banking Technology David Calvert, CFA Director PFM Asset Management LLC
<b>8:35 – 9:30</b> Public Investments: A 20 Year Review Marty Margolis Chief Investment Officer, Managing Director PFM Asset Management LLC	<b>2:30 – 3:30</b> Fundamentals of Arbitrage Rebate Katia Frock Director PFM Asset Management LLC
<b>9:30 – 10:30</b> Economic Update & Forecast Biagio Manieri, PhD., CFA Chief Multi-Asset Class Strategist Managing Director PFM Asset Management LLC	<b>3:30 – 3:40</b> Break
<b>10:30 – 10:40</b> Break	<b>3:40 – 4:30</b> Managing a Successful Investment Program: Portfolio Diversification Steven Alexander, CTP, CGFO, CPPT Managing Director PFM Asset Management LLC
<b>10:40 – 11:40</b> Navigating Today's Regulatory Environment: A Compliance Officer's Perspective Leo Karwejna Chief Compliance Officer, Managing Director PFM Asset Management LLC	<b>4:30 – 5:00</b> Investment Scramble Steven Alexander, CTP, CGFO, CPPT Managing Director PFM Asset Management LLC
<b>11:40 – 12:30</b> Keeping Your Assets Safe: Cyber Security Dan Schwitters IT Security Manager Public Financial Management, Inc.	

**Learning Objectives**  
 When you complete these sessions, you should be able to:

- Identify two key components of cyber security and keeping assets protected.
- Identify and apply portfolio diversification investment strategies.
- Recognize the impact of the economy on Florida local governments.
- List two important features of banking relationships and what should be expected when evaluating

For questions or additional information, please contact Lee Alexander at 407.913.1635 or alexander@pfm.com.  
 To register, please go to: <https://20thannualinvseminar.eventbrite.com>



## 6. Describe your firm's experience in dealing with credit rating services to obtain and/or maintain high credit ratings. Explain how proposer will supply this experience in assisting the City.

One of the main tasks of the City's financial advisor is to work with the City to obtain, maintain, or improve its credit ratings. By doing so, we are able to drive down the cost of borrowing and improve savings on refunding transactions. As a result of our experience advising hundreds of clients each year on the issuance of tax-exempt securities for a wide range of purposes, PFM has developed a clear understanding of the analytical methods utilized by Moody's Investors Service ("Moody's"), Standard and Poor's ("S&P"), and Fitch Ratings ("Fitch"). Our professional staff is trained to conduct in-depth credit analyses comparable to the rating agencies, so that both credit strengths and weaknesses can be identified by the issuer prior to the presentation of materials to rating analysts. This experience has been utilized effectively to improve the credit ratings assigned to communities across the nation, as well as to maintain credit ratings during economic turmoil.

PFM's Florida team has particular expertise as it relates to assisting Florida clients with the credit rating process. For decades, credit ratings for Florida issuers were handicapped by rating agencies' predisposition against tourism-heavy economies and high-growth regions. Rating agencies overvalued large, manufacturing-based economies, even as the national economy was moving to more of a service-based economy. However, the reforms of the Dodd-Frank Act required the rating agencies to review internal policies and publish new rating criteria. Our position as a market leader led the rating agencies to consult with us as they developed the new criteria.

In our role as your financial advisor, we feel that the best way to prepare the City for interaction with the rating agencies is to provide you with the tools you need to understand their viewpoint. We then utilize that knowledge to assess strengths and weaknesses, and address each of those credit points in discussion with them.

This approach was most recently on display for the City of Ft. Lauderdale who hired PFM following an RFP process in 2019. The first course of action upon getting hired was to assist the City with the issuance of two series of general obligation bonds to fund parks and public safety projects. PFM worked with City staff to prepare an extensive rating presentation for an on-site visit. In addition to the standard financial information, we included detailed information on topics that are at the forefront of the agencies thoughts now, such as how the City is dealing with climate change and cyber-security. At the conclusion of the process, S&P upgraded the City to AAA citing as one of the reasons strong management that has integrated resilience efforts throughout its long-term strategic and capital planning tools.



### Scorecard Evaluation Tool

To demonstrate how we will work with the City on its ratings, we have provided a sample of an output from our Scorecard Analysis toolkit based on Moody's rating criteria. We use tools like this to assess points of strength and weakness ahead of credit discussions and toward policy/financial decisions that would be impactful to their credit score.

City of Gainesville, FL - Moody's Rating Local Government General Obligation Scorecard									
	Value	Aaa	Aa	A	Baa	Ba	B and Below	Weight	Implied Rating
<b>Economy/Tax Base (30%)</b>									
Tax Base Size: Full Value (\$000s)	\$15,250,789	> \$12B	\$12B ≥ n > \$1.4B	\$1.4B ≥ n > \$240M	\$240M ≥ n > \$120M	\$120M ≥ n > \$60M	≤ \$60M	10%	Aaa
Tax Base Per Capita	\$113,933	> \$150,000	\$150,000 ≥ n > \$65,000	\$65,000 ≥ n > \$35,000	\$35,000 ≥ n > \$20,000	\$20,000 ≥ n > \$10,000	≤ \$10,000	10%	Aa
Median Family Income as % of US Median	81.00%	> 150% of US median	150% to 90% of US median	90% to 75% of US median	75% to 50% of US median	50% to 40% of US median	≤ 40% of US median	10%	A
<b>Finances (30%)</b>									
Fund Balance as % of Revenues	15.31%	> 30.0%	30.0% ≥ n > 15.0%	15.0% ≥ n > 5.0%	5.0% ≥ n > 0.0%	0.0% ≥ n > -2.5%	≤ -2.5%	10%	Aa
5-Year Dollar Change in Fund Balance as % of Revenues	5.03%	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤ -18.0%	5%	A
Cash Balance as % of Revenues	18.11%	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 5.0%	5.0% ≥ n > 0.0%	0.0% ≥ n > -2.5%	≤ -2.5%	10%	Aa
5-Year Dollar Change in Cash Balance as % of Revenues	-5.75%	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤ -18.0%	5%	Baa
<b>Management (20%)</b>									
Institutional Framework	Aa	Very Strong	Strong	Moderate	Limited	Poor	Very Poor	10%	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	0.95x	> 1.05x	1.05x ≥ n > 1.02x	1.02x ≥ n > 0.98x	0.98x ≥ n > 0.95x	0.95x ≥ n > 0.92x	≤ 0.92x	10%	Baa
<b>Debt/Pension (20%)</b>									
Net Direct Debt / Full Value	0.82%	< 0.75%	0.75% ≤ n < 1.75%	1.75% ≤ n < 4.00%	4.00% ≤ n < 10.00%	10.00% ≤ n < 15.00%	≥ 15.00%	5%	Aa
Net Direct Debt / Operating Revenues	1.04x	< 0.33x	0.33x ≤ n < 0.67x	0.67x ≤ n < 3.00x	3.00x ≤ n < 5.00x	5.00x ≤ n < 7.00x	≥ 7.00x	5%	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value	2.10%	< 0.90%	0.90% ≤ n < 2.10%	2.10% ≤ n < 4.80%	4.80% ≤ n < 12.00%	12.00% ≤ n < 18.00%	≥ 18.00%	5%	A
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues	2.58x	< 0.40x	0.40x ≤ n < 0.80x	0.80x ≤ n < 3.60x	3.60x ≤ n < 6.00x	6.00x ≤ n < 8.40x	≥ 8.40x	5%	A
<b>Total (100%)</b>								<b>100%</b>	

\*For illustration purposes only  
 \*\*Information sourced using Moody's MFRA Data (FY 2018)

Once the grid above is prepared, we review the results with the client and compare the data to the issuer's existing rating. This is a simple example of how we partner with clients for better outcomes. Key credit factors for the City include a healthy financial position, a large and growing tax base, and an adequate wealth and income profile, partly driven by the large student population. The City's credit position also incorporates a manageable debt burden and an elevated pension liability. The city's economy is anchored by the University of Florida, supplemented by a strong presence of health care and local government which provides some level of stability during an economic downturn. All of these factors equate to a very high credit quality of Aa2 rating that is slightly stronger than the median rating of Aa3 for US cities.



## C. Facilities

### 1. Office Locations

a) For your firm's facilities which will service the City, provide:

- 1) The location.
- 2) Firm personnel assigned to this location.
- 3) The activities of the firm performed at this location.

As of December 31, 2019, PFM consisted of more than 600 employees in 40 offices and professional locations throughout the United States.



PFM's Orlando Office will have 100% responsibility for the engagement with the City. Our office is staffed with a total of 22 employees which include 5 Managing Directors/Partners, 5 Directors, 3 Senior Managing Consultants, 2 Senior Analyst, 3 Analysts and 4 Associates.

#### **Headquarters**

PFM Financial Advisors LLC  
1735 Market Street, 43<sup>rd</sup> Floor  
Philadelphia, PA 19103

#### **Office to Provide Service**

PFM Financial Advisors LLC  
300 South Orange Avenue, Suite 1170  
Orlando, FL 32801

#### **Engagement Manager and Day-to-Day Contact**

##### **James "Jay" Glover, Managing Director**

PFM Financial Advisors LLC  
300 South Orange Avenue, Suite 1170  
Orlando, FL 32801  
407-406-5760 / [gloverj@pfm.com](mailto:gloverj@pfm.com)

The entire team assigned to service the City's account will be located in PFM's Orlando, Florida office.



## Scope of Services

As client's needs have evolved and expanded, PFM has developed a wide range of specialized knowledge and legal expertise to assist clients as outlined throughout this proposal. As shown in the graphic below, PFM has a number of affiliates that were created to provide the proper regulatory and operating structure to meet all of the financial needs of our clients.

The core financial advisory services will be provided by PFM Financial Advisors LLC and will consist of bond or loan-transaction management, debt-portfolio optimization, capital planning, rating agency strategy, debt and financial policy development, among other services. At the same time, the City pursuant to defined tasks, separate agreements and fees, has access to the other affiliates of PFM that assist with asset management, swap advisory, arbitrage rebate, verification reports and other related services. Each of these entities was created in an effort to offer clients services needed to address opportunities and challenges of an ever changing market landscape.

PFM					
PFM Financial Advisors LLC / Public Financial Management, Inc.					
<b>Financial and Capital Planning</b> <ul style="list-style-type: none"> <li>Pro Forma Cash Flow</li> <li>Long Term Debt Management Plans</li> <li>Long Term Credit Strategies</li> <li>Debt Capacity</li> <li>Debt Policy Development</li> </ul>		<b>Debt Transaction Management</b> <ul style="list-style-type: none"> <li>Financing Schedule</li> <li>Financing Alternatives</li> <li>Bond Documents</li> <li>Debt Structuring and Products</li> <li>Financing Terms</li> <li>Bond Pricing</li> <li>Financing Team Selection</li> <li>Credit Rating Presentation</li> <li>Negotiated vs. Competitive Closing</li> </ul>		<b>Public Private Partnerships</b> <ul style="list-style-type: none"> <li>Program Development</li> <li>Feasibility and Valuation</li> <li>Preliminary Market Outreach</li> <li>Preferred Contact Structure</li> <li>Procurement Design</li> <li>RFQ/RFP Process</li> <li>Best and Final Offer and Negotiation</li> </ul>	
<b>PFM Group Consulting LLC</b> <ul style="list-style-type: none"> <li>Management and Budget Consulting</li> <li>Multi Year Budget Development</li> <li>Competitive Contracting</li> <li>Benchmarking</li> <li>Performance Management</li> <li>Targeted Budgeting</li> <li>Securitization of Delinquent Assets</li> <li>Revenue Enhancement</li> <li>Strategic Municipal Consulting</li> <li>Lease Negotiation</li> </ul>		<b>PFM Swap Advisors LLC</b> <ul style="list-style-type: none"> <li>Swap and Derivatives Policy Development</li> <li>Transaction Review and Risk Analysis</li> <li>Structuring Advice</li> <li>Board or Rating Agency Education</li> <li>Provider Identification</li> <li>Documentation Review</li> <li>Tax and Accounting Advice</li> <li>Pricing and Execution (Competitive Bid or Negotiated)</li> <li>Fair Market Opinions</li> <li>Portfolio Monitoring and Surveillance</li> <li>Qualified Independent Representative</li> </ul>		<b>PFM Asset Management LLC</b> <ul style="list-style-type: none"> <li>Investment Alternatives</li> <li>Cash Management</li> <li>Policy Development</li> <li>Cash Flow Forecasting</li> <li>Competitive Bidding Services</li> <li>Bond Proceeds Reinvestment</li> <li>Refunding Escrows</li> <li>Fixed Income Portfolio Management</li> <li>Accounting / Recordkeeping Services</li> <li>Structured Investment Products</li> <li>Arbitrage Rebate</li> </ul>	

*PFM includes PFM Financial Advisors LLC, a registered municipal advisors registered with the Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB") under the Dodd-Frank Act of 2010. PFM Asset Management LLC is registered with the SEC under the Investment Advisers Act of 1940. PFM Swap Advisors LLC is registered with SEC or MSRB as a municipal advisor and is registered as a Commodity Trading Advisor with the Commodity Futures Trading Commission.*

*Services provided by affiliates of PFM are provided pursuant to separate agreement.*



## **Our Approach**

At PFM, we believe that as a financial advisor, we should play an active part in designing and executing the financing strategies of our clients. We see ourselves as both the client's partner and agent in helping to achieve their specific goals. Our job is to make the City aware of suitable options at its disposal and their potential outcomes, and our goal is to provide the City with the tools it needs to craft a financing strategy that will lead to the lowest-available cost of borrowing; be consistent with the City's broader policy and financial objectives; and fit with existing policies. We provide a forum for ideas, an environment for testing conventional wisdom, and a platform for forging performance-improving strategies. Most importantly, we will help manage the process and execute the transactions.

In addition, our approach involves partnering with our clients as outlined below:

- Strategic Partner:
  - Monitor legislative initiatives
  - Provide updates on new financial products/programs
  - Keep the City abreast of regulatory environment changes
- Technical Partner:
  - Provide ongoing market updates on changing market conditions
  - Provide superior transaction management
  - Assist with rating agency relations
- Client Training – PFM offers:
  - Local training on investments, debt strategies, etc.
  - Training at FGFOA and other industry conferences
  - National client training – week long capital market training for senior finance officers

When serving as financial advisor, PFM takes an all-encompassing approach, ensuring that our clients' best interests are taken into account during each step of the bond issuance process. This begins with the creation of a team that consists of the optimal group of professionals who work all the way through post-issuance compliance on an ongoing basis. In the following section we provide a detailed description of this approach and how it benefits each of our clients.

## **Creating the Optimal Team**

PFM's flexible project-oriented approach to staffing engagements enables us to bring the proper mix of resources and experience to a client's issue or transaction. This may mean bringing together several members of the same advisory practice or it may entail organizing a team from several different practices and offices. Our specialized project teams ensure that our clients receive complete and thorough advice directly from the PFM professionals most appropriate for their particular needs. This approach fosters creativity and innovation between PFM professionals and clients.





First, we designate specific team roles and responsibilities. Second, we marry these roles according to professional expertise needed to meet the scope of services. The core team proposed to serve the City is built upon a foundation of senior professionals located in our Orlando office. These individuals advise regional issuers and jurisdictions within the State of Florida. Together, they offer a mix of expertise in Florida public finance and the professional skills needed to advise a client such as the City.

### **Plan of Finance Development**

The development of the most cost-effective financing plan available — as outlined in the table below — is a key strength of ours. Throughout the course of the financing process, PFM's financial advisory team will compile a set of the City's unique attributes that we believe will prove valuable in our negotiation with other market players for the best-available terms for the City.

<b>Plan of Finance</b>	
<b>PFM Responsibilities</b>	<b>Objective(s)</b>
1. Develop Financing and Debt Objectives	<ul style="list-style-type: none"> <li>▪ Ensure consistency with formal written debt policies and procedures.</li> <li>▪ Set parameters for measuring and making specific financing decisions.</li> <li>▪ Demonstrate sophisticated financial management.</li> </ul>
2. Prepare a Debt Profile	<ul style="list-style-type: none"> <li>▪ Update comprehensive review of all outstanding indebtedness.</li> <li>▪ Identify potential cost savings and other beneficial debt strategies.</li> </ul>
3. Review Legal Structure	<ul style="list-style-type: none"> <li>▪ Provide comprehensive review of bonding authority and bond covenants.</li> <li>▪ Identify opportunities for financing flexibility within credit constraints.</li> </ul>
4. Analyze Future Debt Capacity	<ul style="list-style-type: none"> <li>▪ Determine ability to raise future debt capital.</li> <li>▪ Identify rating concerns and/or opportunities.</li> </ul>
5. Review Capital Budget	<ul style="list-style-type: none"> <li>▪ Ensure a complete understanding of all anticipated capital needs in this changing plan.</li> <li>▪ Match sources of capital funding to infrastructure needs.</li> </ul>
6. Identify Financing Alternatives	<ul style="list-style-type: none"> <li>▪ Inform issuer of pros and cons of different financing techniques.</li> <li>▪ Outline potential financing strategies relevant to specific project.</li> </ul>
7. Develop Final Financial Plan	<ul style="list-style-type: none"> <li>▪ Document policies, processes, alternatives, and results.</li> <li>▪ Formally recommend optimal financing plan and solution.</li> </ul>



An element of the plan of finance development that has evolved over the last decade is the decision on whether direct bank loans or traditional publicly offered bonds are the most cost effective option to finance capital projects. Direct bank loans have become more prevalent among many of our clients who look to take advantage of expedited financing timelines, reduced issuance costs and fewer continuing disclosure requirements. We have been on the leading edge of negotiating favorable terms to our clients and ensuring proper disclosure to the market, through a competitive bank loan Request for Proposals (“RFP”) process in most cases. All of the members of our proposed team for the City have extensive experience assisting clients with bank loan financings. Provided below are the pros and cons to both methods of financing.

	Bank Loan	Bond Issuance
<b>Pros</b>	<ul style="list-style-type: none"> <li>➤ No ratings required</li> <li>➤ No offering documents &amp; minimal disclosure requirements</li> <li>➤ Minimal issuance costs</li> <li>➤ Usually shorter timeframe to close financing</li> </ul>	<ul style="list-style-type: none"> <li>➤ Financings up to 30 years are typical and easy to finance</li> <li>➤ Future tax law change risk is with holders of bonds</li> <li>➤ 10-Year Call Provision is the industry standard</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>➤ Limited banks willing to finance greater than 15 years</li> <li>➤ Some banks require gross-up language if tax laws change</li> <li>➤ Call Provisions are sometimes not available or are costly, can vary greatly between banks</li> </ul>	<ul style="list-style-type: none"> <li>➤ Ratings would be required</li> <li>➤ Issuance documentation considerations and ongoing administration</li> <li>➤ Issuance costs much greater than Bank Loan</li> <li>➤ Additional time to complete financing due to additional documents and ratings process</li> </ul>

**Transaction Management Process**

As we work with the City’s team to develop a plan of finance and then move forward with a financing strategy, there are several key elements that should be considered. Of significant importance is the time that goes into the preparation of documents to meet the needs of both policy and credit structure. Upon completion of the documents for a public offering, the City staff and PFM’s team will work together to confirm the initial ratings package is complete and provides sufficient detail regarding the credit strength, project significance, and management strengths to garner the highest possible credit rating that is warranted. As the plan of finance is refined, we will begin to lead the financing team through the transaction management process, as outlined in the table on the following page.



Transaction Management	
Action	Objective(s)
1. Develop and Monitor Schedule	<ul style="list-style-type: none"> <li>Serve as a plan for timely completion of financing.</li> </ul>
2. Analyze Debt Structure Alternatives	<ul style="list-style-type: none"> <li>Design a debt structure that maximizes market interest and future financing flexibility while consistent with debt policy.</li> </ul>
3. Review Existing Debt Structure	<ul style="list-style-type: none"> <li>Identify strengths/weaknesses so future debt issues can be structured to maximize ability to finance future capital needs.</li> </ul>
4. Recommend Negotiated or Competitive Sale	<ul style="list-style-type: none"> <li>Tailor debt issue to the most efficient way to market debt and maximize investor interest/minimize interest cost.</li> </ul>
5. Assist Issuer with Selection of Working Group Members	<ul style="list-style-type: none"> <li>Select team that can most effectively bring the issue to market.</li> </ul>
6. Develop Terms of Financing	<ul style="list-style-type: none"> <li>Ensure credit quality and present terms are attractive to investors in order to create broad-based interest in the debt.</li> <li>Maximize future flexibility.</li> </ul>
7. Review Financing Documents	<ul style="list-style-type: none"> <li>Monitor that all contractual and business terms are reviewed from the issuer's perspective.</li> </ul>
8. Develop Marketing Plan	<ul style="list-style-type: none"> <li>Coordinate institutional investor "road show" and/or enhanced bond-issue advertising.</li> <li>Assist issuer seeking to maximize underwriter and investor interest in securities.</li> </ul>
9. Develop Rating Presentation	<ul style="list-style-type: none"> <li>Obtain highest-possible credit rating available for debt issue.</li> <li>Formulate and implement long-term credit rating strategy.</li> </ul>
10. Assist with Sale of Bonds and Evaluate Transaction	<ul style="list-style-type: none"> <li>Assist in obtaining lowest interest rate for given market.</li> <li>Provide written documentation of acceptability of bond sale.</li> <li>Complete pricing analysis.</li> </ul>
11. Assist with Bond Closing	<ul style="list-style-type: none"> <li>Assure complete compliance with all market and regulatory requirements.</li> </ul>



b) For those facilities and activities located elsewhere, please explain the activities performed elsewhere and why these are best performed at a different office. Firms where all activities are performed at one location should leave this paragraph blank.

This engagement will be fully serviced from PFM's Orlando Office.

**2. Activities**

a) Explain your firm's access to the active daily market for:

- 1) Tax exempt and taxable state and local government issues for the primary issues and the secondary market.
- 2) Purchases and sales of other securities by types.
- 3) Other more creative investments such as options and futures contracts, unit trusts, etc. (but not stock issues). If not applicable, leave blank.

b) Explain why these activities might be meaningful to the City.

PFM has access to numerous information sources to assist with keeping up with the fast moving municipal market. The graphic to the right details a few of the market leading sources PFM uses to assist our clients with pricing bonds at the lowest cost possible.



**Analytical / Structuring Capabilities**

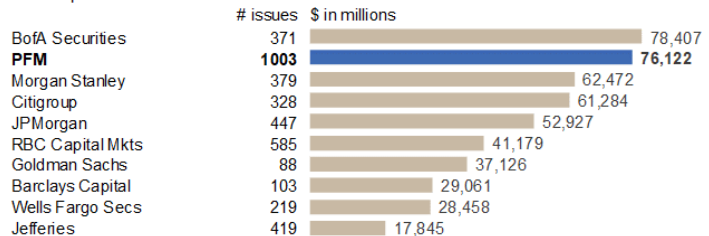
- Bond Pricing Analytics
- Coupon and Call Optimization
- Bond Sale Order Detail Analysis
- Option Adjusted Spread Model
- DCF Option Monetization Model
- FRN – Synthetic Parity Model
- Forward Delivery Model
- Repurchase/Tender Optimization Model
- Insurance Valuation
- Order Detail Model and analytics
- Fair Market Value Reports
- Post Sale Secondary Trade Evaluator Model
- Extensive Tax-exempt/Taxable Comps Database
- Note Database
- FRN Database
- Investor Database
- Takedown Database
- Weekly Market Update

When pricing bonds, we offer the City a unique blend of Wall Street knowledge, technical resources, and an independent, fiduciary perspective. As indicated in the chart below, we are the most active financial advisor in the country, and a more frequent market participant than the majority of the largest investment banking firms (#1 based on the number of financings, Source: Ipreo).

We believe one of our greatest strengths is our in-house Pricing Group: a dedicated group of advisory professionals whose job is to follow primary and secondary municipal market activity and to interact with the underwriters' desks on behalf of our issuing clients.

**2019 Full Year Overall Long Term Municipal New Issues**

PFM vs. Underwriter  
Municipal Financial Advisory vs Underwriter Ranking  
Full to Each, Equal if Joint Financial Advisor; True Economics to Each Bookrunner  
Source: Ipreo



We are in the market on behalf of our clients an average of three times a day, and this constant presence gives us significant advantage over other firms when it comes to bond pricing. Our size and market presence gives us the knowledge of a major investment bank with the independence of a financial advisor. The sole responsibility of our Pricing Group is to provide our clients with the analytics, market knowledge, and insight to obtain the best available interest cost for their transactions.



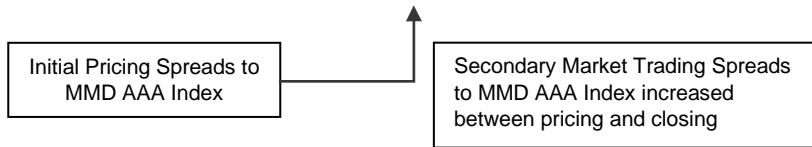
In addition to our technical capabilities, the Pricing Group's constant presence in the municipal bond pricing process helps foster professional peer-to-peer relationships with underwriting desks, as well as a better understanding of the internal workings of the underwriting process at investment banks.

We couple this market knowledge with our own proprietary analytical pricing tools to develop our own pricing targets, independent of and before the presentation of the underwriting team's consensus scale. Whether a negotiated or competitive sale, our role simply is to seek the best results available. This includes structuring, marketing, and pricing a transaction. Regardless of the choice of a negotiated or competitive sale, we will run the numbers and prepare the sensitivity analyses necessary so our clients have an independent evaluation of the pricing.

### Post-Sale Analysis: Evaluating the Execution of a Pricing

We have developed a secondary trade model, which assesses post-issuance pricing performance. Furthermore, the volume of secondary trades leading up to a primary sale provides an indication of current market liquidity and/or institutional selling pressure for a particular credit, which can assist in determining market access and prudent new issue size. The trade data, particularly within 30 days of issuance, can be used to assess pricing performance and market sentiment. Secondary trades at levels significantly below initial pricing can be an indicator that pricing execution could have been more cost effective. We use this data, in addition to primary market data for similar credits, to assess the City's fixed rate debt pricing performance in order to enhance and refine strategies for pricing future issuances. An example of a screen within PFM's proprietary secondary trade model is shown below for the City of Orlando's Capital Improvement Special Revenue Bonds, Series 2018B.

City of Orlando FL														
ORLANDO FLA CAP IMPT SPL REV BDS SERIES 2018 B														
Original Par Amount 105,135,000		Sale Date 11/8/2018		Dated Date 11/29/2018		Underwriter Ramirez & Co.			Ratings Moody's S&P Fitch		WR NR NR			
Trade Start Date 11/9/2018		Trade End Date 11/29/2018		Bond Insurer Not Insured		Use of Proceeds Gen Purp/Pub Impt			Tax Status Tax-Exempt					
Original Pricing Information								Secondary Market Statistics <sup>1</sup>						
Reoffering Scale								Trades from 11-09-18 to 11-29-18						
Maturity	Par (\$000)	Coupon	Yield	Price	Insurer	MMD	Yield vs. MMD <sup>2</sup>	Max Price	Total Volume (\$000)	# of Trades	Avg. Price	Avg. Spread <sup>2</sup>	\$ Weighted Avg. Price <sup>3</sup>	\$ Weighted Avg. Spread <sup>3</sup>
10/1/2019	1,375	4.000%	1.960%	101.687		1.960%		101.537	300	2	101.537	20 bps	101.537	20 bps
10/1/2020	1,695	4.000%	2.130%	103.352		2.100%	3 bps	103.352	550	7	103.302	8 bps	103.257	10 bps
10/1/2021	1,765	5.000%	2.210%	107.633		2.180%	3 bps	107.633	280	3	107.575	7 bps	107.546	8 bps
10/1/2022	1,855	5.000%	2.290%	109.901		2.250%	4 bps	109.901	500	4	109.851	7 bps	109.801	9 bps
10/1/2023	1,945	5.000%	2.390%	111.856		2.330%	6 bps							
10/1/2024	2,045	5.000%	2.470%	113.674		2.410%	6 bps	113.424	50	1	113.424	13 bps	113.424	13 bps
10/1/2025	2,145	5.000%	2.610%	114.877		2.490%	12 bps							
10/1/2026	2,250	5.000%	2.700%	116.147		2.580%	12 bps							
10/1/2027	2,365	5.000%	2.800%	117.116		2.660%	14 bps							
10/1/2028	2,485	5.000%	2.910%	117.766		2.750%	16 bps	117.416	100	1	117.416	23 bps	117.416	23 bps
10/1/2029	2,605	5.000%	3.040%	116.555		2.840%	20 bps							
10/1/2030	2,735	5.000%	3.130%	115.726		2.910%	22 bps	115.376	100	1	115.376	29 bps	115.376	29 bps
10/1/2031	2,875	5.000%	3.190%	115.177		2.960%	23 bps	114.827	100	1	114.827	30 bps	114.827	30 bps
10/1/2032	3,020	5.000%	3.230%	114.813		3.000%	23 bps							
10/1/2033	3,170	5.000%	3.280%	114.359		3.050%	23 bps	114.009	75	1	114.009	30 bps	114.009	30 bps
10/1/2034	3,325	5.000%	3.350%	113.728		3.100%	25 bps							
10/1/2035	3,495	5.000%	3.400%	113.280		3.150%	25 bps	112.930	25	1	112.930	32 bps	112.930	32 bps
10/1/2036	3,670	5.000%	3.450%	112.834		3.200%	25 bps	115.818	1,560	1	115.818	9 bps	115.818	9 bps
10/1/2037	3,850	5.000%	3.520%	112.213		3.240%	28 bps	111.863	200	1	111.863	35 bps	111.863	35 bps
10/1/2038	4,045	5.000%	3.560%	111.859		3.280%	28 bps	114.631	4,000	7	113.291	21 bps	112.746	25 bps
10/1/2043	11,000	5.000%	3.720%	110.460		3.390%	33 bps							
10/1/2043	12,215	4.000%	4.120%	98.140		3.390%	73 bps	100.562	36,770	36	99.131	74 bps	99.246	75 bps
10/1/2048	29,205	5.000%	3.770%	110.027		3.440%	33 bps	110.027	60	3	109.794	39 bps	109.794	39 bps





As shown on the previous page, between pricing and closing, the MMD spreads increased on most maturities. This indicates the City of Orlando achieved an aggressive pricing on this sale as underwriters were forced to sell bonds in the secondary market at higher yields/lower prices.

### Post-Issuance Reporting

After each transaction, we customarily prepare a financial advisory report, providing clients with a summary of the transaction including the financial alternatives considered, the financial impact of the transaction, and a comparison to similar deals that priced within the same timeframe. Part of this post-sale analysis includes detailed information regarding the pricing performance of the bond sale. This detailed analysis includes a review of the City’s prior transactions, other transactions in the market that priced within the same timeframe, and a summary of the pricing in comparison to the pricing model. We will compile this information for the City as part of the “Financial Advisor’s Report,” and also will identify the on-going administrative requirements over the life of the transaction.

### Ongoing Debt Monitoring – Debt Profile / Refunding Opportunities

We have also developed a systematic approach to tracking our clients’ debt portfolios and identifying and evaluating various refunding opportunities. In an effort to present a comprehensive, yet simple to understand, analysis of all historical and current debt, we have refined a process which has become known as “debt profiling”. Our debt profiles are easy to use and custom built for each client. Each series report shows the important structural features of the City’s outstanding debt including the maturity date, coupon, yield, call date and price, and eligibility for advance (taxable), current or forward refunding under the tax code. As the City incurs additional debt and restructures/refinances existing debt, we will update the debt profile to reflect those changes.

We have included, on the following pages, some of the City’s debt profile outputs, including the Debt Lien Summary (summary of all relevant information) and Debt Service Table. These outputs summarize the specific transactions, including all of the relevant structural features. We will continuously update the City’s debt profile and use it as the framework for analyzing financing alternatives and identifying potential opportunities to refund debt for interest cost savings. Our active approach reduces the likelihood that our clients miss market opportunities and consistently produces significant reductions in interest expense.

Issue	Tax Status	Outstanding Par Amount	Interest Rate/Coupons	Call Provisions
Guaranteed Entitlement Refunding and Revenue Bonds, Series 1994	Tax Exempt (CABs)	5,475,000	6.10%	Non Callable
Taxable Pension Obligation Revenue Bonds, Series 2003A (Employee's Plan)	Taxable (CABs)	35,775,000	6.05% - 6.19%	Non Callable
Taxable Pension Obligation Revenue Bonds, Series 2003B (Consolidated Plan)	Taxable (CIBs)	37,955,000	5.23% - 5.42%	Non Callable
Capital Improvement Revenue Bonds, Series 2010	Tax Exempt (CIBs)	2,740,000	3.50% - 4.375%	10/1/20 at Par
Revenue Refunding Note, Series 2011	Tax Exempt (CIBs)	1,980,000	2.36%	In Whole @ 101%
Revenue Note, Series 2011A	Tax Exempt (CIBs)	830,000	2.29%	In Whole @ Par
Refunding Revenue Note, Series 2014	Tax Exempt (CIBs)	9,065,000	2.40%	Make Whole Call
Capital Improvement Revenue Bonds, Series 2014	Tax Exempt (CIBs)	11,990,000	3.00% - 5.00%	10/1/24 @ Par
Refunding Revenue Note, Series 2016A	Tax Exempt (CIBs)	9,995,000	2.30%	Make Whole Call
Revenue Note, Series 2016B	Tax Exempt (CIBs)	5,485,000	2.40%	Make Whole Call
Capital Improvement Revenue Note, Series 2017	Tax Exempt (CIBs)	9,625,000	2.75%	In Whole or Part at Par
Capital Improvement Revenue Note, Series 2019	Tax Exempt (CIBs)	8,535,000	1.97%	10/1/26 at Par
		139,450,000		

As you can see in the table, the City has taken advantage of market conditions to lock in low interest rates on its new money financings as well as refunding existing debt for debt service savings. PFM has assisted the City with 3 refunding transactions that have saved \$2.6 million of net PV debt service costs.



The below table shows annual debt service requirements broken down by series for all of the City's debt payable from non-ad valorem revenues.

	1994 Guaranteed Entitlement Bonds	2003A POB	2003B POB	2010 Cap Imp Bonds	2011 Refunding Note	2011A Note	2014 Note	2014 Cap Imp Bonds	2016A Bond	2016B Bond	2017 Bond	2019 Bond	Total
2020	1,095,000.00	3,845,775.00	3,269,963.00	316,441.26	691,728.00	429,007.00	1,637,560.00	1,033,998.76	1,369,885.00	531,640.00	684,687.50	643,468.96	15,549,154.48
2021	1,095,000.00	4,115,775.00	3,445,895.50	314,266.26	691,506.00	429,618.00	1,643,480.00	1,035,398.76	1,368,665.00	532,040.00	683,137.50	663,683.50	16,018,465.52
2022	1,095,000.00	4,400,775.00	3,629,276.00	316,653.76	690,930.00		1,638,440.00	1,034,648.76	1,371,870.00	532,200.00	686,312.50	663,735.00	16,059,841.02
2023	1,095,000.00	4,700,775.00	3,819,058.50	318,293.76			1,642,680.00	1,037,398.76	1,379,385.00	532,120.00	689,075.00	663,589.50	15,877,375.52
2024	1,095,000.00	5,015,775.00	4,014,197.00	314,093.76			1,635,960.00	1,038,398.76	1,366,095.00	531,800.00	686,425.00	663,247.00	16,360,991.52
2025		5,340,775.00	4,224,266.00	314,693.76			1,643,520.00	1,037,648.76	1,377,460.00	531,240.00	683,500.00	662,707.50	15,815,811.02
2026		5,690,775.00	4,436,178.00	314,648.76				1,035,148.76	987,905.00	530,440.00	685,300.00	661,971.00	14,342,366.52
2027		6,050,775.00	4,658,849.00	314,193.76				1,036,598.76	991,630.00	529,400.00	686,687.50	666,037.50	14,934,171.52
2028		6,430,775.00	4,890,653.00	317,931.26				1,037,298.76	879,780.00	533,120.00	682,662.50	664,808.50	15,437,029.02
2029		4,370,775.00	5,129,964.00	316,031.26				1,037,248.76		531,480.00	683,362.50	663,382.50	12,732,244.02
2030		4,662,999.00	5,380,156.00	318,343.76				1,036,448.76		529,600.00	688,650.00	666,759.50	13,282,957.02
2031		6,879,749.00	3,424,332.00					1,033,792.50		532,480.00	683,387.50	664,841.00	13,218,582.00
2032		7,300,335.00	3,605,648.00					1,035,355.00			682,850.00	662,725.50	13,286,913.50
2033			1,133,265.00					1,035,275.00			686,900.00	665,413.00	3,520,853.00
2034								1,033,750.00			685,400.00	662,805.00	2,381,955.00
2035											683,487.50		683,487.50
2036											686,162.50		686,162.50
2037											683,287.50		683,287.50
	5,475,000.00	68,805,833.00	55,061,701.00	3,475,591.36	2,074,164.00	858,625.00	9,841,640.00	15,538,408.86	11,092,675.00	6,377,560.00	12,331,275.00	9,939,174.96	200,871,648.18

The table on the previous page outlines the call features for each series of bonds, which allows us to be proactive in identifying refunding opportunities. Currently, we are monitoring the City's Capital Improvement Revenue Bonds, Series 2010 (the "2010 Bonds") and Capital Improvement Revenue Note, Series 2017 (the "2017 Note") for a refunding opportunity that would lower annual debt service. The 2010 Bonds are callable October 1, 2020 at par and thus can be currently refunded up to 90 days prior to this call date. Provided below are key statistics related to this refunding.

- Estimated Rate: 1.75%
- Refunded Par: \$2,535,000
- Closing Date: 7/3/20
- Final Maturity: 10/1/2030
- **NPV Savings: \$288,000 (11.40%)**
- **Annual Cash Flow Savings: \$30,000**



The 2017 Note is callable at any time without penalty. Provided below are key statistics related to this refunding.

- Estimated Rate: 2.25%
- Refunded Par: \$9,625,000
- Closing Date: 6/1/20
- Final Maturity: 10/1/2037
- **NPV Savings: \$330,000 (3.40%)**
- **Annual Cash Flow Savings: \$23,000**

While both of these transactions are relatively small and might not warrant a standalone refunding, they could be included with any pending new money needs when they arise. PFM will continue to monitor these opportunities and keep the City up to date as market conditions change.





## D. Compensation

Please quote in the following formats for the:

### 1. Graduated fee rate schedule and related bond amounts, included under II. Scope of Services, Paragraph A, for the following:

#### a) Graduated fee rate schedule and related bond amounts for the following types:

- 1) Traditional bond issue on a competitively bid basis
- 2) Traditional bond issue on a negotiated sale
- 3) Refunding bond issue on a negotiated sale
- 4) Fixing the rate on any current variable rate bond issues outstanding

For all services related to the public offering or private placement of debt, we propose a “\$/\$1,000” fee schedule, per series, as shown in the table below. Negotiated and competitive transactions are billed at the same rate. Refunding issues will also be billed in accordance to the schedule below, with the exception of a \$2,500 additional fee for the extra services required for refundings. Fixing the rate on any current variable rate bond issue would be done at 75% of the below fees.

Minimum fee per issue:	\$17,500
Up to \$25 Million, per bond	\$0.90/\$1,000
From \$25-\$50 Million, per bond	\$0.70/\$1,000
Over \$50 Million, per bond	\$0.50/\$1,000
Maximum fee per issue:	\$60,000

### 2. Annual retainer for attendance at Commission meetings for advisory services including Services provided under II. Scope of Services, Paragraph A, which does not culminate with the issuing of bonds, payable in July and January. In any year that bonds are issued, the annual retainer is offset against the bond issue fee.

See below for annual retainer fee. During the time when PFM is working on a transaction, the retainer will be offset against the bond issue fee.

### 3. Hourly rates for provision of services described under Part 2, 2.2, Paragraph B.

Hourly fees for services unrelated to bond issuance will be billed at the below hourly rates and will be authorized by work order and require detailed time reports to accompany the invoices. Hourly rates for strategic consulting engagements that require industry specialists will be negotiated at the time of such engagement. In lieu of hourly rates, PFM proposes an annual retainer of \$12,000 that would be paid quarterly (\$3,000 per quarter).



<u>Experience Level</u>	<u>Hourly Rate</u>
Managing Director/Director	\$195.00
Senior Managing Consultant	\$195.00
Analyst/Senior Analyst	\$175.00

**4. Additional expenses for:**

**a) Travel**

PFM would request reimbursement for out of pocket expenses incurred in serving the City as its financial advisor at actual cost not to exceed \$500 per transaction.

**b) Hourly computer charges.**

None

**c) Other charges and the basis for these charges.**

The financial advisory compensation proposed above does not apply to services related to procurement of bond proceeds investments or other structured products, escrow structuring, investment management, or arbitrage rebate. Fees for these special services shall be negotiated as a function of the complexity of the proposed engagement and the specific scope of services outlined. PFM Asset Management LLC, registered investment advisor, is prepared to offer the City its full range of structured products, investment management and arbitrage rebate compliance services. If needed, these services would be performed by PFM Asset Management LLC pursuant to a separately negotiated letter agreement. PFM Asset Management LLC fully discloses all fees related to any transaction.

**5. Provide copies of your firm's financial advisory form agreements for the above.**

A copy of PFM's standard financial advisory agreement can be found in **TAB II Appendix D**.



## II. Appendices



## A. Required Forms

- ✓ Drug-Free Workplace Form
- ✓ Bidder Verification Form
- ✓ References Form
- ✓ Bidder's W-9
- ✓ Copy of any applicable, current licenses and/or certification required by City/County/State
- ✓ Evidence of Insurance Certificates and Non-Own Auto Statement
- ✓ Addendum 1

## DRUG-FREE WORKPLACE FORM

The undersigned bidder in accordance with Florida Statute 287.087 hereby certifies that

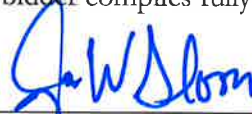
PFM Financial Advisors LLC

does:

(Name of Bidder)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for the drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this bidder complies fully with the above requirements.



Bidder's Signature James Glover, Managing Director

2-25-20

Date

***In the event of a tie bid, bidders with a Drug Free Workplace Program will be given preference. To be considered for the preference, this document must be completed and uploaded to DemandStar.com with your Submittal.***

# BIDDER VERIFICATION FORM

## LOCAL PREFERENCE (Check one)

Local Preference requested:  YES  NO

A copy of the following documents must be included in your submission if you are requesting Local Preference:

- Business Tax Receipt
- Zoning Compliance Permit

## QUALIFIED SMALL BUSINESS AND/OR SERVICE DISABLED VETERAN BUSINESS STATUS (Check one)

Is your business qualified, in accordance with the City of Gainesville's Small Business Procurement Program, as a local Small Business?  YES  NO

Is your business qualified, in accordance with the City of Gainesville's Small Business Procurement Program, as a local Service-Disabled Veteran Business?  YES  NO

## LIVING WAGE COMPLIANCE

See Living Wage Decision Tree:

(Check one)

- Living Wage Ordinance does not apply (check all that apply)
- Not a covered service
  - Contract does not exceed \$100,000
  - Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employees 50 or more persons, but not including employees of any subsidiaries, affiliates or parent businesses.
  - Located within the City of Gainesville enterprise zone.
- Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

**NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville's living wage requirements, as applicable, without any adjustment to the bid price.**

## REGISTERED TO DO BUSINESS IN THE STATE OF FLORIDA

Is Bidder registered with Florida Department of State's, Division of Corporations, to do business in the State of Florida?

YES  NO (refer to Part 1, 1.6, last paragraph)

If the answer is "YES", provide a copy of SunBiz registration or SunBiz Document Number (# M16000004976 )

If the answer is "NO", please state reason why: \_\_\_\_\_

PFM Financial Advisors LLC

Bidder's Name

James Glover, Managing Director

Printed Name/Title of Authorized Representative

James Glover  
Signature of Authorized Representative

2-25-20  
Date

***This page must be completed and uploaded to DemandStar.com with your Submittal.***

## REFERENCE FORM

Name of Bidder: PFM Financial Advisors LLC

Provide information for three references of similar scope performed within the past three years. You may include photos or other pertinent information.

---

#1 Year(s) services provided (i.e. 1/2015 to 12/2018): 1999 to Present

Company Name: City of Boca Raton  
Address: 201 West Palmetto Park Road  
City, State Zip: Boca Raton, FL 33432  
Contact Name: Linda Davidson, Financial Services Director  
Phone Number: (561) 393-7737 Fax Number: \_\_\_\_\_  
Email Address (if available): ldavidso@ci.boca-raton.fl.us

---

#2 Year(s) services provided (i.e. 1/2015 to 12/2018): 2008 to Present

Company Name: City of St. Petersburg  
Address: One Fourth Street N. 5th FL  
City, State Zip: St. Petersburg, FL 33701  
Contact Name: Anne Fritz, Finance Director  
Phone Number: (727) 892-5113 Fax Number: \_\_\_\_\_  
Email Address (if available): anne.fritz@stpete.org

---

#3 Year(s) services provided (i.e. 1/2015 to 12/2018): 2011 to Present

Company Name: City of Winter Park  
Address: 401 Park Avenue South  
City, State Zip: Winter Park, Fl 32789  
Contact Name: Wes Hamil, Finance Director  
Phone Number: (407) 599-3381 Fax Number: \_\_\_\_\_  
Email Address (if available): whamil@cityofwinterpark.org

*This page must be completed and uploaded to DemandStar.com with your Submittal.*

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

See Specific Instructions on page 3.

<b>1</b> Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>PFM Financial Advisors, LLC</b>	
<b>2</b> Business name/disregarded entity name, if different from above	
<b>3</b> Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.	<b>4</b> Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from FATCA reporting code (if any) _____  <i>(Applies to accounts maintained outside the U.S.)</i>
<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input checked="" type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ <b>P</b> <small><b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small>  <input type="checkbox"/> Other (see instructions) ▶	
<b>5</b> Address (number, street, and apt. or suite no.) See instructions. <b>1735 Market Street, 43rd Floor</b>	Requester's name and address (optional)
<b>6</b> City, state, and ZIP code <b>Philadelphia, PA 19103</b>	
<b>7</b> List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>									
<b>OR</b>									
<b>Employer identification number</b>									
8	1	-	1	6	4	2	7	8	7

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶ <b>1/9/2020</b>
------------------	----------------------------	------------------------

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

### Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
  - Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
  - Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
  - Form 1099-S (proceeds from real estate transactions)
  - Form 1099-K (merchant card and third party network transactions)
  - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
  - Form 1099-C (canceled debt)
  - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*



# Delaware

Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "PFM FINANCIAL ADVISORS LLC", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF JANUARY, A.D. 2016, AT 12:36 O`CLOCK P.M.



Jeffrey W. Bullock, Secretary of State

5937280 8100  
SR# 20160244164

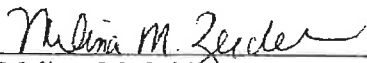
You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

Authentication: 201681784  
Date: 01-15-16

**STATE of DELAWARE  
LIMITED LIABILITY COMPANY  
CERTIFICATE of FORMATION**

- First:** The name of the limited liability company is PFM Financial Advisors LLC.
- Second:** The address of its registered office in the State of Delaware is:  
  
2711 Centerville Road, Suite 400 in the City of Wilmington, New Castle County,  
Delaware 19808.  
  
The name of its registered agent at such address is Corporation Service Company.
- Third:** The existence of the limited liability company shall continue until cancellation of its Certificate of Formation.
- Fourth:** Management of the limited liability company is vested in a manager or managers as provided in a limited liability company agreement as the same may be adopted, amended or restated from time to time.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation of PFM Financial Advisors LLC on this 15 day of January 2016.

  
\_\_\_\_\_  
Melissa M. Zeiders  
Authorized Person



FLORIDA DEPARTMENT OF STATE  
Division of Corporations

June 22, 2016

CORPORATE ACCESS, INC.

Qualification documents for PFM FINANCIAL ADVISORS LLC were filed on June 21, 2016, and assigned document number M16000004976. Please refer to this number whenever corresponding with this office.

Your limited liability company is authorized to transact business in Florida as of the file date.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a \$400 late fee will be added.

A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Apply today with the IRS online at:

<https://sa.www4.irs.gov/modiein/individual/index.jsp>.

Please notify this office if the limited liability company address changes.

Should you have any questions regarding this matter, please contact this office at the address given below.

Stacey M Warren  
Regulatory Specialist II  
Registration/Qualification Section  
Division of Corporations

Letter Number: 616A00013115

[www.sunbiz.org](http://www.sunbiz.org)

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

**2019 FOREIGN LIMITED LIABILITY COMPANY AMENDED ANNUAL REPORT**

**FILED  
Aug 21, 2019  
Secretary of State  
8178506543CC**

DOCUMENT# M16000004976

**Entity Name:** PFM FINANCIAL ADVISORS LLC

**Current Principal Place of Business:**

1735 MARKET STREET, 43RD FLOOR  
PHILADELPHIA, PA 19103

**Current Mailing Address:**

1735 MARKET STREET, 43RD FLOOR  
PHILADELPHIA, PA 19103 US

**FEI Number:** 81-1642787

**Certificate of Status Desired:** No

**Name and Address of Current Registered Agent:**

REGISTERED AGENT SOLUTIONS, INC.  
155 OFFICE PLAZA DRIVE, SUITE A  
TALLAHASSEE, FL 32301 US

*The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.*

**SIGNATURE:**

\_\_\_\_\_  
Electronic Signature of Registered Agent

\_\_\_\_\_  
Date

**Authorized Person(s) Detail :**

Title	MANAGER	Title	SECRETARY
Name	BONOW, JOHN	Name	MADDOX, CHERYL
Address	1735 MARKET STREET, 43RD FLOOR	Address	1735 MARKET STREET, 43RD FLOOR
City-State-Zip:	PHILADELPHIA PA 19103	City-State-Zip:	PHILADELPHIA PA 19103
Title	MANAGER, PRESIDENT		
Name	DANIEL, HARTMAN		
Address	4350 NORTH FAIRFAX DRIVE SUITE 580		
City-State-Zip:	ARLINGTON VA 22203		

*I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.*

**SIGNATURE:** ROBERT J. DELANY, SR.

**CHIEF FINANCIAL  
OFFICER**

**08/21/2019**

\_\_\_\_\_  
Electronic Signature of Signing Authorized Person(s) Detail

\_\_\_\_\_  
Date



CERTIFICATE OF AUTHORITY

May 15, 2019

As Secretary of PFM Financial Advisors LLC ("PFM"), I affirm that David Moore, James Glover, Brent Wilder, and Sergio Masvidal, each are Managing Directors of this firm and each is authorized to make, enter into, sign, seal and deliver on behalf of PFM each contract and all other agreements, documents and certificates to be delivered by PFM.

PFM Financial Advisors LLC

A handwritten signature in cursive script, appearing to read "Cheryl D. Maddox".  
Cheryl D. Maddox  
Secretary



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

OFFICE OF  
THE SECRETARY

May 4, 2016

IN THE MATTER OF:

PFM Financial Advisors LLC  
Two Logan Square, Suite 1600  
18<sup>th</sup> & Arch Streets  
Philadelphia, PA 19103-2700

SEC FILE NO.: 867-02030  
Application Completion Date: May 3, 2016

ORDER GRANTING  
REGISTRATION PURSUANT  
TO SECTION 15B(a)(2) OF  
THE SECURITIES EXCHANGE  
ACT OF 1934

The above-named Applicant has completed its application with the Commission for registration as a municipal advisor pursuant to Section 15B(a)(2) of the Securities Exchange Act of 1934 (the "Act") on the above-referenced application completion date.

The Commission finds that the application contains the information prescribed under Section 15B(a)(2) of the Act and the rules thereunder. The Commission has not passed on the accuracy or adequacy of the information, and the effectiveness of Applicant's registration does not imply Commission approval or disapproval of Applicant's registration.

Accordingly, it is ORDERED, pursuant to Section 15B(a)(2) of the Act, that the Applicant's registration be, and hereby is, granted, effective forthwith.

For the Commission, by the Office of Compliance Inspections and Examinations, pursuant to delegated authority.

A handwritten signature in black ink, appearing to read "Brent J. Fields".

Brent J. Fields,  
Secretary

**MSRB Registration - Form A-12: Preview****FIRM/SOLE PROPRIETORSHIP IDENTIFIERS**

MSRB ID: K1162

Firm Name: PFM Financial Advisors LLC

Municipal Advisor SEC ID: 867-02030

CRD Number:

Legal Entity Identifier:

**BUSINESS INFORMATION**

Firm Address: 1735 Market Street, 43rd Floor

City: Philadelphia State: PA Zip: 19103

Firm Website: www.pfm.com

**TYPE OF ORGANIZATION**

Organization Type: Limited Liability Company (LLC) City: Wilmington State: DE

**BUSINESS ACTIVITIES****Municipal Advisor**

- Issuance Advice
- Guaranteed Investment Contracts Advice
- Investment Advice - Proceeds of Municipal Securities
- Investment Advice - Funds of Municipal Entity
- Municipal Derivatives Advice
- Solicitation of Business - Investment Advisory
- Municipal Escrow Investment Advice
- Municipal Escrow Investment Brokerage
- Solicitation of Business - Other than Investment Advisory
- Municipal Advisor/Underwriter Selection Advice

**DESIGNATED CONTACTS****Master Account Administrator**

Name	Phone	Email
Jennifer L Berrier	(717) 231-6219	berrierj@pfm.com

**Primary Regulatory Contact**

Name	Phone	Email
John Bonow	(215) 567-6100	bonowj@pfm.com

**Billing Contact**

Name	Phone	Email
William Gagliardi	(215) 557-1248	ComplianceGroup@pfm.com

**Compliance Contact**

Name	Phone	Email
Leo J Karwejna	(717) 213-3847	karwejnal@pfm.com

**Primary Data Quality Contact**

Name	Phone	Email
Gloria Wells	(717) 232-2723	wellsg@pfm.com

**Optional Regulatory Contact**

**Name**

Jennifer L Berrier

**Phone**

(717) 231-6219

**Email**

berrierj@pfm.com

**Optional Data Quality Contact**

No contact designated.

**Optional Technical Contact**

No contact designated.





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/25/2019

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Crystal IBC LLC 32 Old Slip New York NY 10005	<b>CONTACT NAME:</b> Brian Rozynski <b>PHONE (A/C, No., Ext):</b> 212-504-1882 <b>FAX (A/C, No.):</b> 212-504-1899 <b>E-MAIL ADDRESS:</b> brian.rozynski@alliant.com
<b>INSURED</b> PFM Financial Advisors LLC 1735 Market Street 43rd Floor Philadelphia PA 19103	<b>INSURER(S) AFFORDING COVERAGE</b> <b>NAIC #</b> INSURER A : Endurance American Ins. Co.      10641 INSURER B : Various INSURER C : INSURER D : INSURER E : INSURER F :

**COVERAGES**      **CERTIFICATE NUMBER: 888150795**      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A B	Professional Liability			MAN30000866501 Various	11/30/2019 11/30/2019	11/30/2020 11/30/2020	Limit of Liability \$ Aggregate Limit \$40,000,000

<b>CERTIFICATE HOLDER</b>  EVIDENCE OF COVERAGE	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
---	--





City of Gainesville  
 Procurement Division  
 200 E University Avenue, Rm 339  
 Gainesville, FL 32601

**pfm**

1735 Market Street  
 43rd Floor  
 Philadelphia, PA 19103  
 215.567.6100

pfm.com

**NO OWNED AUTO STATEMENT**

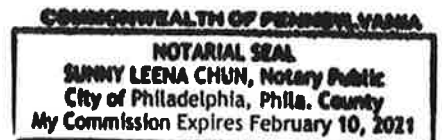
In connection with the Certificate(s) of Insurance PFM Financial Advisors LLC ("PFM") has submitted to the **City of Gainesville**, please note that PFM has no owned autos and therefore would not be operating company owned vehicles in connection with the Financial Advisory Services we will be providing.

In light of the foregoing statement, PFM respectfully requests a waiver from the owned auto coverage requirement. If in the future owned autos are acquired, PFM will provide the necessary insurance and endorsements to the **City of Gainesville**.

Robert J. Delany Sr. Authorized Signature.  
 Robert J. Delany Sr., Chief Financial Officer

*BEFORE ME, the undersigned authority, a Notary Public in and for the State of Pennsylvania, on this 13th day of February, 2020, Sunny Leena Chun verified the above statement.*

Sunny Leena Chun  
 Signature of Notary Public  
 (Notary Seal)





## ADDENDUM NO. 1

**Date:** February 11, 2020

**Bid Due Date:** February 26, 2020  
3:00 P.M. (Local Time)

**Bid Name:** Financial Advisor Services

**Bid No.:** FADM-200022-DS

---

**NOTE:** This Addendum has been issued to the holders of record of the specifications.

The original Specifications remain in full force and effect except as revised by the following changes which shall take precedence over anything to the contrary:

1. The question submittal deadline has passed, no additional questions will be answered.
2. Q & A:

***Question 1:***

Prior to submittal of our proposal, PFM requests that the City provide feedback on their willingness to accept the revisions to the RFP terms as outlined below.

PFM Financial Advisors LLC is able to perform all services detailed under section Part 2 – Project Overview of RFP #FADM-200022-DS.

Should PFM Financial Advisors LLC be awarded the engagement, we respectfully request to negotiate the [items](#) referenced below. Some of these suggestions relate to regulatory matters and others clarify certain aspects of the contract

**PFM's standard contract provisions**

Should PFM be awarded the engagement, we respectfully request the inclusion of certain provisions in the resulting contract that are regulatory requirements driven by our status as a municipal advisor registered with the Securities and Exchange Commission ("SEC") and with the Municipal Securities Rulemaking Board ("MSRB") (e.g., municipal advisor description; the scope of MA services, form and basis of compensation, termination or withdrawal of the client relationship, conflicts of interest disclosure, and our disclosure of any legal and disciplinary events).

**RFP pg. 20 of PDF – PART 8 – SAMPLE CONTRACT – 7. INDEMNIFICATION**

Contractor shall indemnify the City, its officials, agents and employees, and hold it harmless from suits, actions, damages, liability, expenses, losses and costs, including, but not limited to reasonable attorney's fees in connection with loss of life, bodily or personal injury, or property damage arising from or occasioned by any negligent or intentionally wrongful act or omission ~~or negligence or intentional wrongdoing~~ on the part of the Contractor and other persons employed or utilized by the Contractor.

[OR]

The Contractor agrees, at its sole cost and expense, to indemnify, hold harmless, and defend the City and its officers, employees, and agents from all liabilities, damages, losses, claims, suits, causes of action, costs, or expenses of any kind or nature, including but not limited to reasonable attorneys' fees, for personal injury, death, property damage, or any other losses that arise from or are in any way connected with the negligence, recklessness, or intentional wrongful conduct of the Contractor and its officers, employees, and agents under the performance of this Contract. In effectuating the above, the Contractor shall at its sole expense assume and defend not only itself but also the City from any such claims, even if the claim is groundless, false, or fraudulent, provided the City retains the right to participate in the defense with its own counsel or counsel of its choosing at the City's own expense for attorneys' fees. This indemnification is not limited in any way by a limitation of the amount or type of damages or compensation payable by or for the Contractor under workers' compensation, disability, or other employee benefit acts, or the acceptance of insurance certificates required by this Contract, or the terms, applicability, or limitations of any insurance held by the Contractor. The City does not waive any rights against the Contractor that it may have by reason of this indemnification because of the City's acceptance of Contractor's insurance policies required by the City, and this indemnification applies to all damages and claims for damages of any kind suffered regardless of whether such insurance policies are determined to be applicable to any such damages or claims for damages, provided that Contractor's liability is limited to its negligence. Nothing contained in this Contract may be interpreted as a waiver of the City's sovereign immunity as provided in Section 768.28, Florida Statutes, or as denying the City any remedy or defense available at law.

**Explanation:** PFM Financial Advisors LLC respectfully requests the opportunity to negotiate the indemnification language in any resulting agreement so that PFM Financial Advisors LLC's obligation to indemnify is limited to circumstances in which its performance has been wrongful, which would include negligent or intentionally wrongful acts.

*Answer 1: The City is agreeable to bidder's requested changes marked above.*

---

**Question 2:**

**RFP pg. 20 of PDF – PART 8 – SAMPLE CONTRACT – 8. INSURANCE**

Professional Liability insurance

**Explanation:** PFM's professional liability policy is written on a claims-made basis rather than per occurrence.

~~General~~ Public Liability insurance

**Explanation:** PFM does provide a broad coverage under General Liability.

Automobile Liability insurance

**Explanation:** PFM does not own autos. Auto liability coverage will be provided for hired and non-owned autos only.

*Answer 2: If you intend to use a claims made policy, you must maintain that policy for a minimum of four years after the end of the agreement. Even if you do not carry a broad form GL, you must still provide the insurance coverage. With regards to automobile insurance, state on company letterhead that you do not own autos and include that with your response.*

---

**Question 3:**

**RFP pg. 23 of PDF – PART 8 – SAMPLE CONTRACT – 17. DISPUTE RESOLUTION**

Except as otherwise provided in this Contract, any dispute concerning a question of fact or of interpretation of a requirement of the Contract which is not disposed of by mutual consent between the parties shall be decided by the City Manager or designee, who shall reduce the decision to writing and furnish a copy thereof to the parties. In connection with any dispute proceeding under this clause each party shall be afforded an opportunity to be heard and to offer evidence in support of its version of the facts and interpretation of the Contract. The City Manager or designee shall make such explanation as may be necessary to complete, explain or make definite the provisions of this Contract and the findings and conclusions shall be final and binding on both parties [subject to the right of the Contractor to initiate a proceeding de novo, or to require that any remedy imposed on Contractor be enforced only as entered as a judgment after a hearing de novo, in either case, by a Federal or Florida court of competent jurisdiction.](#) Pending the final decisions of a dispute hereunder, Contractor shall proceed diligently with its performance of the Contract in accordance with the preliminary directions of the City Manager or designee.

**Explanation:** PFM Financial Advisors LLC respectfully requests the opportunity to negotiate the dispute resolution language in any resulting agreement so that PFM Financial Advisors LLC's right to judicial remedies in the event of a dispute under the agreement is preserved without prejudice of any extrajudicial determinations or proceedings.

*Answer 3: The City is agreeable to bidder's requested changes marked above.*

---

**Question 4:**

Part 3, Section 3.1c, Price Proposal vs Part 3, Section 3.1d, Qualifications, D) Compensation vs. Section 3.2 (d) - The Price Proposal section asks each bidder to provide a presentation of the total offering price and estimated cost for the required services. The Compensation section also asks each bidder to provide a price proposal for the required services, but in a format that is more applicable to the requested services. Given the type of work required under this RFP, the total offering price and estimated cost requested in the Price Proposal section will vary and be dependent on the type of service (i.e. debt related or consulting service) and the fee structure for each service. Given that, can we respond to Section 3.1c, Price Proposal and Section 3.2d by referencing our response to Section 3.1d, Qualifications, D) Compensation as our Price Proposal?

*Answer 4: Yes, that suggestion is acceptable.*

---

**Question 5:**

Part 3, Section 3.1d, Qualifications – This section states “Bidders must provide documentation which demonstrates their ability to satisfy all of the minimum qualification requirements.” Please confirm that this section 3.1d, Qualifications represents the Minimum Qualifications and thus, addressing all of the

questions and information requests in this Section 3.1d, A-D and providing all of the documents requested in Section 3.2 satisfy this requirement to provide documentation to meet the minimum qualifications?

*Answer 5: Yes, that is the correct interpretation.*

---

**Question 6:**

**Part 3, Section 3.1b, Technical Proposal and Part 3, Section 3.2, Content of Proposal – Section 3.1b requests a technical proposal, however, a Technical Proposal is not laid out in the Content of Proposal section. Where should the Technical Proposal be included in the proposal?**

*Answer 6: The Technical Proposal section may be inserted between b. and c. of 3.2 Content of Proposal.*

---

**Question 7:**

Part 3, Section, 3.1d) A.4 – The RFP requests audited financial information based on the SEC and NASD if applicable. As an employee-owned independent municipal advisor, PRAG does not prepare audited financial statements and does not need to follow SEC/NASD requirements. Will PRAG's unaudited financial statements be acceptable?

*Answer 7: Yes.*

---

**Question 8:**

Part 3, Section 3.1d) B1 and 2 -The RFP states a requirement for details on our experience for the “last three issues” and the “last two local government tax exempt issues”. Given that PRAG is regularly in the market, the issues identified in our response may not be the last three issues of the firm when our proposal is submitted and some of the recent issues may have been handled by other PRAG offices. Can we provide the requested information on three recent issues managed by our Florida office?

*Answer 8: Yes.*

---

**Question 9:**

Can you provide the documents and financing schedules for the City's outstanding privately placed/ bank loan debt?

*Answer 9: Yes, see two attachments at the end of this document.*

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**Question 10:**

Can you confirm that none of the forms or documents submitted for this RFP are required to be notarized?

*Answer 10: None of the forms are required to be notarized.*

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**Question 11:**

7.3 LIVING WAGE POLICY & COMPLIANCE on page 16 of 32: It is marked that this contract is not a covered service. On the Bidder Verification Form (page 28 of 32) Living Wage Compliance, Living Wage Ordinance does not apply (check all that apply). Please confirm that we should check Not a covered service referring back to 7.3. If it doesn't apply, please confirm that we will not have to complete the Verification of Compliance with Living Wage Form.

*Answer 11: The Living Wage Ordinance does not apply to this type of contract. Therefore, on the **Bidder Verification Form** you would check both the box for "Living Wage Ordinance does not apply (check all that apply)" and the box for "Not a covered service".*

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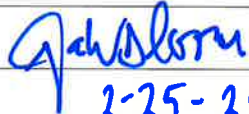
3. Find attached:

- Copy of the lobbying and blackout period definitions (Purchasing Procedure 41-424)
- Transcript – Gainesville Capital Improvement Revenue Note, Series 2019
- Center State Letter regarding loan approval (from 2017)

ACKNOWLEDGMENT: Each Proposer shall acknowledge receipt of this Addendum No. 1 by his or her signature below, **and shall attach a copy of this Addendum to its proposal.**

CERTIFICATION BY PROPOSER

The undersigned acknowledges receipt of this Addendum No. 1 and the Proposal submitted is in accordance with information, instructions, and stipulations set forth herein.

PROPOSER: PFM Financial Advisors LLC  
BY:   
DATE: 2-25-20



CITY OF \_\_\_\_\_  
GAINESVILLE

FINANCIAL SERVICES  
PROCEDURES MANUAL

41-424      Prohibition of lobbying in procurement matters

Except as expressly set forth in Resolution 060732, Section 10, during the black out period as defined herein no person may lobby, on behalf of a competing party in a particular procurement process, City Officials or employees except the purchasing division, the purchasing designated staff contact. Violation of this provision shall result in disqualification of the party on whose behalf the lobbying occurred.

Black out period means the period between the issue date which allows for immediate submittals to the City of Gainesville Purchasing Department for an invitation for bid or the request for proposal, or qualifications, or information, or the invitation to negotiate, as applicable, and the time the City Officials and Employee awards the contract.

Lobbying means when any natural person for compensation, seeks to influence the governmental decision making, to encourage the passage, defeat, or modification of any proposal, recommendation or decision by City Officials and Employees, except as authorized by procurement documents.



## B. Audited Financial Statements

**PFM I, LLC  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**December 31, 2018 and 2017**

**Kreischer  
Miller**

PEOPLE | IDEAS | SOLUTIONS

**PFM I, LLC AND SUBSIDIARIES**  
December 31, 2018 and 2017

**CONTENTS**

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INDEPENDENT AUDITORS' REPORT

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## Independent Auditors' Report

The Board of Directors and Members  
PFM I, LLC and Subsidiaries

We have audited the accompanying consolidated financial statements of PFM I, LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

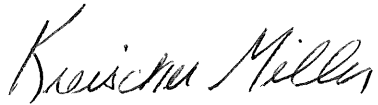
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PFM I, LLC and Subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Kristina Miller". The signature is written in a cursive, flowing style.

Horsham, Pennsylvania  
April 26, 2019

**PFM I, LLC AND SUBSIDIARIES**

**Consolidated Balance Sheets  
December 31, 2018 and 2017**

	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,288,519	\$ 1,084,724
Investments in securities	97,730	105,000
Accounts receivable, net	23,025,615	17,946,047
Work-in-process, net	14,704,672	17,867,280
Prepaid expenses and other current assets	4,841,504	14,575,166
Total current assets	43,958,040	51,578,217
Equipment and improvements, net	26,841,676	21,336,556
Intangible assets, net	3,822,625	5,354,765
Other assets	2,431,893	734,802
Deferred income taxes	-	1,385,000
Goodwill	113,439,901	114,169,202
Total assets	\$ 190,494,135	\$ 194,558,542
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities:		
Lines of credit	\$ 36,000,000	\$ 15,934,562
Current portion of long-term debt, net	-	5,499,702
Current portion of capital lease obligations	1,116,090	717,290
Accounts payable	1,369,272	3,279,654
Current portion of accrued expenses	34,964,790	34,556,143
Current portion of deferred revenue	2,306,756	1,226,600
Total current liabilities	75,756,908	61,213,951
Long-term debt, net	39,810,650	65,650,051
Capital lease obligations, net of current portion	1,218,630	1,530,459
Accrued expenses, net of current portion	5,718,156	6,431,196
Deferred income taxes	1,179,000	-
Deferred revenue, net of current portion	607,075	300,473
Deferred rent	14,306,294	11,108,311
Total liabilities	138,596,713	146,234,441
Members' equity:		
Members' equity	52,043,428	48,418,584
Contributions receivable	(184,090)	(109,030)
Accumulated other comprehensive income	38,084	14,547
Total members' equity	51,897,422	48,324,101
Total members' equity	51,897,422	48,324,101
Total liabilities and members' equity	\$ 190,494,135	\$ 194,558,542

See accompanying notes to consolidated financial statements.

## PFM I, LLC AND SUBSIDIARIES

### Consolidated Statements of Comprehensive Income Years Ended December 31, 2018 and 2017

	2018	2017
Revenues:		
Professional fees	\$ 185,442,518	\$ 180,191,439
Other income	1,266	95,691
	<u>185,443,784</u>	<u>180,287,130</u>
Expenses:		
Salaries, incentive compensation, and employee benefits	110,541,694	112,582,647
General and administrative	53,654,200	46,280,911
Interest expense	5,529,809	4,832,380
Other expense	109,725	2,141
	<u>169,835,428</u>	<u>163,698,079</u>
Income before provision for income taxes	15,608,356	16,589,051
Provision for income taxes	<u>1,992,000</u>	<u>5,230,000</u>
Net income	13,616,356	11,359,051
Other comprehensive income:		
Foreign currency translation adjustments	<u>23,537</u>	<u>14,547</u>
Comprehensive income	<u>\$ 13,639,893</u>	<u>\$ 11,373,598</u>

See accompanying notes to consolidated financial statements.



**PFM I, LLC AND SUBSIDIARIES**

**Consolidated Statements of Changes in Members' Equity  
Years Ended December 31, 2018 and 2017**

	Common Members' Equity <sup>1</sup>	Common Members' Equity Contributions Receivable	Accumulated Other Comprehensive Income	Total Members' Equity
Balance, December 31, 2016	\$ 45,938,926	\$ (249,030)	\$ -	\$ 45,689,896
Members' contributions	6,961,073	140,000	-	7,101,073
Equity-based compensation expense recorded in connection with unit grant agreements (Note 15)	172,016	-	-	172,016
Redemption of common members' equity	(6,919,133)	-	-	(6,919,133)
Members' distributions	(9,093,349)	-	-	(9,093,349)
Foreign currency translation adjustments	-	-	14,547	14,547
Net income	11,359,051	-	-	11,359,051
Balance, December 31, 2017	48,418,584	(109,030)	14,547	48,324,101
Members' contributions	6,319,568	(169,185)	-	6,150,383
Receipt of contributions receivable	-	94,125	-	94,125
Equity-based compensation expense recorded in connection with unit grant agreements (Note 15)	191,160	-	-	191,160
Redemption of common members' equity	(6,118,143)	-	-	(6,118,143)
Members' distributions	(10,384,097)	-	-	(10,384,097)
Foreign currency translation adjustments	-	-	23,537	23,537
Net income	13,616,356	-	-	13,616,356
Balance, December 31, 2018	\$ 52,043,428	\$ (184,090)	\$ 38,084	\$ 51,897,422

<sup>1</sup>Common equity includes 39,420,524, 39,208,146 and 39,070,416 Class C units as of December 31, 2018, 2017 and 2016, respectively.

See accompanying notes to consolidated financial statements.

PFM I, LLC AND SUBSIDIARIES

Consolidated Statements of Cash Flows  
Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net income	\$ 13,616,356	\$ 11,359,051
Adjustments to reconcile net income to net cash provided by operating activities:		
Change in fair value of contingent consideration	253,685	66,691
Change in fair value of deferred consideration	(729,302)	356,940
Change in fair value of interest rate swap	-	2,141
Accretion of discount on held-to-maturity investments	-	(922)
Depreciation and amortization	6,336,587	4,221,826
Amortization of debt issuance costs	209,381	149,541
Amortization of implementation costs	102,484	-
Loss on investments in securities	7,270	-
Loss on disposal of equipment and improvements	87,336	108,908
Asset impairment	1,439,017	-
Change in accounts receivable reserve	154,193	3,932
Change in work-in-process reserve	47,031	7,559
Deferred income taxes	2,564,000	5,230,000
Equity-based compensation expense	191,160	172,016
Tenant improvement allowance	2,254,963	5,458,827
(Increase) decrease in:		
Accounts receivable	(5,233,761)	4,054,823
Work-in-process	3,115,577	(7,707,295)
Prepaid expenses and other current assets	9,685,178	(9,841,204)
Other assets	(1,799,575)	(164,812)
Increase (decrease) in:		
Accounts payable	(1,910,382)	1,309,335
Accrued expenses	(198,152)	(5,898,409)
Deferred revenue	1,386,758	791,065
Deferred rent	943,020	504,489
Net cash provided by operating activities	<u>32,522,824</u>	<u>10,184,502</u>
Cash flows from investing activities:		
Maturities of investments in securities	-	1,000,000
Purchases of investments in securities	-	(105,000)
Purchases of equipment and improvements	(9,946,846)	(11,532,004)
Equipment and improvements acquired under capital lease obligations	(1,159,773)	(1,138,603)
Acquisition of Fiduciary Capital Management, Inc.	-	(2,420,000)
Net cash used in investing activities	<u>(11,106,619)</u>	<u>(14,195,607)</u>

Continued...

PFM I, LLC AND SUBSIDIARIES

Consolidated Statements of Cash Flows, Continued  
Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from financing activities:		
Net borrowings on (repayments of) lines of credit	(11,434,562)	13,934,562
Repayments of long-term debt	-	(4,500,000)
Payment of contingent consideration	(1,005,424)	(1,120,000)
Advances under capital lease obligations	1,203,595	1,138,603
Payments on capital lease obligations	(1,116,624)	(464,214)
Members' contributions	6,244,508	7,101,073
Members' distributions	(9,009,297)	(7,947,675)
Redemption of common members' equity	(6,118,143)	(6,919,133)
Net cash provided by (used in) financing activities	(21,235,947)	1,223,216
Effect of exchange rate changes on cash	23,537	14,547
Net increase (decrease) in cash and cash equivalents	203,795	(2,773,342)
Cash and cash equivalents, beginning of year	1,084,724	3,858,066
Cash and cash equivalents, end of year	\$ 1,288,519	\$ 1,084,724

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ 5,199,523	\$ 4,553,696
Income taxes	\$ 643,753	\$ 4,946,804

Supplemental disclosure of noncash investing and financing activities:

As described in Note 2, the Company has accrued tax distributions of \$3,526,200 and \$2,151,400 as of December 31, 2018 and 2017, respectively.

During the year ended December 31, 2018, the Company utilized \$31,500,000 of its line of credit to repay its term loan agreement, as described in Note 10.

During the year ended December 31, 2018, the Company disposed of fully depreciated equipment and improvements totaling \$9,284,430.

In connection with the 2017 acquisition of Fiduciary Capital Management, Inc. described in Note 3, PFM Asset Management LLC incurred contingent consideration with a fair value of \$1,585,000 and deferred consideration of \$33,000.

During the year ended December 31, 2017, the Company recorded tenant improvements totaling \$573,965.

During the year ended December 31, 2017, the Company disposed of fully amortized intangible assets totaling \$959,131.

See accompanying notes to consolidated financial statements.

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (1) Nature of Business

As of December 31, 2018, PFM I, LLC (PFM I) wholly owns PFM Investment, LLC (PFM Investment). PFM Investment wholly owns Public Financial Management, Inc., PFM Asset Management LLC and Subsidiaries, PFM Financial Services LLC, PFM Swap Advisors LLC, PFM Ventures, LLC and Subsidiary, PFM Financial Advisors LLC and Subsidiary, PFM Group Consulting LLC, PFM Management Services LLC, and PFM International LLC and Subsidiary.

PFM I will continue until the occurrence of an event of dissolution as described in its third amended and restated limited liability company operating agreement (the Operating Agreement). Events of dissolution include the written consent of holders of at least 76% of the member units, the sale or disposition of substantially all of PFM I's assets, or any event specified under law as an event causing dissolution of PFM I.

Public Financial Management, Inc. (PFM) is a professional services firm that specializes in providing financial advisory services primarily to state and local governments and nonprofit institutions throughout the United States. Financial advisory services relate principally to the structuring, pricing and rating of debt, and consulting on finance related matters.

PFM Asset Management LLC (PFMAM) is an investment advisory firm that specializes in providing money-management and investment advisory services primarily to state and local governments, nonprofit institutions and retirement plans throughout the United States.

PFM Fund Distributors, Inc. (Fund Distributors), a wholly-owned subsidiary of PFMAM, is a broker-dealer whose sole purpose is to serve as the distributor or marketing agent for local government investment pools and registered investment companies for which PFMAM serves as investment adviser and/or administrator and/or transfer agent. Shares in these local government investment pools and registered investment companies are offered and sold only to institutional investors, the majority of which are state and local governmental entities. Fund Distributors has no present plans to buy, sell, or trade securities.

BondResource Partners, LP and BondResource Partners, LLC (collectively, BondResources) are wholly-owned subsidiaries of PFMAM. BondResources is a professional services firm that specializes in providing bond management services and calculations primarily to tax-exempt entities.

PFM Financial Services LLC (FiServ) provides a national program for procurement cards, issued through an unrelated financial institution.

PFM Swap Advisors LLC (PFMSA) is a professional services firm that specializes in assisting clients with interest-rate swaps and other derivatives.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (1) Nature of Business, Continued

PFM Ventures, LLC (PFM Ventures) is a holding company that owns PFM Solutions LLC.

PFM Solutions LLC (PFM Solutions), a subsidiary of PFM Ventures, specializes in providing customized, comprehensive strategic planning services to governmental, not-for-profit, and for-profit institutions.

PFM Financial Advisors LLC (PFMFA) is a professional services firm that specializes in providing financial advisory services primarily to state and local governments and nonprofit institutions throughout the United States. Financial advisory services relate principally to the structuring, pricing and rating of debt, and consulting on finance related matters.

Western Financial Group, LLC (WFG) is a wholly-owned subsidiary of PFMFA. WFG is a professional services firm that provides financial advisory services primarily to state and local governments and nonprofit institutions principally in the Northwestern United States.

PFM Group Consulting LLC (PFMGC) is a professional services firm that specializes in providing consulting services primarily to state and local governments and nonprofit institutions throughout the United States. Consulting services are primarily analyses to assist with better governmental operating outcomes.

PFM Management Services LLC (PFMMS) is an administrative entity. PFMMS's primary purpose is to provide financial management and other administrative services to the Company's international operations. PFMMS was formed during the year ended December 31, 2017 and had no activity during the year ended December 31, 2017.

PFM International LLC (PFM International) is a United States holding company for the Company's international subsidiaries.

PFM Advisors UK Limited (PFMUK) is a wholly-owned subsidiary of PFM International. PFMUK is a professional services firm specializing in providing financial advisory services throughout the United Kingdom. Financial advisory services relate principally to the structuring, pricing and rating of debt, and consulting on finance related matters. PFMUK was formed during the year ended December 31, 2017.

## PFM I, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2018 and 2017

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### (2) Summary of Significant Accounting Policies

#### *Principles of Consolidation*

The accompanying consolidated financial statements include the accounts of PFM I, PFM Investment, PFM, PFMAM and Subsidiaries, FiServ, PFMSA, PFM Ventures and Subsidiary, PFMFA and Subsidiary, PFMGC, PFMMS, and PFM International and Subsidiary (collectively, the Company). All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

#### *Cash Equivalents*

Short-term investments and other highly liquid instruments having original maturities of three months or less are considered to be cash equivalents.

#### *Investments in Securities*

The Company accounts for its investments in equity securities in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 321, *Investments - Equity Securities*, whereby equity investments are measured at fair value in the accompanying consolidated balance sheets with changes in fair value recognized in net income.

The Company determines the appropriate classification of its investments in debt securities at the time of purchase and reevaluates such determinations at each reporting date. Debt securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are recorded as either short-term or long-term on the accompanying consolidated balance sheets, based on contractual maturity date and are stated at amortized cost. Securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Securities not classified as held-to-maturity or trading are classified as available-for-sale, and are valued at fair value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in members' equity.

Transactions related to investments in securities are recorded on a trade date basis.

At December 31, 2018 and 2017, the Company held investments in certain pooled funds managed by PFMAM. These investments are recorded at fair value as further described in Note 4.

At December 31, 2016, the Company held U.S. government securities that were classified as held to maturity and carried at amortized cost. These securities matured during the year ended December 31, 2017.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (2) Summary of Significant Accounting Policies, Continued

##### *Equipment and Improvements*

Equipment and improvements, including computer software developed or acquired for internal use, are stated at cost. The straight-line method of depreciation is used for financial reporting purposes over estimated useful lives of generally three years for computer software, three to five years for equipment, and five to ten years for furniture and fixtures. Leasehold improvements are amortized on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, which generally range from two to fifteen years. Assets in progress are stated at cost, which includes the cost of construction and other direct costs attributable to the construction. No provision for depreciation is made on assets in progress until such time as the relevant assets are completed and put to use. Assets in progress at December 31, 2018 and 2017, primarily represents leasehold improvements and computer software. Maintenance and repairs are charged to expense as incurred. Betterments and renewals, which extend the useful lives or capacities of the equipment and improvements, are capitalized. Gains or losses resulting from the sale or disposal of equipment and improvements are included in the consolidated statements of comprehensive income.

##### *Assets Held under Capital Leases*

Assets held under capital leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method of the shorter of the estimated useful lives of the assets or the period of the related lease.

##### *Intangible Assets*

Intangible assets consist primarily of customer lists and non-competition agreements. The straight line method of amortization is used for financial reporting purposes over estimated useful lives ranging from three to five years.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2018 and 2017

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### (2) Summary of Significant Accounting Policies, Continued

#### *Cloud Computing Arrangements*

Prior to January 1, 2018, the Company expensed implementation costs related to cloud computing arrangements as incurred. Effective January 1, 2018, the Company adopted FASB Accounting Standards Update (ASU) 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* and accounts for implementation costs related to cloud computing arrangements by capitalizing qualifying costs on its consolidated balance sheet in the same line item that a prepayment for the fees of the associated arrangement would be presented. Accordingly, such capitalized implementation costs have been included as a long-term other asset in the accompanying consolidated balance sheets. The Company amortizes capitalized implementation costs on a straight line basis over the terms of the related arrangements, which, as of December 31, 2018, is seven years. Amortization expense related to the capitalized implementation costs is required to be presented in the same line item in the consolidated statement of comprehensive income as the fees associated with the hosting element of the arrangements. Accordingly, such amortization expense has been included in general and administrative expenses in the accompanying consolidated statements of comprehensive income.

#### *Goodwill*

In accordance with FASB ASC 350, *Intangibles – Goodwill and Other*, the Company assesses goodwill for impairment on an annual basis. In connection with its assessment of the fair value of deferred consideration on PFM Ventures, the Company recognized an impairment of goodwill of \$729,301 during the year ended December 31, 2018. See Note 4. No impairment of goodwill was recognized during the year ended December 31, 2017.

#### *Debt Issuance Costs*

Debt issuance costs are amortized over the term of the related loan. Unamortized debt issuance costs related to term debt are included in the accompanying consolidated balance sheets as a reduction of the term debt. As of December 31, 2018 and 2017, aggregate debt issuance costs and accumulated amortization related to term debt were \$432,800 and \$243,450, and \$788,791 and \$438,544, respectively. See Note 10 for information regarding the related term debt. As of December 31, 2018 and 2017, net debt issuance costs totaling \$24,242 and \$72,726, respectively, related to the Company's line of the credit are recorded in prepaid expenses and other current assets. As of December 31, 2018 and 2017, aggregate debt issuance costs and accumulated amortization, related to the line of credit were \$96,968 and \$72,726, and \$96,968 and \$24,242, respectively.

*Continued...*



## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (2) Summary of Significant Accounting Policies, Continued

##### *Debt Issuance Costs, Continued*

Total amortization, included in interest expense, related to debt issuance costs was \$209,381 and \$149,541 for the years ended December 31, 2018 and 2017, respectively.

##### *Impairment of Long-Lived Assets*

Impairment of long-lived assets is recognized when projected future cash flows are less than the assets' carrying values. Accordingly, when indicators of impairment are present, the Company evaluates the carrying values of the long-lived assets in relation to the cash generating performance and future undiscounted cash flows of the underlying business. The Company adjusts the net book value of the underlying assets if the sum of their expected future undiscounted cash flows is less than book value. The Company recorded an impairment charge of \$709,716 related to internal-use software during the year ended December 31, 2018. No such adjustments were recorded during the year ended December 31, 2017.

##### *Revenue Recognition*

A majority of the Company's fees are based on either fixed price or hourly contracts, or assets under management.

The Company's financial advisory contracts are typically long-term in nature. Revenue for these fixed price and hourly contracts is recognized when realized or realizable, and earned. This occurs when an arrangement exists, services have been rendered, the fees are fixed and determinable, and collectability is reasonably assured.

Revenue for asset management is primarily calculated as a percentage of compensable assets under management. At December 31, 2018 and 2017, the Company managed compensable assets with a fair value of approximately \$95 billion and \$82 billion, respectively. Compensable assets are subject to market fluctuations.

The Company generally bills in arrears for services performed. Unbilled revenue is recorded in work-in-process in the accompanying consolidated balance sheets.

##### *Advertising*

The Company expenses advertising costs when incurred. Total advertising expenses, recorded in general and administrative expenses in the accompanying consolidated statements of comprehensive income, for the years ended December 31, 2018 and 2017 were \$2,602,194 and \$2,019,682, respectively.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2018 and 2017

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### (2) Summary of Significant Accounting Policies, Continued

#### *Income Taxes*

PFM I, PFM Investment, PFMAM, FiServ, PFMSA, BondResources, PFM Ventures, PFM Solutions, PFMFA, WFG, PFMGC, PFM International, PFMUK, and PFMMS (collectively, the Partnerships) file combined federal and state income tax returns. The Partnerships' activities are reported under the partnership provisions of the Internal Revenue Code (IRC) and various state statutes for income tax reporting. Accordingly, the members of PFM I are individually liable for the taxes on their respective shares of the Partnerships' consolidated income or loss.

PFM and Fund Distributors are C corporations. Income taxes are computed in accordance with FASB ASC 740, *Income Taxes*. This standard requires an asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the book and tax bases of assets and liabilities, as well as the estimated future tax consequences attributable to net operating loss and tax credit carryforwards. A valuation allowance is established if, based upon all available information, it is deemed more likely than not that a portion or all of a deferred tax asset will not be realized.

FASB ASC 740 is the authoritative pronouncement on accounting for and reporting income tax liabilities and expense. FASB ASC 740 prescribes a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken. In addition, FASB ASC 740 provides guidance on derecognition, classification and disclosure.

The Company files income tax returns in the U.S. federal jurisdiction, the United Kingdom, and various state and local jurisdictions. For U.S. jurisdictions, the Company's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return. It is difficult to predict the final timing and resolution of any particular uncertain tax position. Based on the Company's assessment of many factors, including past experience and complex judgments about future events, the Company does not currently anticipate significant changes in its tax positions over the next 12 months.

Under the Operating Agreement, PFM I is generally required, with certain exceptions, to make periodic distributions to the members for federal and state income taxes on pass-through income. Exceptions include restrictions in financing agreements and availability of funds. The Company has accrued tax distributions of \$3,526,200 and \$2,151,400 as of December 31, 2018 and 2017, respectively.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (2) Summary of Significant Accounting Policies, Continued

##### *Comprehensive Income*

The Company follows FASB ASC 220, *Comprehensive Income*. FASB ASC 220 establishes standards for reporting and display of comprehensive income and its components in a full set of general purpose financial statements. FASB ASC 220 requires all items to be recognized under accounting standards as components of comprehensive income and to be disclosed in the consolidated financial statements. Comprehensive income is the total of net income and other comprehensive income which comprises the foreign currency translation adjustment in the accompanying consolidated statements of comprehensive income.

##### *Foreign Currency Translation*

All assets and liabilities of PFMUK are generally translated at exchange rates in effect at the reporting date. Revenue and expense accounts are generally translated at the average rate of exchange in effect during the reporting period. Foreign currency translation adjustments are included in other comprehensive income. Cumulative foreign currency translation adjustments are reflected in accumulated other comprehensive income in the accompanying consolidated balance sheets.

##### *Concentrations of Credit Risk*

Financial instruments that potentially expose the Company to concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, and work-in-process. The Company principally utilizes national banks to maintain its operating cash accounts. At certain times, such balances may be in excess of the FDIC insurance limits. The Company's principal customers are state and local governments, nonprofit institutions and retirement plans. Services to these customers are normally provided under contractual arrangements. The Company assesses the financial strength of its customers on an ongoing basis. The Company records accounts receivable and work-in-process reserves at levels considered by management to be adequate to absorb estimates of probable future losses (uncollectable amounts) existing at the reporting date. These reserves are based on estimates, and ultimate losses may differ from those estimates.

In the normal course of its operations, the Company enters into contracts and agreements that contain indemnifications and warranties. The Company's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. The Company expects the risk of loss to be remote.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2018 and 2017

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### (2) Summary of Significant Accounting Policies, Continued

#### *Use of Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Reclassification*

Certain items in the accompanying 2017 consolidated financial statements have been reclassified to conform to the current year presentation.

#### *Recently Adopted Accounting Standards*

The Company adopted FASB ASU 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This ASU amends certain aspects of recognition, measurement, presentation and disclosure of financial instruments, including the requirement to measure certain equity investments at fair value with changes in fair value recognized in net income. The impact of adopting this ASU had no material impact upon adoption and will result in the Company recognizing changes to the fair value of equity investments as part of net income rather than other comprehensive income.

The Company adopted FASB ASU 2018-15 on a prospective basis effective January 1, 2018 pertaining to ongoing cloud implementation arrangements. This ASU provides new guidance on a customer's accounting for implementation, set-up and other upfront costs incurred in a cloud computing arrangement that is hosted by the vendor. Under the new guidance, customers will apply the same criteria for capitalizing implementation costs as they would for an arrangement that has a software license. The new guidance also prescribes the balance sheet, income statement and cash flow classification of the capitalized implementation costs and related amortization expense, and requires additional quantitative and qualitative disclosures. The adoption of this guidance resulted in the Company capitalizing costs on its consolidated balance sheet and amortizing those costs over the related arrangements rather than expensing costs as incurred. See Note 8 for further details regarding the capitalized costs.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (2) Summary of Significant Accounting Policies, Continued

##### *Recent Accounting Standards Pending Adoption*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU impacts measurement, recognition and disclosure of revenue from contracts. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The ASU will be effective for the Company's December 31, 2019 consolidated financial statements. The Company is currently evaluating the impact that the adoption of this ASU will have on its consolidated financial position, results of operations, and cash flows. The adoption of this ASU is expected to require additional disclosures in the Company's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 23): Classification of Certain Cash Receipts and Cash Payments*. This ASU clarifies guidance related to the classification of certain cash flows. The ASU will be effective for the Company's December 31, 2019 consolidated financial statements. The Company is currently evaluating the impact that the adoption of this ASU will have on its consolidated cash flows. The adoption of this ASU is expected to require the Company to classify cash payments for contingent and deferred consideration made soon after the acquisition date of a business combination as cash outflows from investing activities rather than as cash outflows from financing activities. Additionally, the adoption of this ASU is expected to require the Company to separate cash payments for contingent and deferred consideration not made soon after the acquisition date of a business combination, and classify as cash outflows from operating and financing activities rather than entirely as cash outflows from financing activities. Cash payments up to the amount of the contingent and deferred consideration liability recognized at the acquisition date will be classified as financing activities; any excess will be classified as operating activities.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* which requires lessees to recognize the following for all leases other than short-term leases at the commencement of a lease: a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The ASU is effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early application is permitted. The Company is currently evaluating the impact that the adoption of this ASU will have on its consolidated financial statements and anticipates a material increase in total assets and liabilities.

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (3) Acquisitions

##### *Fiduciary Capital Management, Inc.*

In December 2017, PFMAM completed the acquisition of certain assets of Fiduciary Capital Management, Inc. (FCM), who has been in the business of managing stable value portfolios for institutional retirement plan clients. PFMAM acquired FCM to expand its ability to manage stable value portfolios in the defined contribution markets. The acquisition date fair value of consideration transferred and the acquisition date fair value of assets and liabilities acquired include the following:

Fair Value of Consideration Transferred:	
Cash	\$ 2,420,000
Deferred consideration	33,000
Contingent consideration	1,585,000
	<u>\$ 4,038,000</u>

Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed:	
Customer list	\$ 3,100,000
Goodwill	938,000
	<u>\$ 4,038,000</u>

The acquisition of FCM includes two contingent consideration arrangements that require additional consideration to be paid under certain situations. The first contingent consideration is based on the revenues attributable to contracts assigned to PFMAM from FCM through December 15, 2018. The second contingent consideration is based on the revenues attributable to certain of FCM's pipeline prospects as of the date of the acquisition. Any incentive earned is payable over a 2 year time period after execution of contracts with the pipeline prospects. The fair value of the contingent consideration recognized at acquisition is remeasured as of each reporting date using level 3 inputs, as described in Note 4. The goodwill is primarily attributable to the workforce of the acquired business and additional market presence.

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (4) Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, defines fair value and establishes a framework for measuring and disclosing fair value in accordance with accounting principles generally accepted in the United States of America.

Various inputs may be used to determine the value of the Company's financial assets and liabilities. These inputs are summarized in three broad levels listed below. The input levels or methodologies used for valuing financial assets and liabilities are not necessarily an indication of the risk associated with those financial assets and liabilities.

Level 1: Quoted prices in active markets for identical financial assets and liabilities.

Level 2: Observable inputs other than level 1 quoted prices.

Level 3: Unobservable inputs.

Observable inputs are inputs that other market participants may use in pricing a financial asset or liability. These may include quoted prices for similar assets and liabilities, interest rates, prepayment speeds, credit risk, and others. The determination of what constitutes observable inputs requires judgment by management of the Company.

In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an asset or liability at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Company's own assumptions about the factors market participants would use in pricing an asset or liability, and would be based upon available information.

For the years ended December 31, 2018 and 2017, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

#### *Investments in Securities*

At December 31, 2018 and 2017, the Company held investments in certain pooled funds managed by PFMAM valued at the net asset value (NAV) per unit of the respective pooled fund.

#### *Contingent Consideration*

In accordance with FASB ASC 805, *Business Combinations*, the Company remeasures the fair value of contingent consideration as of each reporting date. The fair value of contingent consideration is based on significant inputs not observable in the market which FASB ASC 820 refers to as level 3 inputs, and has been included in accrued expenses in the accompanying consolidated balance sheets.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

#### (4) Fair Value Measurements, Continued

##### *Contingent Consideration, Continued*

Key assumptions as of December 31, 2018 and 2017 include the following:

		2018					
	Range of Years to Earn Contingent Consideration	Range of Estimated Undiscounted Contingent Consideration (thousands)	Estimated Contingent Consideration Outcomes (thousands)	Cumulative Contingent Consideration Earned	Cumulative Contingent Consideration Paid	Fair Value of Outstanding Contingent Consideration	Discount Rate
FCM	2018	\$0 - \$2,500	\$1,817	\$ 1,817,424	\$ 855,424	\$ 962,000	6.00%
ACA	2017 - 2019	\$0 - \$550	\$550	\$ 400,000	\$ 250,000	\$ 291,509	6.00%
		2017					
	Range of Years to Earn Contingent Consideration	Range of Estimated Undiscounted Contingent Consideration (thousands)	Estimated Contingent Consideration Outcomes (thousands)	Cumulative Contingent Consideration Earned	Cumulative Contingent Consideration Paid	Fair Value of Outstanding Contingent Consideration	Discount Rate
FCM	2018	\$0 - \$2,500	\$1,680	\$ -	\$ -	\$ 1,589,000	6.00%
ACA	2017 - 2019	\$0 - \$550	\$550	\$ 250,000	\$ 100,000	\$ 416,248	6.00%
SBA	2016 - 2017	\$1,545 - \$2,060	\$2,060	\$ 2,060,000	\$ 2,060,000	\$ -	6.00%

##### *Deferred Consideration*

In December 2015, PFM Ventures completed an acquisition of certain assets of Whitebirch Software, Inc. through the creation of PFM Solutions. The fair value of the deferred consideration recognized in connection with that acquisition was estimated by applying a discounted cash flow model and is remeasured as of each reporting date. That measurement method is based on significant inputs not observable in the market, which FASB ASC 820 refers to as level 3 inputs. The undiscounted payment amount is based off of the net income or loss attributable to PFM Solutions, plus interest, taxes, depreciation, and amortization, multiplied by eight, (the PFM Solutions Fair Market Value) for each of the years ended December 31, 2019 through December 31, 2023. Payments will be made each year from 2020 through 2024, or earlier under certain conditions, at the prior year's PFM Solutions Fair Market Value. Key assumptions include an estimated base scenario of undiscounted cash flows of \$9,300,000 with a 10% and 60% probability at December 31, 2018 and 2017, respectively, and an alternate scenario of undiscounted cash flows of \$6,500,000 with a 90% and 40% probability at December 31, 2018 and 2017, respectively. A discount rate of 6% was utilized. Deferred consideration of \$5,576,646 and \$6,305,948, respectively, is included in accrued expenses, net of current portion in the accompanying consolidated balance sheets at December 31, 2018 and 2017.

*Continued...*



## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

#### (4) Fair Value Measurements, Continued

The tables below present the assets and (liabilities) measured at fair value on a recurring basis:

	December 31, 2018			
	Total	Level 1	Level 2	Level 3
Investments in securities measured at NAV per share <sup>(a)</sup>	\$ 97,730			
Contingent consideration	\$ (1,253,509)	\$ -	\$ -	\$ (1,253,509)
Deferred consideration	\$ (5,576,646)	\$ -	\$ -	\$ (5,576,646)

	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Investments in securities measured at NAV per share <sup>(a)</sup>	\$ 105,000			
Contingent consideration	\$ (2,005,248)	\$ -	\$ -	\$ (2,005,248)
Deferred consideration	\$ (6,305,948)	\$ -	\$ -	\$ (6,305,948)

(a) In accordance with FASB ASU 2015-07, certain investments that were measured at NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

The changes in the balances of the liabilities measured at fair value based on level 3 inputs are summarized as follows:

	Contingent Consideration	Deferred Consideration
Balance at December 31, 2016	\$ 1,473,557	\$ 5,949,008
Fair value recognized at acquisition date	1,585,000	-
Contingent consideration paid	(1,120,000)	-
Change in fair value	66,691	356,940
Balance at December 31, 2017	2,005,248	6,305,948
Contingent consideration paid	(1,005,424)	-
Change in fair value	253,685	(729,302)
Balance at December 31, 2018	\$ 1,253,509	\$ 5,576,646

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (5) Accounts Receivable and Work-In-Process

The components of accounts receivable are as follows at December 31:

	2018	2017
Accounts receivable	\$ 24,291,779	\$ 19,058,018
Accounts receivable reserve	(1,266,164)	(1,111,971)
Accounts receivable, net	<u>\$ 23,025,615</u>	<u>\$ 17,946,047</u>

The components of work-in-process are as follows at December 31:

	2018	2017
Work-in-process	\$ 15,296,347	\$ 18,411,924
Work-in-process reserve	(591,675)	(544,644)
Work-in-process, net	<u>\$ 14,704,672</u>	<u>\$ 17,867,280</u>

#### (6) Equipment and Improvements

Equipment and improvements consist of the following at December 31:

	2018	2017
Leasehold improvements	\$ 18,725,406	\$ 9,987,137
Furniture and fixtures	6,718,556	7,786,120
Equipment	4,228,049	5,907,572
Computer software	6,109,437	7,027,644
Assets in progress	3,027,555	7,075,393
	<u>38,809,003</u>	<u>37,783,866</u>
Accumulated depreciation and amortization	(11,967,327)	(16,447,310)
	<u>\$ 26,841,676</u>	<u>\$ 21,336,556</u>

Depreciation and amortization expense was \$4,804,447 and \$3,289,458 for the years ended December 31, 2018 and 2017, respectively.

At December 31, 2017, the Company had a receivable of \$3,654,848 for tenant improvement allowances related to assets in progress, which was included in prepaid expenses and other current assets in the accompany consolidated balance sheet as of December 31, 2017.

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (7) Intangible Assets

Intangible assets consist of the following at December 31:

	Customer Lists	Non- competition Agreements	Total
	<u>2018</u>		
Gross carrying amount	\$ 7,130,000	\$ 272,890	\$ 7,402,890
Accumulated amortization	(3,307,375)	(272,890)	(3,580,265)
	<u>\$ 3,822,625</u>	<u>\$ -</u>	<u>\$ 3,822,625</u>
	<u>2017</u>		
Gross carrying amount	\$ 7,130,000	\$ 272,890	\$ 7,402,890
Accumulated amortization	(1,854,029)	(194,096)	(2,048,125)
	<u>\$ 5,275,971</u>	<u>\$ 78,794</u>	<u>\$ 5,354,765</u>

Amortization expense for the years ended December 31, 2018 and 2017 was \$1,532,140 and \$930,341, respectively. Estimated amortization expense for the years ending December 31, 2019, 2020, 2021, and 2022, is \$1,453,500, \$1,129,125, \$620,000, and \$620,000, respectively.

#### (8) Implementation Costs for Cloud Computing Arrangements

Implementation costs for cloud computing arrangements, which have been included in other assets in the accompanying consolidated balance sheet, consist of the following at December 31, 2018:

Implementation costs	\$ 1,651,124
Accumulated amortization	<u>(102,484)</u>
	<u>\$ 1,548,640</u>

Amortization expense, which has been included in general and administrative expenses in the accompanying consolidated statement of comprehensive income, for the year ended December 31, 2018 was \$102,484. Estimated amortization expense for each of the years ending December 31, 2019, 2020, 2021, 2022, and 2023 is \$204,968.

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (9) Lines of Credit

During 2017, PFM Investment, PFM, PFMAM, and FiServ (collectively, the Borrowers) modified its line of credit agreement. Under the agreement, the Borrowers have available a joint line of credit that expires on June 28, 2019. The maximum available borrowings are \$60,000,000, subject to certain conditions in the credit agreement. The Borrowers are jointly and severally liable to the lenders for the full payment and performance under the line of credit. The line of credit contains mandatory prepayment provisions as described in Note 10. The Company's management expects the lines of credit to be extended under similar terms.

Unpaid cash advances bear interest at the base rate plus an applicable margin, or the LIBOR rate plus an applicable margin. The applicable margin for the base rate ranges from 0.00% to 1.00% based on the Company's consolidated senior leverage ratio. The applicable margin for the LIBOR rate ranges from 2.00% to 3.25% based on the Company's consolidated senior leverage ratio. The applicable interest rates at December 31, 2018 range from 4.50% to 4.66%. The line of credit is collateralized by certain assets of the Borrowers and is guaranteed by PFM I, PFMSA, BondResources, PFM Ventures, PFMGC, PFMFA, and WFG (collectively, the Guarantors). At December 31, 2018 there is \$36,000,000 outstanding on the line of credit.

The Company's credit agreement also provides for up to \$6,000,000 of credit on a swingline loan. The swingline loan is attached to the master cash sweep account and automatically makes draws when daily cash payments exceed the cash on hand in the master cash account, up to the credit limit. At no time, shall the total outstanding balance on the line of credit, the letters of credit and swingline loan exceed the maximum available borrowings. At December 31, 2018, there are no outstanding borrowings on the swingline loan.

The Company's credit agreement also provides for up to \$2,000,000 in letters of credit. The outstanding letters of credit reduce the maximum available borrowings on the line of credit. The Company has outstanding letters of credit totaling \$784,890 as of December 31, 2018. See Note 14.

PFM had available an equipment finance lease facility with \$3,500,000 of maximum financing to lease equipment that expired in December 2018 (See Note 11). Under the terms of this agreement, equipment can be leased for up to 60 months. Lease obligations, payable through 2022, bear interest at the LIBOR rate plus 2% (ranging from 2.92% to 4.52% at December 31, 2018) and are guaranteed by PFM Investment, PFMAM, and FiServ.

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

#### (10) Long-Term Debt

Long-term debt consists of the following at December 31:

	2018		
	Principal	Unamortized debt issuance costs	Net
\$40,000,000 private placement notes (the Private Notes) with PFM Investment and nine noteholders, with interest only payments made quarterly in arrears and with the remaining unpaid principal and interest due June 2022. The Private Notes are subordinated to the Term Loan and line of credit. The subordination agreement prohibits principal payments on the Private Notes prior to repayment in full of the Term Loan and line of credit. The Private Notes bear interest at a rate of 8% through June 2019 and at the LIBOR rate plus 5.76% from July 2019 through June 2022. Principal prepayments are permitted, subject to the subordination agreement. Any prepayments made prior to June 2019 must include a make-whole penalty, which generally represents interest expense related to the prepayments. The Private Notes are guaranteed by the Guarantors and PFM, PFMAM, and FiServ.	\$ 40,000,000	\$ (189,350)	\$ 39,810,650
Less: Current portion	-	-	-
	\$ 40,000,000	\$ (189,350)	39,810,650
	2017		
\$45,000,000 term loan agreement (the Term Loan) with the Borrowers, jointly and severally liable, and eight lenders. The Term Loan bore interest at the base rate plus an applicable margin, or the LIBOR rate plus an applicable margin. The applicable margin for the base rate ranged from 0.00% to 1.00% based on the Company's consolidated senior leverage ratio. The applicable margin for the LIBOR rate ranged from 2.00% to 3.25% based on the Company's consolidated senior leverage ratio. The Term Loan was collateralized by certain assets of the Borrowers and was guaranteed by the Guarantors. The Term Loan was repaid during the year ended December 31, 2018 utilizing the line of credit discussed in Note 9.	\$ 31,500,000	\$ (106,797)	\$ 31,393,203
The Private Notes described above	40,000,000	(243,450)	39,756,550
	71,500,000	(350,247)	71,149,753
Less: Current portion	(5,625,000)	125,298	(5,499,702)
	\$ 65,875,000	\$ (224,949)	\$ 65,650,051

Continued...

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (10) Long-Term Debt, Continued

The aggregate future annual principal payments of long-term debt consist of the following:

Years Ending December 31,	Amount
2019	\$ -
2020	-
2021	-
2022	40,000,000
	<u>\$ 40,000,000</u>

Upon the occurrence of certain issuances of members' units, receipt of certain insurance proceeds, certain asset dispositions, or if the Company's consolidated senior leverage ratio is 3.00 to 1.00 or greater, the Borrowers are required to make mandatory prepayments to be applied to the lines of credit then the Private Notes. The Company must maintain certain financial and operational covenants in connection with the lines of credit and the Private Notes.

#### *Interest Rate Swap Agreements*

The Borrowers entered into two interest rate swap agreements (the Swaps) with total notional amounts of \$34,343,750 and \$10,000,000, respectively. Under the terms of the Swaps, the Borrowers prepaid fixed interest payments of \$521,600 and \$219,500, respectively, and receive interest at a floating rate of the excess of LIBOR over 3%. There are no remaining prepaid fixed interest payments at December 31, 2018. The prepaid fixed interest payments aggregating \$77,330 at December 31, 2017 are included in other assets on the accompanying consolidated balance sheets and were being amortized over the term of the Swaps. The Swaps commenced October 2013 and expired July 2018. The Borrowers did not elect to designate the Swaps as hedging instruments. Therefore, in accordance with FASB ASC 815, *Derivatives and Hedging*, the gain or loss resulting from the change in fair value of the Swaps is recognized in earnings. The Swaps have no fair value at December 31, 2018 and 2017 and as such, no gain or loss on change in fair value was recorded during the year ended December 31, 2018. The loss on change in fair value of \$2,141 for the year ended December 31, 2017, was recognized in other expense in the accompanying 2017 consolidated statement of comprehensive income.

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (11) Capital Lease Obligations

The Company leases equipment and furniture and fixtures (included in Note 6) under long-term agreements, which are classified as capital leases under the terms of the equipment finance lease facility described in Note 9. The leases are non-cancellable and expire through 2022. The lease obligations are collateralized by the underlying assets. Assets recorded under capital leases, included in equipment and improvements in the accompanying consolidated balance sheets, are as follows at December 31:

	2018	2017
Equipment	\$ 1,010,341	\$ 494,677
Furniture and fixtures	2,986,475	1,705,888
Assets in progress	-	636,478
	<u>3,996,816</u>	<u>2,837,043</u>
Accumulated amortization	(837,385)	(253,758)
	<u>\$ 3,159,431</u>	<u>\$ 2,583,285</u>

Amortization expense related to assets under capital lease obligations was \$583,627 and \$179,500 for the years ended December 31, 2018 and 2017, respectively.

Aggregate future minimum lease payments on these capital leases as of December 31, 2018, are as follows:

Years Ending, December 31,	Amount
2019	\$ 1,182,231
2020	777,803
2021	429,295
2022	58,427
Total future minimum lease payments	<u>2,447,756</u>
Amount representing interest	<u>(113,036)</u>
Present value of net minimum lease payments	2,334,720
Less current portion	<u>(1,116,090)</u>
Long-term portion	<u>\$ 1,218,630</u>

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (12) Retirement Plans

PFM I, PFM, PFMAM, PFMSA, PFM Solutions, PFMFA, and PFMGC sponsor a qualified 401(k) and profit sharing plan. PFM I, PFM, PFMAM, PFMSA, PFM Solutions, PFMFA, and PFMGC match 50% of employee contributions to the 401(k) plan, up to the first 6% of an employee's salary. Profit sharing contributions are made at the discretion of the board of directors of PFM I. There is a one-year service requirement for employees to receive employer contributions, and employees are fully vested in the matching contributions immediately upon their entry date and after five or six years of service for the profit sharing contributions. Employer contributions for the years ended December 31, 2018 and 2017 totaled \$3,652,267 and \$3,933,046, respectively, for the profit sharing contribution and \$1,945,532 and \$1,902,730, respectively, for the matching 401(k) contribution.

#### (13) Income Taxes

The provision for income taxes consisted of the following for the years ended December 31:

	2018	2017
Current:		
Federal	\$ (1,017,000)	\$ -
State	445,000	-
	(572,000)	-
Deferred:		
Federal	2,032,000	3,814,000
State	532,000	1,416,000
	2,564,000	5,230,000
	<u>\$ 1,992,000</u>	<u>\$ 5,230,000</u>

The Company's effective tax rate differs from what would be expected if the federal statutory rate was applied to income before income taxes primarily because of pass-through income and because of certain expenses, which are deductible for financial reporting purposes, that are not deductible for tax purposes and certain taxable income not required for financial reporting purposes such as meals and entertainment, depreciation on deferred lease incentives, and intercompany interest.

*Continued...*



## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (13) Income Taxes, Continued

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2018 and 2017 are summarized below. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the time the items below are deducted on the tax returns or in any carryforward period are reduced.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The major temporary differences that give rise to the deferred tax assets and liabilities are as follows as of December 31, 2018: deferred rent, intangible assets, goodwill, and equipment and improvements.

For the year ended December 31, 2017, PFM incurred a tax loss resulting from the realization of timing differences and, accordingly, no provision for current income taxes has been recorded. At December 31, 2017, the Company had approximately \$5,600,000 of a federal tax loss and \$4,300,000 of state tax loss claims. The Company utilized those claims on a carryback basis during the year ended December 31, 2018.

The Tax Cut and Jobs Act of 2017 was signed into law on December 22, 2017. For the year ended December 31, 2017, PFM recorded a tax benefit of \$472,000, primarily due to the remeasurement of the December 31, 2017 deferred tax assets (with the exception of federal net operating losses) and deferred tax liabilities at the new corporate rate.

#### (14) Commitments and Contingencies

##### *Operating Leases*

PFM, PFMAM, and PFMUK lease office space and office equipment under operating leases that expire at various dates through 2033. Annual minimum lease payments excluding common area maintenance charges required under these leases as of December 31, 2018 are:

Years Ending December 31,	Amount
2019	\$ 8,283,517
2020	\$ 7,849,004
2021	\$ 7,120,055
2022	\$ 6,738,747
2023	\$ 5,254,039
Thereafter	\$ 37,638,936

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (14) Commitments and Contingencies, Continued

##### *Operating Leases, Continued*

Several of the leases call for graduated payments over the term of the leases. The lease expense, recognized on a straight-line basis over the lease term and included in general and administrative expenses, was \$9,820,625 and \$8,601,532 for the years ended December 31, 2018 and 2017, respectively. The difference between actual payments and the straight-line basis expense is included in deferred rent on the accompanying consolidated balance sheets.

In connection with certain of its leases, the Borrowers maintain letters of credit in favor of the lessors. The letters of credit automatically renew on an annual basis. See Note 9.

##### *Employment Agreements*

Certain entities of the Company have entered into employment agreements with certain key employees. The contracts are automatically renewed on a year-to-year basis thereafter and are cancelable by either party with 90 days' prior notice. However, certain contracted employees are entitled to not less than six months' severance pay if their employment is terminated. In connection with such agreements, those contracted employees have agreed not to compete in any respect with the businesses of the Company for the longer of either 12 months after the termination date, or the remaining term of the employment agreement. In connection with these agreements, PFM, PFMAM, and PFMFA have guaranteed aggregate bonuses of approximately \$1,050,000 payable during the years ending December 31, 2019 through 2020.

##### *Equity Appreciation Units*

During 2015, PFM I entered into contracts with three non-employee board members (each an Independent Manager). The contracts provide that each Independent Manager is due a fixed fee of \$17,000, plus the positive difference between the equity unit values of PFM I, at the earlier of a liquidity event, or the termination of the Independent Manager's service, and the equity unit value of PFM I at the contract date, for each equity appreciation unit. Contemporaneously, 353,000 equity appreciation units were granted with a contract date equity unit value of \$1.56. The contract date fair value of this liability was \$51,000. The equity unit value of PFM I, as determined by PFM I's board of directors, as of December 31, 2018 and 2017 was \$2.29 and \$2.08, respectively. At December 31, 2018 and 2017, the Company recognized a deferred compensation liability of \$308,690 and \$234,560, respectively, which is included in accrued expenses in the accompanying consolidated balance sheets. During the years ended December 31, 2018 and 2017, PFM I recognized compensation expense of \$74,130 and \$67,070, respectively, in relation to these contracts, which is included in salaries, incentive compensation, and employee benefits in the accompanying consolidated statements of comprehensive income. There were no new equity appreciation units granted during 2018 and 2017.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements  
December 31, 2018 and 2017

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### (14) Commitments and Contingencies, Continued

#### *Health Self-Insurance*

PFM maintains a self-insurance program for medical coverage. PFM I, PFMAM, PFMSA, PFM Solutions, PFMFA, and PFMGC employees are also eligible to participate in the plan. PFM I, PFM, PFMAM, PFMSA, PFM Solutions, PFMFA, and PFMGC are liable for claims up to \$125,000 per covered person annually, and aggregate claims up to \$7,142,053 annually. Self-insurance costs are accrued based upon the aggregate of the liability for reported claims and an estimated liability for claims incurred but not reported. PFM maintains additional coverage for amounts in excess of self-insurance limits.

#### *Insurance Deductible*

PFM has a \$1,000,000 deductible on its errors and omissions insurance and PFMAM, PFMSA, PFM Solutions, PFMFA, and PFMGC are named insured parties. Deductible amounts are accrued when, in the opinion of management, an incident has occurred which will require PFM, PFMAM, PFMSA, PFM Solutions, PFMFA, and PFMGC to pay under the deductible. At December 31, 2018 and 2017, there are no insurance deductibles accrued.

#### *Related Party Transactions*

As described in Note 1, the entities of the Company are affiliated through either common or direct ownership. PFM Investment, PFM, PFMAM, and FiServ are co-borrowers on a line of credit and certain long-term debt agreements (see Notes 8 and 9). Certain expenses have been allocated between various entities of the Company. In addition, PFM I charges its subsidiaries a management fee for certain personnel costs, and PFM charges other entities of the Company a management fee for certain personnel and general and administrative expenses. The operating results of the individual entities of the Company may have been different had they been autonomous.

#### *Litigation*

From time to time, the Company is involved in legal proceedings in the ordinary course of its businesses. Management believes that the resolution of these legal proceedings will not have a material adverse effect on the financial condition or results of operations of the Company.

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (15) Member Units

As described in the Operating Agreement, PFM I has authorized member units, with voting rights. The member units are generally non-transferrable. The Operating Agreement includes preemptive rights. These preemptive rights provide the members of PFM I the opportunity to participate in certain offerings of the member units by PFM I. The Operating Agreement also includes drag-along rights. These drag-along rights require that all members of PFM I participate in any approved sale. With certain exceptions, PFM I is generally required to repurchase the member units of certain employee members who have attained a specified age. Beginning January 1, 2017, with certain exceptions, PFM I also is generally required to repurchase the member units of certain eligible retirees and the member units of certain terminated employees. The repurchase occurs over a four year period with 20% repurchased in the first year, 20% in the second year, 20% in the third year, and 40% in the fourth year. The repurchase is based on the most recently determined equity unit value at the date of each repurchase. The repurchases in the first, second, and third years are done via cash payments. The repurchases in the fourth year are done via a promissory note, not to exceed four years, and bearing interest at (i) the greater of the applicable federal rate or 8% or (ii) such other rate as the board shall determine.

#### *Unit Grant Agreements*

The Company has the ability to enter into unit grant agreements (the Grant Agreement) at its discretion, which provide nonvested member units (the Grant Units) to certain employees. Under the Grant Agreements, employees are issued the Grant Units which vest ratably over a period of continuous service or based on realization of certain performance requirements. Compensation cost is recognized on a straight-line basis over the requisite service or vesting period and forfeitures are recognized as they occur. The Grant Agreement provides for accelerated vesting in the event of a change in control, or termination of the grantee without cause. The Grant Units are nontransferable and, to the extent the Grant Units are not forfeited and the grantee has filed the appropriate elections under the IRC, the grantee is entitled to have all the rights and obligations of a member including the right to share in distributions and allocations of profits and losses without regard to whether the Grant Units have become vested.

*Continued...*

## PFM I, LLC AND SUBSIDIARIES

### Notes to Consolidated Financial Statements December 31, 2018 and 2017

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#### (15) Member Units, Continued

##### *Unit Grant Agreements, Continued*

A summary of the status of the Company's Grant Units as of December 31, 2018 and 2017, and changes for the years then ended are presented below:

Nonvested Shares	Grant Units	Weighted Average Grant-Date Intrinsic Value
Nonvested at December 31, 2016	409,156	\$ 1.6460
Granted	-	\$ -
Vested	(115,539)	\$ 1.6545
Forfeited	-	\$ -
Nonvested at December 31, 2017	293,617	\$ 1.6427
Granted	-	\$ -
Vested	(115,539)	\$ 1.6545
Forfeited	-	\$ -
Nonvested at December 31, 2018	178,078	\$ 1.6350

As of December 31, 2018, there was \$220,160 of total unrecognized compensation cost related to nonvested grant units under the Grant Agreement. The cost is expected to be recognized over a period of 4 years. During 2018 and 2017, the Company recognized compensation expense of \$191,160 and \$172,016, respectively.

#### (16) Subsequent Events

The Company has performed an evaluation of subsequent events through April 26, 2019, which is the date the consolidated financial statements were available to be issued.

In March 2019, PFMFA completed the acquisition of certain assets of Fishkind & Associates, Inc., who has been in the business of public finance, real estate and economic consulting and the management of community development districts in the state of Florida. PFMFA acquired Fishkind & Associates, Inc. to expand its ability to manage community development districts and provide economic consulting in the state of Florida. The acquisition included cash of \$1.4 million subject to certain adjustments and contingent considerations based on revenue targets for the years ending December 31, 2019, 2020 and 2021. The total consideration, assuming Fishkind & Associates, Inc. satisfies the revenue contingencies is approximately \$3.8 million.



## C. Requested Bond Documents

*In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the 2019 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of other tax consequences to holders of the 2019 Bonds.*



## CITY OF ST. PETERSBURG, FLORIDA

**\$53,035,000**  
**PUBLIC UTILITY**  
**REVENUE BONDS,**  
**SERIES 2019A**

**\$42,545,000**  
**PUBLIC UTILITY REFUNDING**  
**REVENUE BONDS,**  
**SERIES 2019B**

Dated: Date of Delivery

Due: As Shown on Next Page

The City of St. Petersburg, Florida (the "City") is issuing \$53,035,000 of its Public Utility Revenue Bonds, Series 2019A (the "2019A Bonds") and \$42,545,000 of its Public Utility Refunding Revenue Bonds, Series 2019B (the "2019B Bonds" and collectively with the 2019A Bonds, the "2019 Bonds"). The 2019 Bonds are being issued in fully registered form and, when initially issued, will be registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of bond certificates. Interest on the 2019 Bonds will be payable semi-annually beginning on April 1, 2020 and on each October 1 and April 1 thereafter.

The 2019 Bonds are being issued pursuant to Resolution No. 99-227 duly adopted by the City Council of the City on April 22, 1999, as amended and supplemented from time to time, as particularly amended by Resolution No. 2005-559 duly adopted by the City Council of the City on October 20, 2005, Resolution No. 2008-256 duly adopted by the City Council of the City on May 15, 2008, and Resolution No. 2013-400 duly adopted by the City Council of the City on October 3, 2013, and as particularly supplemented by Resolution No. 2019-505 duly adopted by the City Council of the City on October 3, 2019 (collectively, the "Bond Resolution") and the Constitution and laws of the State of Florida, Chapter 166, Part II, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal Charter of the City, and other applicable provisions of law (collectively, the "Act").

The 2019 Bonds are subject to optional redemption and mandatory redemption as described herein.

The proceeds of the 2019A Bonds are being used to (i) finance and/or reimburse the costs of the acquisition, construction and erection of the 2019A Project (as described herein – see "PURPOSE OF THE 2019 BONDS – The 2019A Project"), and (ii) to pay certain costs of issuance of the 2019A Bonds. The proceeds of the 2019B Bonds are being used to (i) advance refund all of the City's outstanding Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable – Build America Bonds – Direct Subsidy) (the "2010A Bonds") and the City's outstanding Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Subsidy) (the "2010B Bonds," and together with the 2010A Bonds, the "Refunded Bonds"), (see "PURPOSE OF THE 2019 BONDS – The Refunding Plan") and (ii) pay certain costs of issuance of the 2019B Bonds.

The 2019 Bonds and the interest thereon are payable from an irrevocable first lien on the Net Revenues of the City's Public Utility System on a parity with the City's Public Utility Revenue Bonds, Series 2013A outstanding in the aggregate principal amount of \$38,080,000 (the "2013A Bonds"), the City's Public Utility Refunding Revenue Bonds, Series 2013B outstanding in the aggregate principal amount of \$40,960,000 (the "2013B Bonds"), the City's Public Utility Revenue Bonds, Series 2013C outstanding in the aggregate principal amount of \$24,495,000 (the "2013C Bonds"), the City's Public Utility Revenue Bonds, Series 2014A outstanding in the aggregate principal amount of \$31,320,000 (the "2014A Bonds"), the City's Public Utility Refunding Revenue Bonds, Series 2014B outstanding in the aggregate principal amount of \$39,585,000 (the "2014B Bonds"), the City's Public Utility Revenue Bonds, Series 2015 outstanding in the aggregate principal amount of \$28,345,000 (the "2015 Bonds"), the City's Public Utility Refunding Revenue Bond, Series 2016A outstanding in the aggregate principal amount of \$43,465,000 (the "2016A Bond"), the City's Public Utility Refunding Revenue Bonds, Series 2016B outstanding in the aggregate principal amount of \$52,260,000 (the "2016B Bonds"), the City's Public Utility Revenue Bond, Series 2016C outstanding in the aggregate principal amount of \$43,525,000 (the "2016C Bonds"), the City's Public Utility Refunding Revenue Bonds, Series 2018 outstanding in the aggregate principal amount of \$205,120,000 (the "2018 Bonds") and any Additional Parity Obligations (as defined in the Bond Resolution).

Neither the 2019 Bonds nor the interest thereon constitute a general indebtedness of the City within the meaning of any constitutional, statutory or charter provision or limitation. No owner or owners of any 2019 Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the City, or taxation in any form on any real property therein, to pay the 2019 Bonds or the interest thereon.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

*The 2019 Bonds are offered for delivery when, as and if issued by the City and received by the Original Purchasers, subject to the approval of legality by Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by Macall D. Dyer, Esq., Managing Assistant City Attorney, or her designee, and GrayRobinson, P.A., Tampa, Florida, Special Disclosure Counsel to the City. PFM Financial Advisors LLC, Orlando, Florida, is serving as Financial Advisor to the City. It is expected that the 2019 Bonds in definitive form will be available for delivery in New York, New York on or about November 14, 2019.*

**Raymond James & Associates, Inc.**  
Original Purchaser of the 2019A Bonds

**Wells Fargo Bank, N.A. Municipal Products Group**  
Original Purchaser of the 2019B Bonds

Dated: October 16, 2019.





**OFFICIAL NOTICE OF SALE**

**City of St. Petersburg, Florida**

**\$53,665,000\***

**Public Utility Revenue Bonds, Series 2019A**

**\$39,855,000\***

**Public Utility Refunding Revenue Bonds, Series 2019B**

The City of St. Petersburg, Florida Public Utility Revenue Bonds, Series 2019A (the "2019A Bonds") and Public Utility Refunding Revenue Bonds, Series 2019B (the "2019B Bonds" and collectively with the 2019A Bonds, the "2019 Bonds") are being offered for sale in accordance with this Official Notice of Sale. Notice is hereby given that bids will be received by the City of St. Petersburg, Florida (the "Issuer" or the "City") for the purchase of the 2019A Bonds via the Parity Bid Submission System ("Parity") in the manner described below until 10:30 a.m., Eastern time, on Wednesday, October 16, 2019 and bids for the 2019B Bonds will be received until 11:00 a.m. eastern time, on Wednesday, October 16, 2019. The date and/or time of each sale may be modified by the Chief Financial Officer of the City or her designee no less than ten (10) days after the date of publication of this notice and communicated by Thomson Municipal Market Monitor not less than twenty (20) hours prior to the time bids are to be received. To the extent any instructions or directions set forth on Parity conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about Parity, and to subscribe in advance of the bid, potential bidders may contact Parity at (212) 849-5021. The use of Parity shall be at the bidder's risk and expense, and the Issuer shall have no liability with respect thereto.

**BOND DETAILS**

The description of the 2019 Bonds, the purpose thereof and the security therefor, as set forth in this Official Notice of Sale, is subject in its entirety to the disclosures made in the Preliminary Official Statement. See "DISCLOSURE INFORMATION" herein.

The 2019 Bonds will be issued as fully registered bonds, and when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the 2019 Bonds. Individual purchases of the 2019 Bonds may be made only in book-entry form in denominations of \$5,000 or integral multiples thereof. Purchasers of the 2019 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the 2019 Bonds as nominee for DTC, payments of principal and interest with respect to the 2019 Bonds will be made directly to such registered owner who will in turn remit such principal and interest payments to DTC participants for subsequent disbursement to the Beneficial Owners. The Issuer will not be responsible for payments to Beneficial Owners.

The 2019 Bonds will be dated their date of delivery (expected to be November 14, 2019) or such other date as may be communicated by Thomson Municipal Market Monitor not less than 20 hours prior to the time bids are to be received, and shall bear interest from such date and shall be payable semiannually commencing on April 1, 2020, and on each October 1 and April 1

thereafter until maturity at the rate or rates specified in such proposals as may be accepted. The proposed schedule of maturities and amounts are as follows:

**INITIAL MATURITY SCHEDULE FOR THE 2019A BONDS**

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
10/1/2021	\$ 830,000	10/1/2036**	\$1,800,000
10/1/2022	875,000	10/1/2037**	1,890,000
10/1/2023	920,000	10/1/2038**	1,985,000
10/1/2024	965,000	10/1/2039**	2,085,000
10/1/2025	1,015,000	10/1/2040**	2,190,000
10/1/2026	1,065,000	10/1/2041**	2,295,000
10/1/2027	1,120,000	10/1/2042**	2,410,000
10/1/2028	1,175,000	10/1/2043**	2,530,000
10/1/2029	1,280,000	10/1/2044**	2,660,000
10/1/2030**	1,345,000	10/1/2045**	2,795,000
10/1/2031**	1,410,000	10/1/2046**	2,930,000
10/1/2032**	1,485,000	10/1/2047**	3,080,000
10/1/2033**	1,555,000	10/1/2048**	3,230,000
10/1/2034**	1,635,000	10/1/2049**	3,395,000
10/1/2035**	1,715,000		

\* Preliminary; subject to change.

\*\* Term Bond option as described herein.

**INITIAL MATURITY SCHEDULE FOR THE 2019B BONDS**

<u>Maturity</u>	<u>Amount*</u>	<u>Maturity</u>	<u>Amount*</u>
10/1/2020	\$ 380,000	10/1/2031**	\$ 415,000
10/1/2021	270,000	10/1/2032**	420,000
10/1/2022	280,000	10/1/2033**	450,000
10/1/2023	295,000	10/1/2034**	455,000
10/1/2024	295,000	10/1/2035**	460,000
10/1/2025	305,000	10/1/2036**	4,715,000
10/1/2026	320,000	10/1/2037**	4,885,000
10/1/2027	325,000	10/1/2038**	5,075,000
10/1/2028	340,000	10/1/2039**	4,425,000
10/1/2029	385,000	10/1/2040**	14,960,000
10/1/2030**	400,000		

\* Preliminary; subject to change.

\*\* Term Bond option as described herein.

NOTE: The Issuer reserves the right to modify the maturity schedules shown above. Any such modification will be communicated through the Thomson Municipal Market Monitor (See, "ADJUSTMENT OF PRINCIPAL AMOUNTS" below.)

## **PAYING AGENT AND REGISTRAR**

The Paying Agent and Registrar for the 2019 Bonds will be U.S Bank National Association, Orlando, Florida.

## **ADJUSTMENT OF PRINCIPAL AMOUNTS**

The schedule of maturities set forth above (the "Initial Maturity Schedule") represents an estimate of the principal amount and maturities of the 2019 Bonds that will be sold. The Issuer reserves the right to change the Initial Maturity Schedule by announcing any such change not later than 3:00 p.m., Eastern Time, on the day immediately preceding the date set for receipt of bids, through Thomson Municipal Market Monitor. If no such change is announced, the Initial Maturity Schedule will be deemed the schedule of maturities for submission of the bid.

Furthermore, if after final computation of the bids, the Issuer determines in its sole discretion that the funds necessary to accomplish the purpose of the 2019 Bonds is more or less than the proceeds of the sale of all of the 2019 Bonds, the Issuer reserves the right to increase or decrease the principal amount, by no more than 15% of the principal amount of the 2019 Bonds, or 15% within a given maturity of the 2019 Bonds (to be rounded to the nearest \$5,000) or by such other amount as approved by the winning bidders.

In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted; and the 2019 Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified immediately after award of the 2019 Bonds of that maturity. However, the award will be made to the bidders whose bid produces the lowest true interest cost rate, calculated as specified herein, solely on the basis of the 2019 Bonds offered, without taking into account any adjustment in the amount of 2019 Bonds pursuant to this paragraph.

## **REDEMPTION PROVISIONS**

The 2019 Bonds that mature on or before October 1, 2029 are not subject to redemption prior to their maturities. The 2019 Bonds that mature on or after October 1, 2030, are subject to redemption beginning October 1, 2029 in whole or in part at any time, in any order of maturities at the option of the City, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

## **TERM BONDS OPTIONS**

Any bidder may, at its option, specify that the maturities of the 2019 Bonds maturing after October 1, 2029 will consist of term bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof (each a "Term Bond") as designated in the bid of such bidder. In the event that the bid of the successful bidders specifies that a permitted maturity of the 2019 Bonds will be a Term Bond, such Term Bond will be subject to mandatory sinking fund redemption on October 1, in each applicable year, in the principal amount for such year as set forth hereinbefore under the heading "INITIAL MATURITY

SCHEDULE FOR THE 2019 BONDS," at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium.

### **AUTHORITY AND PURPOSE**

The 2019 Bonds are being issued pursuant to Resolution No. 99-227 duly adopted by the City Council of the City on April 22, 1999, as amended and supplemented from time to time, as particularly amended by Resolution No. 2005-559 duly adopted by the City Council of the City on October 20, 2005, Resolution No. 2008-256 duly adopted by the City Council of the City on May 15, 2008, and Resolution No. 2013-400 duly adopted by the City Council of the City on October 3, 2013, and as particularly supplemented by Resolution No. 2019-505 duly adopted by the City Council of the City on October 3, 2019 (collectively, the "Bond Resolution") and the Constitution and laws of the State of Florida, Chapter 166, Part II, Florida Statutes, Chapter 159, Part I, Florida Statutes, the municipal Charter of the City, and other applicable provisions of law (collectively, the "Act").

The 2019A Bonds are being used to (i) finance and/or reimburse the costs of the acquisition, construction and erection of additions, improvements, and extensions to the City's public utility system and (ii) to pay certain costs of issuance of the 2019A Bonds. The 2019B Bonds are being used to (i) advance refund all of the City's outstanding Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable – Build America Bonds – Direct Subsidy) and the City's outstanding Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Subsidy) and (ii) to pay certain costs of issuance of the 2019B Bonds.

### **SECURITY**

The 2019 Bonds and the interest thereon are payable from an irrevocable first lien on the Net Revenues of the City's Public Utility System on a parity with the City's Public Utility Revenue Bonds, Series 2013A outstanding in the aggregate principal amount of \$38,080,000 (the "2013A Bonds"), the City's Public Utility Refunding Revenue Bonds, Series 2013B outstanding in the aggregate principal amount of \$40,960,000 (the "2013B Bonds"), the City's Public Utility Revenue Bonds, Series 2013C outstanding in the aggregate principal amount of \$24,495,000 (the "2013C Bonds"), the City's Public Utility Revenue Bonds, Series 2014A outstanding in the aggregate principal amount of \$31,320,000 (the "2014A Bonds"), the City's Public Utility Refunding Revenue Bonds, Series 2014B outstanding in the aggregate principal amount of \$39,585,000 (the "2014B Bonds"), the City's Public Utility Revenue Bonds, Series 2015 outstanding in the aggregate principal amount of \$28,345,000 (the "2015 Bonds"), the City's Public Utility Refunding Revenue Bond, Series 2016A outstanding in the aggregate principal amount of \$43,465,000 (the "2016A Bond"), the City's Public Utility Refunding Revenue Bonds, Series 2016B outstanding in the aggregate principal amount of \$52,260,000 (the "2016B Bonds"), the City's Public Utility Revenue Bond, Series 2016C outstanding in the aggregate principal amount of \$43,525,000 (the "2016C Bonds"), the City's Public Utility Refunding Revenue Bonds, Series 2018 outstanding in the aggregate principal amount of \$205,120,000 (the "2018 Bonds") and any Additional Parity Obligations (as defined in the Bond Resolution).

## UNDERLYING RATINGS

Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch") have assigned their municipal bond ratings of "Aa2" (stable outlook) and "AA" (stable outlook), respectively, to the 2019 Bonds.

## TERMS OF BID AND BASIS OF AWARD

Proposals must be unconditional and for the purchase of all of the 2019A Bonds. The reoffering price for the 2019A Bonds may not be less than 99% of the principal amount of the 2019 Bonds for any single maturity thereof. The aggregate purchase price, inclusive of original issue discount ("OID"), original issue premium ("OIP") and underwriter's discount may not be less than 99% of the principal amount of the 2019A Bonds. The 2019A Bonds maturing on and after October 1, 2030 must have a 5.00% coupon.

Proposals must be unconditional and for the purchase of all of the 2019B Bonds. The reoffering price for the 2019B Bonds may not be less than 99% of the principal amount of the 2019B Bonds for any single maturity thereof. The aggregate purchase price, inclusive of original issue discount ("OID"), original issue premium ("OIP") and underwriter's discount may not be less than 99% of the principal amount of the 2019B Bonds. The 2019B Bonds maturing on and after October 1, 2030 must have a coupon no greater than 4.00%.

The 2019 Bonds shall bear interest expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one (1) per centum. The use of split or supplemental interest coupons will not be considered and a zero rate or blank rate will not be permitted. All 2019A Bonds maturing on the same date shall bear the same rate of interest. All 2019B Bonds maturing on the same date shall bear the same rate of interest.

The 2019A Bonds will be awarded to the bidder offering to purchase the 2019A Bonds at the lowest annual interest cost computed on a TIC basis. The annual TIC will be determined by doubling the semi-annual interest rate necessary to discount the semi-annual debt service payments on the 2019A Bonds back to the Net Bond Proceeds (defined as the par amount of the 2019A Bonds, plus any OIP, less any OID and underwriters' discount on the 2019A Bonds, calculated on a 360 day year to the Closing Date, as defined below). The TIC must be calculated to four (4) decimal places. **NO BID SHALL BE ACCEPTED WITH A TIC GREATER THAN 4.50%.**

The 2019B Bonds will be awarded to the bidder offering to purchase the 2019B Bonds at the lowest annual interest cost computed on a TIC basis. The annual TIC will be determined by doubling the semi-annual interest rate necessary to discount the semi-annual debt service payments on the 2019B Bonds back to the Net Bond Proceeds (defined as the par amount of the 2019B Bonds, plus any OIP, less any OID and underwriters' discount on the 2019B Bonds, calculated on a 360 day year to the Closing Date, as defined below). The TIC must be calculated to four (4) decimal places. **NO BID SHALL BE ACCEPTED WITH A TIC GREATER THAN 4.50%.**

THE ISSUER RESERVES THE RIGHT TO REJECT ALL BIDS OR ANY BID NOT CONFORMING TO THIS OFFICIAL NOTICE OF SALE. THE ISSUER ALSO RESERVES

THE RIGHT TO WAIVE, IF PERMITTED BY LAW, ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE ISSUER SHALL NOT REJECT ANY CONFORMING BID, UNLESS ALL CONFORMING BIDS ARE REJECTED.

### **GOOD FAITH DEPOSIT**

If the City selects winning bids, then the successful bidders must submit a "Good Faith Deposit" (the "Deposit") to the City in the form of a wire transfer in the amount of \$536,650 for the 2019A Bonds and \$398,550 for the 2019B Bonds not later than 2:00 p.m., Eastern time on the business day following the award. The Deposit of the successful bidders will be collected and the proceeds thereof retained by the Issuer to be applied as partial payment for the 2019 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidders shall fail to comply with the terms of the bid, the proceeds thereof will be retained as and for full liquidated damages.

### **STANDARD FILINGS, CHARGES AND CLOSING DOCUMENTS**

The winning bidders will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidders will be required to pay the standard MSRB charge for the 2019 Bonds purchased. In addition, those who are members of SIFMA will be required to pay SIFMA's standard charge per bond. The winning bidders will also be required to execute certain closing documents required by Florida law or required by Bond Counsel (as defined below) in connection with the delivery of its tax opinion. See "DISCLOSURE; AMENDMENTS TO NOTICE OF SALE; NOTIFICATION OBLIGATIONS OF PURCHASER" herein.

### **CUSIP NUMBERS**

The Issuer will assume no obligation for the assignment of CUSIP numbers to the 2019 Bonds or for the correctness of any such numbers printed thereon, but the Issuer will permit such printing to be done at the expense of the winning bidders, provided that such printing does not result in any delay of the date of delivery of the 2019 Bonds. PFM Financial Advisors LLC, the Issuer's financial advisor, will request the assignment of CUSIP numbers prior to the sale of the 2019 Bonds.

### **DELIVERY OF THE 2019 BONDS**

The Issuer will pay the cost of preparing the 2019 Bonds. The successful bidders are responsible for DTC eligibility and related DTC costs. Delivery of and payment for the 2019 Bonds will be via DTC Fast on or about November 14, 2019 (the "Closing Date") in New York, New York, or such other time and place mutually acceptable to the successful bidders and the Issuer. Payment of the full purchase price, less the Deposit, shall be made to the Issuer not later than 12:00 P.M., Eastern time on the Closing Date, in Federal Reserve Funds of the United States of America, without cost to the Issuer.

The legal opinion of Bryant Miller Olive P.A. ("Bond Counsel") will be furnished without charge to the successful bidders at the time of delivery of the 2019 Bonds. For a further discussion of the content of that opinion and the proposed form of the approving opinion, see the Preliminary Official Statement for the 2019 Bonds.

There will also be furnished at the time of delivery of the 2019 Bonds, a certificate or certificates of the Issuer (which may be included in a consolidated closing certificate) relating to the accuracy and completeness of the Official Statement; and stating, among other things, that there is no litigation or administrative action or proceeding pending or, to the knowledge of the Issuer, threatened, at the time of delivery of the 2019 Bonds, (a) to restrain or enjoin or seeking to restrain or enjoin the issuance and delivery of the 2019 Bonds or (b) affecting the validity of the 2019 Bonds, and that the Preliminary Official Statement has been deemed by the Issuer to be a "final official statement" for purposes of SEC Rule 15c2-12(b)(3) and (4).

The successful bidders will be responsible for the clearance or exemption with respect to the status of the 2019 Bonds for sale under the securities or "Blue Sky" laws of the several states and the preparation of any surveys or memoranda in connection with such sale.

#### **ESTABLISHMENT OF ISSUE PRICE**

(a) The winning bidders shall assist the City in establishing the issue price of the 2019 Bonds and shall execute and deliver to the City upon issuance of the 2019 Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2019 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-2, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidders, the City and Bond Counsel.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the 2019 Bonds) will apply to the initial sale of the 2019 Bonds (the "competitive sale requirements") because:

- (i) the City shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the City may receive bids from at least three underwriters of municipal bonds who represent to have established industry reputations for underwriting new issuances of municipal bonds; and
- (iv) the City anticipates awarding the sale of the 2019 Bonds to the bidder who submits a firm offer to purchase the 2019 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the 2019 Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidders. The City may determine to treat (i) the first price at which 10% of a maturity of the 2019 Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the 2019 Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidders shall advise the City if any maturity of the 2019 Bonds satisfies the 10% test as of the date and time of the award of the 2019 Bonds. The City shall promptly advise the winning bidders, at or before the time of award of the 2019 Bonds, which maturities of the 2019 Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the 2019 Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the 2019 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the 2019 Bonds.

(d) By submitting a bid, the winning bidders shall (i) confirm that it and all other underwriters that are participating in the winning bidder's bid have offered or will offer the 2019 Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidders and (ii) agree, on behalf of itself and all other underwriters participating in the winning bidder's bid for the purchase of the 2019 Bonds, that the underwriters will neither offer nor sell unsold 2019 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (A) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (B) the date on which the underwriters have sold at least 10% of that maturity of the 2019 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidders will advise the City promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the 2019 Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the 2019 Bonds, the winning bidders agrees to promptly report to the City the prices at which the unsold 2019 Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all the 2019 Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the 2019 Bonds of that maturity, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.



(f) The City acknowledges that, in making the representations set forth above, the winning bidders will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the 2019 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2019 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2019 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the 2019 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2019 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the 2019 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2019 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule if applicable to the 2019 Bonds.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the 2019 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable:

(A)(1) to report the prices at which it sells to the public the unsold 2019 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all 2019 Bonds of that maturity allocated to it have been sold or until it is notified by the winning bidders that the 10% test has been satisfied as to the 2019 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidders and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidders and as set forth in the related pricing wires.

(B) to promptly notify the winning bidders of any sales of 2019 Bonds that, to its knowledge, are made to a purchaser who is a related party to an

underwriter participating in the initial sale of the 2019 Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidders shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the 2019 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2019 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold 2019 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2019 Bonds of that maturity allocated to it have been sold or it is notified by the winning bidders or such underwriter that the 10% test has been satisfied as to the 2019 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidders or such underwriter and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidders or the underwriter and as set forth in the related pricing wires.

(h) Sales of any 2019 Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2019 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2019 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2019 Bonds to the public),
- (iii) a purchaser of any of the 2019 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the

corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) "sale date" means the date that the 2019 Bonds are awarded by the City to the winning bidders, which is expected to be October 16, 2019.

**DISCLOSURE; AMENDMENTS TO NOTICE OF SALE;  
NOTIFICATION OBLIGATIONS OF PURCHASER**

This Official Notice of Sale is not intended as a disclosure document and bidders are required to obtain and carefully review the Preliminary Official Statement before submitting a bid.

This Official Notice of Sale may be amended from time to time after its initial publication by publication of amendments thereto not less than 20 hours prior to the bid date and time by Thomson Municipal Market Monitor. Each bidder will be charged with the responsibility of obtaining any such amendments and complying with the terms thereof.

Prior to delivery of the 2019 Bonds to the successful bidders, the successful bidders shall file with the Issuer a statement as described in Section 218.38(1)(c)2, Florida Statutes, containing the underwriting spread (including management fee, if any), and the amount of any fee, bonus or gratuity paid in connection with the 2019 Bonds to any person not regularly employed by the successful bidders. This statement shall be filed with the Issuer even if no such management fee or underwriting spread has been charged by the successful bidders or no such fee, bonus or gratuity has been paid by the successful bidders, and such filing shall be a condition precedent to the delivery of the 2019 Bonds by the Issuer to the successful bidders.

The successful bidders shall also verify its winning bid in writing to the Issuer by executing a printed copy of its winning bid as reported on Parity.

The winning bidders are required to provide a Truth in Bonding Statement pursuant to Section 218.385, Florida Statutes, and to disclose the payment of any "finder's fee" pursuant to Section 218.386, Florida Statutes, prior to the award of the 2019 Bonds, as set forth in Exhibit A-1 to this Official Notice of Sale.

**OFFICIAL STATEMENT**

The Issuer shall furnish at its expense within seven (7) business days after the 2019 Bonds have been awarded to the successful bidders, or at least five (5) business days before the Closing Date, whichever is earlier, up to 100 copies of the final Official Statement, which, in the judgment of the financial advisor to the City will permit the successful bidders to comply with applicable SEC and MSRB rules. The successful bidders may arrange for additional copies of the final Official Statement at its expense.

## **CONTINUING DISCLOSURE**

In order to assist bidders in complying with SEC Rule 15c2-12, the Issuer will undertake to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain events, if material. Such information will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System ("EMMA"). Notices of material events will be filed with the Municipal Securities Rulemaking Board through EMMA. A summary of such undertaking is contained in the Preliminary Official Statement.

## **DISCLOSURE INFORMATION**

Copies of the Preliminary Official Statement "deemed final" (except for permitted omissions) by the Issuer in accordance with SEC Rule 15c2-12 must be obtained from the Financial Advisor to the Issuer, PFM Financial Advisors LLC, 300 S. Orange Avenue, Suite 1170, Orlando, Florida 32801, (407) 406-5760 before a bid is submitted. The Issuer's Preliminary Official Statement and Official Notice of Sale are also available for viewing in electronic format at <http://www.munios.com>.

**CITY OF ST. PETERSBURG,  
FLORIDA**

By: /s/ Anne A. Fritz  
Chief Financial Officer

## EXHIBIT A-1

### CERTIFICATE WITH RESPECT TO "ISSUE PRICE"

The undersigned, on behalf of \_\_\_\_\_ ("\_\_\_\_\_"), hereby represents and warrants that it has an established industry reputation for underwriting new issuances of municipal bonds and certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

*[Alternate 1 - Competitive Safe Harbor Met]*

[1. Reasonably Expected Initial Offering Price. (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by \_\_\_\_\_ are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by \_\_\_\_\_ in formulating its bid to purchase the Bonds. Attached as Schedule B are true and correct copies of the bid provided by \_\_\_\_\_ to purchase the Bonds and the pricing wire or equivalent communication for the Bonds.

(b) \_\_\_\_\_ was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by \_\_\_\_\_ constituted a firm offer to purchase the Bonds.]

*[Alternate 2 - Competitive Sale Requirements Not Met General Rule to Apply]*

[1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A. Each maturity of the Bonds of which at least 10% of such maturity has not yet been sold to the public (the "Unsold Bonds") is also identified in Schedule A. Attached as Schedule B are true and correct copies of the bid provided by \_\_\_\_\_ to purchase the Bonds, and the pricing wire or equivalent communication for the Bonds. \_\_\_\_\_ has and will comply with the requirements set forth under the heading "Establishment of Issue Price Certificate" in the Official Notice of Sale for the Bonds, including reporting on the sale prices of the Unsold Bonds after the date hereof as provided therein.]

2. Defined Terms. (a) *Issuer* means the City of St. Petersburg, Florida.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is August \_\_, 2019.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents \_\_\_\_\_'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and Certain Other Tax Matters relating to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bryant Miller Olive P.A. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

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By: \_\_\_\_\_  
[Name]

Dated: August \_\_, 2019

**SCHEDULE 1**  
**EXPECTED OFFERING PRICES**  
**OR**  
**PRICES OF SOLD AND UNSOLD BONDS**

**SCHEDULE 2**

**COPY OF UNDERWRITER'S BID AND PRICING WIRE**



**EXHIBIT A-2**

**PUBLIC UTILITY REVENUE BONDS, SERIES 2019A  
TRUTH-IN-BONDING STATEMENT  
AND DISCLOSURE**

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the City of St. Petersburg, Florida Public Utility Revenue Bonds, Series 2019A (the "2019A Bonds") (NOTE: For information purposes only and not a part of the bid):

The City of St. Petersburg, Florida (the "Issuer") is proposing to issue \$ \_\_\_\_\_\* of the 2019A Bonds for the purpose of providing funds to finance and/or the reimburse the costs of the acquisition, construction and erection of additions, improvements and extensions to the Issuer's Public Utility System and to pay certain costs of issuance of the 2019A Bonds. The 2019A Bonds are expected to be repaid over a period of approximately \_\_ years. At a forecasted interest rate of \_\_\_\_\_%, total interest paid over the life of the 2019A Bonds will be \$ \_\_\_\_\_.

The source of repayment or security for the 2019A Bonds is the Net Revenues of the Issuer's Public Utility System in the manner and to the extent described in the Preliminary Official Statement and Official Notice of Sale, relating to the 2019A Bonds. Issuance of the 2019A Bonds is estimated to result in an annual average of approximately \$ \_\_\_\_\_ of revenues of the Issuer not being available to finance the other services of the Issuer for \_\_\_\_\_ years.

In compliance with Section 218.386, Florida Statutes, the undersigned, on behalf of itself and all other members of the underwriting group, if any, hereby certifies that neither it nor any member of the underwriting group have paid any "finder's fees" as defined in Section 218.386, Florida Statutes, or any bonus, fee or gratuity in connection with the sale of the 2019A Bonds, except as provided below:

Bidder's Name: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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\* Preliminary, subject to change.

**PUBLIC UTILITY REFUNDING REVENUE BONDS, SERIES 2019B  
TRUTH-IN-BONDING STATEMENT  
AND DISCLOSURE**

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the City of St. Petersburg, Florida Public Utility Refunding Revenue Bonds, Series 2019B (the "2019B Bonds") (NOTE: For information purposes only and not a part of the bid):

The City of St. Petersburg, Florida (the "Issuer") is proposing to issue \$ \_\_\_\_\_\* of the 2019B Bonds for the purpose of providing funds to advance refund all of the Issuer's outstanding Taxable Public Utility Revenue Bonds, Series 2010A (Federally Taxable – Build America Bonds – Direct Subsidy) and the Issuer's outstanding Taxable Public Utility Revenue Bonds, Series 2010B (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Subsidy) and to pay certain costs of issuance of the 2019B Bonds. The 2019B Bonds are expected to be repaid over a period of approximately \_\_\_ years. At a forecasted interest rate of \_\_\_\_\_%, total interest paid over the life of the 2019B Bonds will be \$\_\_\_\_\_.

The source of repayment or security for the 2019B Bonds is the Net Revenues of the Issuer's Public Utility System in the manner and to the extent described in the Preliminary Official Statement and Official Notice of Sale, relating to the 2019B Bonds. Issuance of the 2019B Bonds is estimated to result in an annual average of approximately \$\_\_\_\_\_ of revenues of the Issuer not being available to finance the other services of the Issuer for \_\_\_\_\_ years

In compliance with Section 218.386, Florida Statutes, the undersigned, on behalf of itself and all other members of the underwriting group, if any, hereby certifies that neither it nor any member of the underwriting group have paid any "finder's fees" as defined in Section 218.386, Florida Statutes, or any bonus, fee or gratuity in connection with the sale of the 2019B Bonds, except as provided below:

Bidder's Name: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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\* Preliminary, subject to change.



*In the opinion of Greenberg Traurig, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2020B Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes. Further, interest on the Series 2020B Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that the Series 2020B Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220, Florida Statutes. For a more complete description of such opinions of Bond Counsel, see "TAX MATTERS" herein.*



**\$92,290,000**  
**CITY OF FORT LAUDERDALE, FLORIDA**  
**General Obligation Bonds, Series 2020B**  
**(Police and Public Safety Projects)**

**Dated:** Date of Delivery

**Due:** July 1, as shown on inside cover page

The \$92,290,000 General Obligation Bonds, Series 2020B (Police and Public Safety Projects) (the "Series 2020B Bonds") are being issued by the City of Fort Lauderdale, Florida (the "City") under the authority of the Act (as defined herein), Resolution No. 18-250 adopted by the City Commission of the City (the "City Commission") on December 4, 2018 and Resolution No. 20-09 adopted by the City Commission on January 7, 2020 (collectively, the "Bond Resolution").

The Series 2020B Bonds are being issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. When issued, the Series 2020B Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2020B Bonds will be made in book-entry only form, without certificates. UMB Bank, N.A., Houston, Texas, will serve as the initial Paying Agent and Bond Registrar for the Series 2020B Bonds. Interest on the Series 2020B Bonds shall be paid semi-annually on January 1 and July 1 of each year, commencing July 1, 2020. So long as the Series 2020B Bonds shall be in book-entry only form, payment of the principal of and interest on the Series 2020B Bonds are payable to Cede & Co., as registered owner thereof, and will be redistributed by DTC and the DTC Participants to the Beneficial Owners (see "DESCRIPTION OF THE SERIES 2020B BONDS - Book-Entry Only System" herein).

The Series 2020B Bonds are being issued for the purpose of providing funds to (i) finance a portion of the costs of developing, designing, acquiring, constructing, equipping, installing, improving and furnishing the Police and Public Safety Projects, as described in this Official Statement, including to the extent permissible under the Code (as hereinafter defined), reimbursement to the City of any moneys previously advanced by the City to pay any portion of the cost of such projects, and (ii) pay certain costs of issuing the Series 2020B Bonds. See "PURPOSE OF THE ISSUE" herein.

**In each Fiscal Year in which any of the Series 2020B Bonds are Outstanding (as such terms are defined herein), there shall be assessed, levied and collected a tax, without limitation as to rate or amount, in addition to all other taxes, on all taxable property within the corporate limits of the City (excluding exemptions as provided by applicable law), sufficient in amount to pay the principal of and interest on the Series 2020B Bonds as the same shall become due and payable. The tax assessed, levied and collected for the security and payment of the Series 2020B Bonds shall be assessed, levied and collected in the same manner and at the same time as other ad valorem taxes are assessed, levied and collected.**

**THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY HAVE BEEN IRREVOCABLY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2020B BONDS.**

The Series 2020B Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2020B BONDS - Redemption Provisions" herein.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

*The Series 2020B Bonds are offered, when, as and if issued by the City, subject to the approval of their legality by Greenberg Traurig, P.A., Miami, Florida, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Alain E. Boileau, Esquire, Fort Lauderdale, Florida, City Attorney. Certain legal matters relating to disclosure will be passed upon for the City by the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Disclosure Counsel. PFM Financial Advisors LLC, Coral Gables, Florida, is acting as Financial Advisor to the City. It is expected that settlement on the Series 2020B Bonds will occur through the facilities of DTC in New York, New York on or about February 12, 2020.*



**OFFICIAL NOTICE OF BOND SALE**  
**\$87,910,000\***  
**CITY OF FORT LAUDERDALE, FLORIDA**  
**GENERAL OBLIGATION BONDS, SERIES 2020B**  
**(POLICE AND PUBLIC SAFETY PROJECTS)**

**NOTICE IS HEREBY GIVEN** that electronic bids will be received via BiDCOMP/Parity® Competitive Bidding System in the manner, on the date and up to the time specified below:

**BID DATE:** January 28, 2020\*

**TIME:** 11:00 a.m. Eastern Standard Time\*

**ELECTRONIC BIDS:** Must be submitted only through BiDCOMP/Parity® Competitive Bidding System (“*PARITY*®”) as described below. No other form of bid or provider of electronic bidding services will be accepted.

**GENERAL**

Bids must be submitted electronically via *PARITY*® in accordance with this Official Notice of Bond Sale, until 11:00 a.m. Eastern Standard Time, on the Bid Date and no bid will be accepted after such time on the Bid Date. Bids will be considered by the City of Fort Lauderdale, Florida (the “City” or the “Issuer”), for the purchase of all, but not less than all of the \$87,910,000\* aggregate principal amount of City of Fort Lauderdale, Florida General Obligation Bonds, Series 2020B (Police and Public Safety Projects) (the “Series 2020B Bonds”). Such bids will be received and opened in public in accordance with applicable legal requirements.

The Series 2020B Bonds are more particularly described in the Preliminary Official Statement dated January 17, 2020 relating to the Series 2020B Bonds (the “Preliminary Official Statement”), available at [www.munios.com](http://www.munios.com). This Official Notice of Bond Sale contains certain information for quick reference only. It is not, and is not intended to be, a summary of the Series 2020B Bonds. Each bidder is required to read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision. Capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Preliminary Official Statement.

Prior to accepting bids, the City reserves the right to change the principal amount of the Series 2020B Bonds being offered and the terms of the Series 2020B Bonds, to postpone the sale to a later date or time or cancel the sale. Notice of a change or cancellation will be announced via *The Bond Buyer* news service at the internet website address [www.tm3.com](http://www.tm3.com), not later than 12:00 noon, Eastern Standard Time, on the day preceding the bid opening or as soon as practicable prior to the sale. Such notice will specify the revised principal amount or terms, if any, and any later date or time selected for the sale, which may be postponed or cancelled in the

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\* Subject to change.

same manner. If the sale is postponed and a later date or time for the sale is not included in the notice of postponement, a later public sale may be held at the hour, in the manner, and on such date as communicated upon at least twelve (12) hours notice via *The Bond Buyer* news service at the internet website address [www.im3.com](http://www.im3.com). The City reserves the right, after the bids are opened, to adjust the principal amount of the Series 2020B Bonds, as further described herein. See “ADJUSTMENT OF PRINCIPAL AMOUNTS OF MATURITIES” herein.

To the extent any instructions or directions set forth in *PARITY*<sup>®</sup> conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about *PARITY*<sup>®</sup> and to subscribe in advance of the bid, potential bidders may contact *PARITY*<sup>®</sup> at (212) 849-5021.

### **Disclaimer**

Each prospective electronic bidder must be a subscriber to *PARITY*<sup>®</sup>. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to view the bid form on *PARITY*<sup>®</sup> and to access *PARITY*<sup>®</sup> for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the City nor *PARITY*<sup>®</sup> shall have any duty or obligation to provide or assure access to *PARITY*<sup>®</sup> to any prospective bidder, and neither the City nor *PARITY*<sup>®</sup> shall be responsible for a bidder’s failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*<sup>®</sup>. The City is using *PARITY*<sup>®</sup> as a communication mechanism, and not as the City’s agent, to conduct the electronic bidding for the Series 2020B Bonds. The City is not bound by any advice or determination of *PARITY*<sup>®</sup> to the effect that any particular bid complies with the terms of this Official Notice of Bond Sale and, in particular, the bid specifications hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via *PARITY*<sup>®</sup> are the sole responsibility of such bidders and the City shall not be responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Series 2020B Bonds, the prospective bidder should immediately telephone *PARITY*<sup>®</sup> at (212) 849-5021, notify the City’s Financial Advisor, PFM Financial Advisors LLC, by email at [masvidals@pfm.com](mailto:masvidals@pfm.com) and notify the City’s Director of Finance, by email at [sugrant@fortlauderdale.gov](mailto:sugrant@fortlauderdale.gov). The City shall have no responsibility for technological or transmission errors that any bidder may experience in transmitting a bid. The use of *PARITY*<sup>®</sup> shall be at the bidder’s risk and expense, and the City shall have no liability with respect thereto.

### **THE SERIES 2020B BONDS - GENERAL**

The Series 2020B Bonds shall be issued only as fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof, shall be dated their date of delivery, and shall bear interest as set forth in this Official Notice of Bond Sale and in the Preliminary Official Statement, payable semi-annually on January 1 and July 1 of each year until paid, commencing on July 1, 2020.

The Series 2020B Bonds will be initially issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”) and

immobilized in its custody. The book-entry system will evidence ownership interests in the Series 2020B Bonds in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership interests affected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Series 2020B Bonds, shall be required to deposit the certificates with DTC, registered in the name of Cede & Co., its nominee. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Series 2020B Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for such transfers of payments or for maintaining, supervising, or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Principal of the Series 2020B Bonds will be payable upon presentation and surrender thereof at the designated corporate office of the Paying Agent (described below) on the dates, in the years and amounts established in accordance with the award of the Series 2020B Bonds, as the same may be adjusted as described under "ADJUSTMENT OF PRINCIPAL AMOUNTS OF MATURITIES" herein. Interest on the Series 2020B Bonds is payable on the dates stated above and as shown in the Summary Table set forth herein (the "Summary Table"). The Paying Agent will mail interest payments on the Series 2020B Bonds on each interest payment date to the owners of the Series 2020B Bonds, as described in the Bond Resolution (as defined herein). So long as DTC or its nominee is the registered owner of the Series 2020B Bonds, payments of principal of and interest on the Series 2020B Bonds will be made to DTC or its nominee.

In the event that (a) DTC determines not to continue to act as securities depository for the Series 2020B Bonds or (b) the City determines that it should not continue the book-entry system of evidence and transfer of ownership of the Series 2020B Bonds, the City will discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City will deliver replacement Series 2020B Bonds in the form of fully registered certificates.

#### **Paying Agent and Bond Registrar**

UMB Bank, N.A., Houston, Texas is acting as Paying Agent and Bond Registrar for the Series 2020B Bonds.

#### **Security**

The Series 2020B Bonds will be secured by the full faith and credit of the City and shall be payable from ad valorem taxes levied by the City within its geographical boundaries without limit as to rate or amount on all taxable property within the City, as described in the Preliminary Official Statement.

#### **Authority for and Purpose of the Series 2020B Bonds**

The Series 2020B Bonds are being issued pursuant to and under the authority of the Florida Constitution, including, but not limited to, Article VII, Section 12, Chapter 166, Florida Statutes, as amended, the Charter of the City and other applicable provisions of law, and



Resolution No. 20-09 adopted by the City Commission of the City (the “Commission”) on January 7, 2020 (the “Bond Resolution”), for the purpose of providing funds, together with other available moneys, to (i) finance the cost of the Police and Public Safety Projects, as described in the Preliminary Official Statement, and (ii) pay the costs of issuance of the Series 2020B Bonds.

### **BIDDER’S SPECIAL OPTION-TERM BONDS**

Bidders on the Series 2020B Bonds have the option of specifying that the principal amount of Series 2020B Bonds in any two or more consecutive maturity dates on or after July 1, 2030, as provided in the Summary Table, may, in lieu of maturing on each such maturity date, be considered as a single maturity of Series 2020B Bonds (the “Term Bonds”) scheduled to mature on the latest of such maturity dates, and be subject to mandatory sinking fund redemption by lot at par in the manner described in the Preliminary Official Statement on each of the maturity dates, and in the principal amounts as given in the maturity schedule provided in the Summary Table, as the same may be modified by the City. Bidders may specify up to four (4) such Term Bonds.

### **REDEMPTION PROVISIONS**

#### **Optional Redemption**

The Series 2020B Bonds scheduled to mature on or after July 1, 2030 are subject to redemption prior to maturity at the option of the City on or after July 1, 2029 as a whole or in part at any time, and if in part as selected by the City among maturities and by lot within a maturity if less than an entire maturity is to be redeemed, at a redemption price equal to 100% of the principal amount of the Series 2020B Bonds to be redeemed, plus accrued interest from the most recent interest payment date to the redemption date.

#### **Mandatory Redemption**

Any Term Bonds specified pursuant to “Bidders’ Special Option – Term Bonds” shall also be redeemable by operation of the amortization requirements to be deposited in the Principal and Interest Account established under the Bond Resolution, by lot at par in the amounts and in the years specified in the maturity schedule for the Series 2020B Bonds.

### **SUMMARY TABLE**

<p>If numerical or date references contained in the body of the Official Notice of Bond Sale conflict with the Summary Table, the body of the Official Notice of Bond Sale shall control. Consult the body of the Official Notice of Bond Sale for a detailed explanation of the items contained in the Summary Table, including interpretation of such items and methodologies used to determine such items. Prospective purchasers of the Series 2020B Bonds must read the entire Official Notice of Bond Sale and the entire Preliminary Official Statement.</p>
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**Terms of the Series 2020B**

**Bonds**

Dated Date: Date of Delivery  
Anticipated Delivery Date: February 12, 2020  
Interest Payment Dates: January 1 and July 1, commencing July 1, 2020  
Principal Payment Dates: July 1, commencing July 1, 2020

<u>Maturity Date</u>	<u>Principal Amount*</u>	<u>Maturity Date</u>	<u>Principal Amount*</u>
July 1, 2020	\$ 605,000	July 1, 2035**	\$2,875,000
July 1, 2021	1,580,000	July 1, 2036**	2,990,000
July 1, 2022	1,645,000	July 1, 2037**	3,110,000
July 1, 2023	1,710,000	July 1, 2038**	3,235,000
July 1, 2024	1,780,000	July 1, 2039**	3,365,000
July 1, 2025	1,850,000	July 1, 2040**	3,495,000
July 1, 2026	1,945,000	July 1, 2041**	3,635,000
July 1, 2027	2,040,000	July 1, 2042**	3,785,000
July 1, 2028	2,145,000	July 1, 2043**	3,935,000
July 1, 2029	2,250,000	July 1, 2044**	4,090,000
July 1, 2030**	2,365,000	July 1, 2045**	4,255,000
July 1, 2031**	2,455,000	July 1, 2046**	4,425,000
July 1, 2032**	2,555,000	July 1, 2047**	4,600,000
July 1, 2033**	2,660,000	July 1, 2048**	4,785,000
July 1, 2034**	2,765,000	July 1, 2049**	4,980,000

Interest Calculation: 360-day year consisting of twelve 30-day months  
Ratings: S&P “AAA” (stable outlook)  
Moody’s “Aa1” (positive outlook)

\* Amounts may be increased or decreased after submission of bids as described herein under “ADJUSTMENT OF PRINCIPAL AMOUNTS OF MATURITIES.”

\*\* May be combined into up to four (4) Term Bonds. See “BIDDER’S SPECIAL OPTION – TERM BONDS” herein.

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**Bidding Parameters**

Principal Amount	\$87,910,000*
Sale Date:	January 28, 2020*
Bidding Method:	PARITY®
All or none vs. Maturity-by-Maturity:	All-or-none
Bid Award Method:	Lowest true interest cost, but not exceeding 5.00%
Bid Confirmation:	Emailed signed Official Confirmation of Bid Form
Bid Award:	As soon as practicable on day of sale
Good Faith Deposit:	\$900,000, wire transfer required by 1:00 p.m. (EST) on the Sale Date
Coupon Multiples:	1/8 or 1/20 of 1%
Maximum Coupon:	No more than 5.00%
Optional Redemption:	Yes, at par on or after July 1, 2029
Term Bonds:	At bidder's option. See "Bidder's Special Option-Term Bonds" herein
Minimum Re-offering Price:	Maturity – 99.5%; Aggregate – 99.5%
Ascending Coupon Requirement:	None

**Adjustment Parameters**

Principal Increases:	Maturity	Unlimited	Aggregate 15%**
Principal Reductions:	Maturity	Unlimited	Aggregate 15%

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\* Preliminary, subject to change.

\*\* Not to exceed total aggregate principal amount of \$100,000,000.

**ADJUSTMENT OF PRINCIPAL AMOUNTS OF MATURITIES**

The City may cancel the sale of the Series 2020B Bonds or adjust the principal amounts of the maturities. The City may increase or decrease the principal amount of any maturity of the Series 2020B Bonds as shown in the Summary Table provided that the aggregate principal amount of Series 2020B Bonds issued does not exceed \$100,000,000. The City will consult with the successful bidder before adjusting the principal amount of any maturity of the Series 2020B Bonds; however, the City reserves the sole right to make adjustments, within the limits described above, or cancel the sale of all of the Series 2020B Bonds.

Adjustment to the principal amounts of the maturities of the Series 2020B Bonds within the limits described above does not relieve the purchaser from its obligation to purchase all of the Series 2020B Bonds offered by the City.

Each bid must specify the interest rate and the initial reoffering price to the public of each maturity of Series 2020B Bonds, and the total purchase price of all of the Series 2020B Bonds. Adjustments may be made to the principal amounts based on the reoffering prices shown on PARITY®. In determining whether there will be any revision to the principal amount of the maturities of the Series 2020B Bonds subsequent to the bid opening and award, the City expects that changes may be made that are necessary to increase or decrease the principal amount of the

Series 2020B Bonds to meet the City's funding objectives, all subject to the limitations set forth above.

In the event that the principal amount of any maturity of the Series 2020B Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's Discount on the Series 2020B Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Series 2020B Bonds submitted by the bidder and the price at which the Series 2020B Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Series 2020B Bonds bid.

## **RATINGS**

S&P Global Ratings and Moody's Investors Services, Inc. have assigned ratings of "AAA" (stable outlook) and "Aa1" (positive outlook) respectively, to the Series 2020B Bonds. The Series 2020B Bonds will not be insured by a municipal bond insurance policy.

## **OFFICIAL STATEMENT**

The Preliminary Official Statement, copies of which may be obtained as described below, is in a form "deemed final" by the City for purposes of clause (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") but is subject to revision, amendment and completion in a final Official Statement in accordance with Rule 15c2-12. Upon the sale of the Series 2020B Bonds, the City will prepare a final Official Statement dated the date of the sale in substantially the same form as the Preliminary Official Statement (the "Final Official Statement"). Up to 200 copies of the Final Official Statement will be provided, at the City's expense, on a timely basis in such quantities as may be necessary for the successful bidder's regulatory compliance. The successful bidder will be furnished, without cost, the opinion of the Law Offices of Steve E. Bullock, P.A., Disclosure Counsel to the City ("Disclosure Counsel"), to the effect that, based solely on the participation of Disclosure Counsel in the preparation of the Final Official Statement and the examination of certain information by Disclosure Counsel, as described in such opinion, and excluding any financial, statistical or demographic data and information contained in the Final Official Statement, nothing has come to the attention of Disclosure Counsel which would lead Disclosure Counsel to believe that the Final Official Statement contains an untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

## **ELECTRONIC BIDDING PROCEDURES**

Only electronic bids submitted via *PARITY*® will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile directly to the City will be accepted. Bidders are permitted to submit bids for the Series 2020B Bonds during the bidding time period, provided they are eligible to bid as described under "GENERAL" above.

Each electronic bid submitted via *PARITY*® shall be deemed an irrevocable offer in response to this Official Notice of Bond Sale and shall be binding upon the bidder as if made by

a signed, sealed bid delivered to the City. All bids remain firm until an award is made. The successful bidder must confirm the details of such bid by a signed Official Confirmation of Bid Form, the form of which is attached hereto as Exhibit A, delivered by email to PFM Financial Advisors LLC, Financial Advisor to the City by email at [masvidals@pfm.com](mailto:masvidals@pfm.com) no later than one hour after being notified by the City of being the winning bidder, the original of which must be received by the Financial Advisor to the City on the following business day at 2222 Ponce de Leon Boulevard, Coral Gables, Florida 33134. Failure to deliver the Official Confirmation of Bid Form does not relieve the bidder of the obligation to purchase the Series 2020B Bonds.

## **FORM OF BID**

Bidders must bid to purchase all maturities of the Series 2020B Bonds. Each bid must specify (1) an annual rate of interest for each maturity, (2) the reoffering price for each maturity and (3) a dollar purchase price for the entire issue of the Series 2020B Bonds. No more than one (1) bid from any bidder will be considered.

A bidder must specify the rate or rates of interest per annum (with no more than one rate of interest per maturity), which the Series 2020B Bonds are to bear, to be expressed in multiples of 1/8 or 1/20 of 1%. Any number of interest rates may be named, but the Series 2020B Bonds of each maturity must bear interest at the same single rate for all bonds of that maturity. Ascending coupon rates are not required.

Each bid for the Series 2020B Bonds must meet the maximum coupon criteria and minimum and maximum reoffering price criteria shown in the Summary Table on a maturity and aggregate basis.

The winning bidder must assist the City in establishing the issue price of the Series 2020B Bonds as set forth in this Official Notice of Bond Sale under "ESTABLISHMENT OF ISSUE PRICE." Reoffering prices presented as a part of the bids will not be used in computing the bidder's true interest cost. As promptly as reasonably possible after bids are received, the City will notify the successful bidder that it is the apparent winner.

## **AWARD OF BID**

The City expects to provide written award of the Series 2020B Bonds to the winning bidder as soon as practicable after the bids are opened on the sale date, but only after the winning bidder has wire transferred the Good Faith Deposit to the City and the City has confirmed receipt of same. See "GOOD FAITH DEPOSIT" herein. Bids may not be withdrawn prior to the award. Unless all bids are rejected, the Series 2020B Bonds will be awarded by the City on the sale date to the bidder whose bid complies with this Official Notice of Bond Sale and results in the lowest true interest cost ("TIC") to the City, but not exceeding the Maximum TIC permitted by the Bond Resolution. The lowest TIC will be determined by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the payment dates to the dated date of the Series 2020B Bonds and to the aggregate purchase price of the Series 2020B Bonds. Only the final bid submitted by any bidder through *PARITY*® will be considered. The right reserved to the City shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Official Notice of Bond Sale.

## **RIGHT OF REJECTION**

The City reserves the right, in its discretion, to reject any and all bids and to waive irregularity or informality in any bid.

## **DELIVERY AND PAYMENT**

It is anticipated that the Series 2020B Bonds in definitive form will be available for delivery on or about the delivery date shown in the Summary Table in New York City at DTC, or such other date and place to be mutually agreed upon by the successful bidder and the City against payment of the purchase price therefor, to be delivered in Federal Reserve funds without cost to the City. The City intends to conduct the closing by telephone.

## **GOOD FAITH DEPOSIT**

If the City selects a winning bid, then the successful bidder is required to submit a "Good Faith Deposit" (the "Deposit") to the City in the form of a wire transfer in the amount of \$900,000 (Nine Hundred Thousand and 00/100 Dollars). Such Deposit must be submitted to the City no later than 1:00 p.m. Eastern Standard Time on the same day as the sale date. The City will provide written award to the winning bidder upon confirmation that the Deposit has been received. If the Deposit is not received by 1:00 p.m. EST on the sale date, the City reserves the right to withdraw the award to the successful bidder and solicit new bids for the purchase of the Series 2020B Bonds. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the City to be applied in partial payment of the purchase price for the Series 2020B Bonds. No interest will be allowed or paid upon the amount of the Deposit, but in the event the successful bidder shall fail to comply with the terms of the bid, the Deposit will be retained as liquidated damages, without waiving the City's other rights at law or in equity.

Payment of the Deposit shall be made by the winning bidder to the City by wire transfer in accordance with the wire transfer instructions that will be provided to the winning bidder on the sale date. Please email [sugrant@fortlauderdale.gov](mailto:sugrant@fortlauderdale.gov), with a copy to [masvidals@pfm.com](mailto:masvidals@pfm.com), to confirm amount wired and time wire sent.

## **CLOSING DOCUMENTS**

The City will furnish to the successful bidder, upon delivery of the Series 2020B Bonds, the following closing documents in a form satisfactory to Greenberg Traurig, P.A., Bond Counsel: (1) signature and no-litigation certificate; (2) arbitrage and tax certificate; (3) certificate regarding information in the Official Statement; (4) continuing disclosure certificate; and (5) seller's receipt as to payment. A copy of the transcript of the proceedings authorizing the Series 2020B Bonds will be delivered to the successful bidder of the Series 2020B Bonds upon completion of the bound transcripts. Copies of the form of such closing papers and certificates may be obtained from the City.

## **ESTABLISHMENT OF ISSUE PRICE<sup>1</sup>**

(a) The winning bidder shall assist the City in establishing the issue price of the Series 2020B Bonds and shall execute and deliver to the City upon issuance of the Series 2020B Bonds (the "Closing Date") an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2020B Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Official Notice of Bond Sale to establish the issue price of the Series 2020B Bonds may be taken on behalf of the City by the City's Financial Advisor, PFM Financial Advisors LLC and any notice or report to be provided to the City may be provided to the City's Financial Advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2020B Bonds) will apply to the initial sale of the Series 2020B Bonds (the "competitive sale requirements") because:

- (i) the City shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders shall have an equal opportunity to bid;
- (iii) the City may receive bids from at least three underwriters of municipal bonds who represent to have established industry reputations for underwriting new issuances of municipal bonds; and
- (iv) the City anticipates awarding the sale of the Series 2020B Bonds to the bidder who submits a firm offer to purchase the Series 2020B Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the Series 2020B Bonds, as specified in the bid. In the event that the competitive sale requirements described herein are satisfied, the City's Financial Advisor shall execute and deliver on the Closing Date a Certificate of Financial Advisor substantially in the form attached hereto as Exhibit C.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Series 2020B Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2020B Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if

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<sup>1</sup> Note: 10% or Hold-the-Offering-Price Rule may apply if Competitive Sale Requirements are not satisfied.

any maturity of the Series 2020B Bonds satisfies the 10% test as of the date and time of the award of the Series 2020B Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Series 2020B Bonds, which maturities of the Series 2020B Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Series 2020B Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2020B Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2020B Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that it and all other underwriters that are participating in the winning bidder's bid have offered or will offer the Series 2020B Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of itself and all other underwriters participating in the winning bidder's bid for the purchase of the Series 2020B Bonds, that the underwriters will neither offer nor sell unsold Series 2020B Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (A) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (B) the date on which the underwriters have sold at least 10% of that maturity of the Series 2020B Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2020B Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Series 2020B Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Series 2020B Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all the Series 2020B Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2020B Bonds of that maturity, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020B Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds, as set forth in a selling group agreement and the related pricing wires,



and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2020B Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2020B Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2020B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule if applicable to the Series 2020B Bonds.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2020B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third party distribution agreement, as applicable:

(A)(1) to report the prices at which it sells to the public the unsold Series 2020B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all Series 2020B Bonds of that maturity allocated to it have been sold or until it is notified by the winning bidder that the 10% test has been satisfied as to the Series 2020B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires.

(B) to promptly notify the winning bidder of any sales of Series 2020B Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2020B Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2020B Bonds to the public, together with the related

pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2020B Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2020B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020B Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Series 2020B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(h) Sales of any Series 2020B Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2020B Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020B Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020B Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2020B Bonds to the public),
- (iii) a purchaser of any of the Series 2020B Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Series 2020B Bonds are awarded by the City to the winning bidder, which is expected to be January 28, 2020.

## **DISCLOSURE OBLIGATIONS OF THE PURCHASER**

Section 218.38(1)(b)(2), Florida Statutes, requires that the successful bidder file a statement with the City containing information with respect to any fee, bonus or gratuity paid, in connection with the Series 2020B Bonds, by any underwriter or financial consultant to any person not regularly employed or engaged by such underwriter or consultant. Receipt of such statement is a condition precedent to the delivery of the Series 2020B Bonds to such successful bidder. The successful bidder must (1) **complete the Truth-in-Bonding Statement (the form of which is attached hereto as Exhibit D), pursuant to Section 218.385, Florida Statutes, as amended, and submit such form to the City, by email at [sugrant@fortlauderdale.gov](mailto:sugrant@fortlauderdale.gov), with a copy to [masvidals@pfm.com](mailto:masvidals@pfm.com), at the time it is determined that such bidder's bid is the winning bid (but prior to the official award), stating the amount of the total interest to be paid over the life of the Series 2020B Bonds, and (2) indicate whether such successful bidder has paid any finder's fee to any person in connection with the sale of the Series 2020B Bonds in accordance with Section 218.386, Florida Statutes.**

## **LEGAL OPINION**

The successful bidder will be furnished, without cost, with the approving opinion of Bond Counsel to the effect that, based on existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2020B Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended, and (ii) the Series 2020B Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein.

## **CUSIP NUMBERS**

It is anticipated that CUSIP identification numbers will be printed on the Series 2020B Bonds, but neither the failure to print such number on any Series 2020B Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Series 2020B Bonds in accordance with its agreement to purchase the Series 2020B Bonds. Bond Counsel will not review or express any opinion as to the correctness of such CUSIP numbers. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Series 2020B Bonds. All expenses in relation to the printing of CUSIP numbers on the Series 2020B Bonds shall be paid for by the City. The City's Financial Advisor will request the assignment of CUSIP numbers in accordance with MSRB Rule G-34.

## **BLUE SKY**

The City has not undertaken to register the Series 2020B Bonds under the securities laws of any state, nor investigated the eligibility of any institution or person to purchase or participate in the underwriting of the Series 2020B Bonds under any applicable legal investment, insurance, banking or other laws. By submitting a bid for the Series 2020B Bonds, the successful bidder represents that the sale of the Series 2020B Bonds in states other than Florida will be made only under exemptions from registration or, wherever necessary, the successful bidder will register the

Series 2020B Bonds in accordance with the securities laws of the state in which the Series 2020B Bonds are offered or sold. The City agrees to cooperate with the successful bidder, at the successful bidder's written request and expense, in registering the Series 2020B Bonds or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the City shall not be required to consent to suit or to service of process in any jurisdiction.

### **CONTINUING DISCLOSURE**

As further described in the Preliminary Official Statement, the City will covenant for the benefit of holders of the Series 2020B Bonds to provide certain financial information and operating data relating to the City not later than May 31 of each fiscal year (the "Annual Report"), and to provide, or cause to be provided, notices of the occurrence of certain enumerated events. The Annual Report and notices of material events will be filed by the City with the Municipal Securities Rulemaking Board. The covenants mentioned herein have been undertaken by the City in order to assist the successful bidder in complying with clause (b)(5) of Rule 15c2-12.

In order to implement its continuing disclosure obligations and facilitate compliance with the continuing disclosure requirements of Rule 15c2-12, the City will execute and deliver a Continuing Disclosure Commitment for the benefit of the holders of the Series 2020B Bonds. The City expects to appoint Digital Assurance Certification, L.L.C. as Disclosure Dissemination Agent under the Continuing Disclosure Agreement.

### **COPIES OF DOCUMENTS**

Copies of the Preliminary Official Statement and this Official Notice of Bond Sale, and further information which may be desired, may be obtained from the Director of Finance, City of Fort Lauderdale, Florida 100 North Andrews Avenue Fort Lauderdale, Florida 33301, telephone (954) 828-5167, [sugrant@fortlauderdale.gov](mailto:sugrant@fortlauderdale.gov) or from PFM Financial Advisors LLC 2222 Ponce de Leon Boulevard, Coral Gables, Florida 33134, telephone (786) 671-7480, [masvidals@pfm.com](mailto:masvidals@pfm.com), Financial Advisor to the City.

**CITY OF FORT LAUDERDALE, FLORIDA**

*/s/ Chris Lagerbloom*

City Manager

**EXHIBIT A**

**OFFICIAL CONFIRMATION OF BID FORM**

**\$87,910,000\***

**CITY OF FORT LAUDERDALE, FLORIDA  
GENERAL OBLIGATION BONDS, SERIES 2020B  
(POLICE AND PUBLIC SAFETY PROJECTS)**

The undersigned hereby offer to purchase all of the City of Fort Lauderdale, Florida General Obligation Bonds, Series 2020B (Police and Public Safety Projects) (the “Series 2020B Bonds”), to be dated as of the date of delivery (expected to be February 12, 2020), described in the attached Official Notice of Bond Sale and the Preliminary Official Statement referred to therein, which by reference is made part of this bid. For all but not less than all of said Series 2020B Bonds, the undersigned will pay therefor, at the time of delivery, in immediately available Federal Reserve Funds, \_\_\_\_\_ Dollars (\$ \_\_\_\_\_). The Series 2020B Bonds will mature in the following principal amounts and bear interest at the following rates per annum:

<u>Maturity Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>Maturity Date</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
July 1, 2020	\$ 605,000	%		July 1, 2035**	\$ 2,875,000	%	
July 1, 2021	1,580,000			July 1, 2036**	2,990,000		
July 1, 2022	1,645,000			July 1, 2037**	3,110,000		
July 1, 2023	1,710,000			July 1, 2038**	3,235,000		
July 1, 2024	1,780,000			July 1, 2039**	3,365,000		
July 1, 2025	1,850,000			July 1, 2040**	3,495,000		
July 1, 2026	1,945,000			July 1, 2041**	3,635,000		
July 1, 2027	2,040,000			July 1, 2042**	3,785,000		
July 1, 2028	2,145,000			July 1, 2043**	3,935,000		
July 1, 2029	2,250,000			July 1, 2044**	4,090,000		
July 1, 2030**	2,365,000			July 1, 2045**	4,255,000		
July 1, 2031**	2,455,000			July 1, 2046**	4,425,000		
July 1, 2032**	2,555,000			July 1, 2047**	4,600,000		
July 1, 2033**	2,660,000			July 1, 2048**	4,785,000		
July 1, 2034**	2,765,000			July 1, 2049**	4,980,000		

\* Preliminary, subject to change. Amounts may be increased or decreased after submission of bids as described in the attached Official Notice of Bond Sale under “ADJUSTMENT OF PRINCIPAL AMOUNTS OF MATURITIES.”

\*\* May be combined into up to four (4) Term Bonds. See “BIDDER’S SPECIAL OPTION – TERM BONDS” in the attached Official Notice of Bond Sale.

Any two or more consecutive maturities of the Series 2020B Bonds maturing on or after July 1, 2030, bearing interest at the same rate may be combined into up to four (4) term bonds with mandatory amortization requirements equal to the amounts specified in the Official Notice of Bond Sale for the years combined to form a term bond.

The principal installments for the Series 2020B Bonds indicated above shall be applied for the mandatory retirement of Term Bonds maturing in the years and amounts and bearing interest as follows:

\$ \_\_\_\_\_ Term Bonds maturing on July 1, \_\_\_\_ at \_\_% per annum at a price of \_\_\_\_\_, subject to mandatory redemption on July 1 of the following years and in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
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\* Final Maturity.

\$ \_\_\_\_\_ Term Bonds maturing on July 1, \_\_\_\_ at \_\_% per annum at a price of \_\_\_\_\_, subject to mandatory redemption on July 1 of the following years and in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
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\* Final Maturity.

\$ \_\_\_\_\_ Term Bonds maturing on July 1, \_\_\_\_ at \_\_% per annum at a price of \_\_\_\_\_, subject to mandatory redemption on July 1 of the following years and in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
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\* Final Maturity.

\$ \_\_\_\_\_ Term Bonds maturing on July 1, \_\_\_\_ at \_\_\_\_% per annum at a price of \_\_\_\_\_, subject to mandatory redemption on July 1 of the following years and in the following principal amounts:

Year

Principal Amount

\* Final Maturity.

### **GOOD FAITH DEPOSIT**

In accordance with the attached Official Notice of Bond Sale, we will initiate a wire transfer in the amount of Nine Hundred Thousand and 00/100th Dollars (\$900,000) with respect to this bid by no later than 1:00 p.m. on the date hereof, as described in the attached Official Notice of Bond Sale.

### **MISCELLANEOUS**

This proposal is not subject to any conditions not expressly stated herein or in the attached Official Notice of Bond Sale. Receipt and review of the Preliminary Official Statement relating to the Series 2020B Bonds is hereby acknowledged. The names of the underwriters or members of the account or joint bidding account, if any, who are associated for the purpose of this proposal are listed either below or on a separate sheet attached hereto.

### **TRUTH IN BONDING STATEMENT**

Prior to an award, the successful bidder must complete, sign and deliver with this Official Confirmation of Bid Form the Truth in Bonding Statement which is attached to the Official Notice of Bond Sale as Exhibit D. The City reserves the right to assist the bidder in correcting any inconsistencies or inaccuracies set forth in such Truth in Bonding Statement. The City may waive any inconsistencies or inaccuracies relating to such statements and any such waived inconsistencies or inaccuracies shall not adversely affect the bid.

Senior Manager: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

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

Telephone Number: \_\_\_\_\_

Facsimile Number: \_\_\_\_\_

Email: \_\_\_\_\_

**EXHIBIT B**

**CERTIFICATE WITH RESPECT TO “ISSUE PRICE” \***

**\$87,910,000\*\***

**CITY OF FORT LAUDERDALE, FLORIDA  
GENERAL OBLIGATION BONDS, SERIES 2020B  
(POLICE AND PUBLIC SAFETY PROJECTS)**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] [“(SHORT NAME OF UNDERWRITER)”] [(the “Representative”)] [, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”)] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Series 2020B Bonds”).

**Alternative I - If Competitive Sale Rule applies:**

**1. *Reasonably Expected Initial Offering Price***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2020B Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2020B Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2020B Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2020B Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2020B Bonds.

**Alternative II – If all Maturities use General Rule:**

**1. *Sale of Bonds under General Rule.***

(a) As of the date of this certificate, for each Maturity of the Series 2020B Bonds, the first price at which at least 10% of such Maturity of the Series 2020B Bonds was sold to the Public is the respective price listed in Schedule A.

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\* Executed certificate will include paragraph 1 from the applicable Alternative I, II, III or IV, followed by the Total Issue Price (paragraph 2), applicable Defined Terms (paragraph 3) and General Disclaimer and Acknowledgement (paragraph 4).

\*\* Preliminary, subject to change.



**Alternative III – If select Maturities use General Rule:**

**1. *Sale of Bonds under General Rule (Select Maturities).***

(a) As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Series 2020B Bonds was sold to the Public is the respective price listed in Schedule A.

(b) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2020B Bonds is attached to this certificate as Schedule B.

(c) As set forth in the Official Notice of Bond Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Series 2020B Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2020B Bonds during the Holding Period.

**Alternative IV – If all Maturities use Hold-the-Offering-Price Rule:**

**1. *Sale of Bonds under Hold-the-Offering Price Rule.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series 2020B Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2020B Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Official Notice of Bond Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Series 2020B Bonds, [it][they] would neither offer nor sell any of the Series 2020B Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall

contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Series 2020B Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2020B Bonds during the Holding Period.

2. **Total Issue Price.** The total of the issue prices of all the Maturities is \$\_\_\_\_\_.

3. **Defined Terms.**

(a) *General Rule Maturities* means those Maturities of the Series 2020B Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Series 2020B Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of Fort Lauderdale, Florida.

(e) *Maturity* means the Series 2020B Bonds with the same credit and payment terms. The Series 2020B Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of the Series 2020B Bonds generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) The *Sale Date* of the Series 2020B Bonds is January 28, 2020.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020B Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2020B Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2020B Bonds to the Public).

**4. General Disclaimer and Acknowledgement**

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER/REPRESENTATIVE]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage and Tax Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Series 2020B Bonds, and by Greenberg Traurig, P.A. as bond counsel, in connection with rendering its opinion that the interest on the Series 2020B Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2020B Bonds.

[UNDERWRITER/REPRESENTATIVE]

By: \_\_\_\_\_  
Name:

Dated: February \_\_\_\_, 2020

**SCHEDULE A**  
**[EXPECTED**  
**OFFERING PRICES]**

**[SALE PRICES]**

*(Attached)*

**SCHEDULE B**  
**[COPY OF UNDERWRITER'S BID]**  
*(Attached)*

**EXHIBIT C**

**\$87,910,000\***

**CITY OF FORT LAUDERDALE, FLORIDA  
GENERAL OBLIGATION BONDS, SERIES 2020B  
(POLICE AND PUBLIC SAFETY PROJECTS)**

**CERTIFICATE OF  
FINANCIAL ADVISOR\*\***

The undersigned, on behalf of PFM Financial Advisors LLC (the “Financial Advisor”), as the financial advisor to the City of Fort Lauderdale, Florida (the “Issuer”) in connection with the issuance of the above-captioned obligations (the “Series 2020B Bonds”), has assisted the Issuer in soliciting and receiving bids from potential underwriters in connection with the sale of the Series 2020B Bonds in a competitive bidding process in which bids were requested for the purchase of the Series 2020B Bonds at specified written terms, and hereby certifies as set forth below with respect to the bidding process and award of the Series 2020B Bonds.

(a) The Series 2020B Bonds were offered for sale at specified written terms more particularly described in the Official Notice of Bond Sale, which was distributed to potential bidders, a copy of which is attached to this certificate as Attachment 1.

(b) The Official Notice of Bond Sale was disseminated electronically through Parity/BiDCOMP Competitive Bidding System and a summary of the Official Notice of Bond Sale was published in The Bond Buyer<sup>©</sup> newspaper on January 17, 2020. These methods of distribution of the Official Notice of Bond Sale are regularly used for purposes of disseminating notices of sale of new issuances of municipal bonds, and notices disseminated in such manner are widely available to potential bidders.

(c) To the knowledge of the Financial Advisor, all bidders were offered an equal opportunity to bid to purchase the Series 2020B Bonds so that, for example, if the bidding process afforded any opportunity for bidders to review other bids before providing a bid, no bidder was given an opportunity to review other bids that was not equally given to all other bidders (that is, no exclusive “last-look”).

(d) The Issuer received bids from at least three bidders, each of whom, by submitting a bid in accordance with the Official Notice of Bond Sale, represented that they have established industry reputations for underwriting new issuances of municipal bonds. Copies of the bids received for the Series 2020B Bonds are attached to this certificate as Attachment 2.

(e) The winning bidder for the Series 2020B Bonds was [NAME OF UNDERWRITER] (the “Underwriter”), whose bid was determined to be the best conforming bid in accordance with the terms set forth in the Official Notice of Bond Sale, as shown in the bid

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\* Preliminary, subject to change.

\*\* To be used if competitive sale rule applies.

comparison attached as Attachment 3 to this certificate. The Issuer awarded the Series 2020B Bonds to the Underwriter.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Financial Advisor's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage and Tax Certificate of the Issuer and with respect to compliance with the federal income tax rules affecting the Series 2020B Bonds, and by Greenberg Traurig, P.A. in connection with rendering its opinion that the interest on the Series 2020B Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2020B Bonds. No other persons may rely on the representations set forth in this certificate without the prior written consent of the Financial Advisor.

PFM FINANCIAL ADVISORS LLC

By: \_\_\_\_\_  
Sergio Masvidal  
Managing Director

Dated: February \_\_, 2020

**ATTACHMENT 1**

**OFFICIAL NOTICE OF BOND SALE**

*(Attached)*



**ATTACHMENT 2**

**BIDS RECEIVED**

*(Attached)*

**ATTACHMENT 3**  
**BID COMPARISON**  
*(Attached)*

## EXHIBIT D

### TRUTH-IN-BONDING STATEMENT

For purpose of Section 218.385(2) and (3), Florida Statutes, as amended, we submit the following truth-in-bonding statement with respect to the Series 2020B Bonds: the City of Fort Lauderdale, Florida (the "City") is proposing to issue \$\_\_\_\_\_ of its General Obligation Bonds, Series 2020B (Police and Public Safety Projects) (the "Series 2020B Bonds") for the purpose of providing funds to (i) pay a portion of the cost of the Police and Public Safety Projects and (ii) pay the costs of issuance of the Series 2020B Bonds. This debt or obligation is expected to be repaid over a period of approximately 30 years. At an average interest rate of \_\_\_\_\_%, total interest paid over the life of the Series 2020B Bonds will be \$\_\_\_\_\_.

The source of repayment or security for the Series 2020B Bonds is a pledge of voter-approved ad valorem taxes, without limitation as to rate or amount, on all taxable property within the corporate limits of the City (excluding exemptions as provided by applicable laws), in addition to all other taxes, sufficient in amount to pay the principal of and interest on the Series 2020B Bonds as the same shall become due. This will result in approximately \$\_\_\_\_\_ of such taxes not being available annually to finance the other capital projects or services of the City for each year for approximately 30 years. (it being understood that as voter-approved ad-valorem taxes, those taxes are expressly authorized for the payment of debt service on the Series 2020B Bonds and would not otherwise be available to the City for other purposes.)

The computations above are submitted for informational purposes and are not a part of this bid.

Furthermore, pursuant to Section 218.386, Florida Statutes, as amended, the names, addresses and estimated amounts of compensation of any person who has entered into an understanding with the managing underwriter or, to the managing underwriter's knowledge, the City, or both, for any paid or promised compensation or valuable consideration, directly or indirectly, express or implied, to act solely as an intermediary between the City and the managing underwriter or who exercises or attempts to exercise any influence to effect a transaction in the purchase of the Series 2020B Bonds, are set forth below in the space provided. If no information is provided below, the City shall presume no such compensation was paid.

[none]

Capitalized terms used but not defined herein shall have the meaning given to such terms in the Preliminary Official Statement dated January 17, 2020 relating to the Series 2020B Bonds.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



*In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2020 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption "TAX MATTERS," and (b) not an item of tax preference for purposes of the federal alternative minimum tax. Such interest, however, may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.*



**\$30,145,000  
CITY OF PORT ST. LUCIE, FLORIDA  
STORMWATER UTILITY REFUNDING REVENUE BONDS  
SERIES 2020**

**Dated: Date of Delivery**

**Due: May 1, as shown on the inside cover**

The City of Port St. Lucie, Florida (the "City") is issuing its \$30,145,000 City of Port St. Lucie, Florida Stormwater Utility Refunding Revenue Bonds, Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds will be issued only as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be available to purchasers only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive delivery of the Series 2020 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2020 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of, redemption premium, if any, and interest on such Series 2020 Bond. See "THE SERIES 2020 BONDS - Book-Entry Only System" herein. Interest on the Series 2020 Bonds will be payable semiannually on May 1 and November 1 of each year, commencing May 1, 2020. TD Bank, National Association, Cherry Hill, New Jersey will serve as initial Paying Agent and Bond Registrar.

Certain of the Series 2020 Bonds are subject to optional redemption prior to their maturity dates. See "THE SERIES 2020 BONDS—Redemption Provisions" herein.

The Series 2020 Bonds are being issued under the authority of, and in full compliance with, the Constitution and the laws of the State of Florida, including Chapter 166, Part II, Florida Statutes, as amended, Sections 1.01 and 9.09(f) of the Charter of the City, and other applicable provisions of law, and pursuant to Ordinance 91-49 enacted by the City Council (the "City Council") on July 19, 1991, as amended and supplemented (collectively, the "Original Ordinance"), and particularly as amended and supplemented by Ordinance 19-83 enacted by the City Council on November 25, 2019, as the same may be amended and supplemented from time to time (collectively with the Original Ordinance, the "Bond Ordinance"). Proceeds from the Series 2020 Bonds, together with other legally available funds, will be used to (i) refund all of the City's Outstanding Stormwater Utility Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment) (the "Series 2010A Bonds") and Stormwater Utility Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds) (the "Series 2010B Bonds", together with the Series 2010A Bonds, the "Refunded Bonds"), and (ii) pay costs of issuing the Series 2020 Bonds. See "PURPOSE OF THE SERIES 2020 BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2020 Bonds, and the interest thereon, are limited, special obligations of the City payable solely from and secured by a pledge of and lien on the Pledged Revenues (as defined herein) on a parity with the City's \$11,325,000 Stormwater Utility Refunding Revenue Bonds, Series 2011 (currently Outstanding in the principal amount of \$4,930,000) (the "Outstanding Parity Bonds"). The Series 2020 Bonds, the Parity Bonds and any subsequently issued additional bonds shall be referred to herein as the "Bonds." For a discussion of the security for the Series 2020 Bonds, see "SECURITY FOR THE SERIES 2020 BONDS" and "THE PLEDGED REVENUES" herein.

The Series 2020 Bonds are payable solely from and secured by the Pledged Revenues to the extent and in the manner provided in the Bond Ordinance. The Series 2020 Bonds shall not be or constitute general obligations or indebtedness of the City or be "bonds" within the meaning of the State of Florida (the "State") Constitution and shall not be deemed to constitute a pledge of the faith and credit of the State or of any political subdivision thereof, or the City. Neither the faith and credit of the State or any political subdivision thereof nor the faith and credit of the City are pledged to the payment of the principal of or redemption premium, if any, or interest on the Series 2020 Bonds, and the issuance of the Series 2020 Bonds shall not directly or indirectly or contingently obligate the State, or any political subdivision thereof, or the City to levy ad valorem taxes whatever therefor or to make any appropriation for their payment except from the Pledged Revenues described herein, to the extent and in the manner provided in the Bond Ordinance. The Series 2020 Bonds do not constitute a lien upon any property of or in the City, other than the Pledged Revenues, to the extent and in the manner provided in the Bond Ordinance.

The Series 2020 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the opinion on certain legal matters relating to their issuance by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed on for the City by James D. Stokes, Esq., City Attorney and Bryant Miller Olive P.A., Miami, Florida, Disclosure Counsel. The Underwriters are being represented by Nelson Mullins Broad and Cassel, Orlando, Florida. PFM Financial Advisors LLC, Orlando, Florida is serving as Financial Advisor to the City with respect to the Series 2020 Bonds. It is expected that settlement for the Series 2020 Bonds will occur through the facilities of DTC in New York, New York, on or about February 13, 2020.

**This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to making an informed investment decision.**

**Raymond James  
PNC Capital Markets LLC**





June 14, 2019

## Request for Proposals

**To:** Prospective Investment Banking Firms and Financial Institutions  
**From:** PFM Financial Advisors LLC on behalf of the City of Port St. Lucie, Florida  
**Re:** Request for Proposals – Financing Options (Stormwater Refunding)

The City of Port St. Lucie, Florida (the "City") has indicated its desire to move forward with a refunding of the City's outstanding Stormwater Utility Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment) (the "2010A Bonds") as well as the City's Stormwater Utility Revenue Bonds, Taxable Series 2010B (Recovery Zone Economic Development Bonds) (the "2010B Bonds", and together with the 2010A Bonds, the "2010 Bonds") for net present value (NPV) debt service savings. In order to analyze all of its potential financing options, the City is issuing this Request for Proposals (RFP) to solicit proposals from financial institutions for a publically-offered financing and/or a direct placement bank loan. The decision on which financing option(s) to utilize will be made upon receipt of proposals based on the most cost effective option to be determined at the City's sole discretion.

### City Information

The City's outstanding stormwater bonds total \$40.930 million in aggregate principal amount as of May 1, 2019. Provided below is the City's current aggregate stormwater bond payments.

Date Bond Year Ending 5/1	Series 2010A (1)		Series 2010B (1)		Series 2011		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2020	-	1,332,502	-	361,909	1,145,000	233,250	1,145,000	1,927,661	3,072,661
2021	-	1,332,502	-	361,909	1,200,000	176,000	1,200,000	1,870,411	3,070,411
2022	-	1,332,502	-	361,909	1,260,000	116,000	1,260,000	1,810,411	3,070,411
2023	-	1,332,502	-	361,909	1,325,000	53,000	1,325,000	1,747,411	3,072,411
2024	-	1,332,502	1,285,000	361,909	-	-	1,285,000	1,694,411	2,979,411
2025	-	1,332,502	1,370,000	313,521	-	-	1,370,000	1,646,023	3,016,023
2026	-	1,332,502	1,455,000	261,933	-	-	1,455,000	1,594,434	3,049,434
2027	-	1,332,502	1,550,000	207,143	-	-	1,550,000	1,539,645	3,089,645
2028	-	1,332,502	1,665,000	142,865	-	-	1,665,000	1,475,366	3,140,366
2029	-	1,332,502	1,780,000	73,817	-	-	1,780,000	1,406,319	3,186,319
2030	1,910,000	1,332,502	-	-	-	-	1,910,000	1,332,502	3,242,502
2031	2,055,000	1,237,872	-	-	-	-	2,055,000	1,237,872	3,292,872
2032	2,205,000	1,136,058	-	-	-	-	2,205,000	1,136,058	3,341,058
2033	2,370,000	1,026,812	-	-	-	-	2,370,000	1,026,812	3,396,812
2034	2,540,000	909,391	-	-	-	-	2,540,000	909,391	3,449,391
2035	2,730,000	783,548	-	-	-	-	2,730,000	783,548	3,513,548
2036	2,930,000	648,291	-	-	-	-	2,930,000	648,291	3,578,291
2037	3,145,000	503,125	-	-	-	-	3,145,000	503,125	3,648,125
2038	3,380,000	347,308	-	-	-	-	3,380,000	347,308	3,727,308
2039	3,630,000	179,847	-	-	-	-	3,630,000	179,847	3,809,847
<b>Total</b>	<b>26,895,000</b>	<b>21,429,770</b>	<b>9,105,000</b>	<b>2,808,824</b>	<b>4,930,000</b>	<b>578,250</b>	<b>40,930,000</b>	<b>24,816,844</b>	<b>65,746,844</b>

(1) Debt service is net of interest subsidy

Pertinent financial documents for the City may be found at the following address:  
<https://www.cityofpsl.com/government/departments/finance/reports-policies>





### **Security**

The payment of the principal of and interest on the refunding bonds shall be secured forthwith equally and ratably by a lien upon and pledge of: (i) the moneys received by the City from the levy and collection of the Stormwater Utility Fee (the "Stormwater Revenues") and (ii) the moneys received by the City from the levy and collection of the Electric Franchise Fee from Florida Power & Light Company (the "Franchise Revenues" and, together with the Stormwater Revenues, the "Pledged Revenues").

The City has covenanted to fix, establish and maintain such rates and collect such fees, rentals, or other charges pursuant to the Act, and to revise the same from time to time whenever necessary, so as to provide Net Revenues (Stormwater Revenues less Operating Expenses) in each Bond Year equal, together with the Franchise Revenues to be received in each Bond Year, to one hundred twenty percent (120%) of the Debt Service on the Bonds in such Bond Year.

In addition, no Additional Parity Bonds payable from the Pledged Revenues may be issued pursuant to the Bond Ordinance, except upon the following terms and conditions: Additional Parity Bonds payable from the Pledged Revenues only if the Net Revenues (Stormwater Revenues less Operating Expenses) together with the Franchise Revenues received by the City during any period of 12 consecutive months out of the 24 months immediately preceding the month of sale of such Additional Parity Bonds, as evidenced by the written certificate of the Independent Certified Public Accountant, shall be at least equal to one hundred and twenty percent (120%) of the Maximum Debt Service Requirement on (i) the Bonds then outstanding, (ii) any Additional Parity Bonds theretofore issued and then outstanding, and (iii) the Additional Parity Bonds proposed to be issued.

Under the current Bond Ordinance, the City is also required to fund the Reserve Account in an amount equal to the lesser of (i) the Maximum Debt Service Requirement for such series of bonds, or (ii) the maximum amount which is permitted as a reasonably required reserve under the provisions of the Internal Revenue Code of 1986, as amended (the "Reserve Account Requirement"). The City may, at its sole option, deposit to the credit of the Reserve Account in lieu of its own moneys or proceeds of a series of bonds a surety bond, a policy of insurance, a letter of credit, or other insurance or financial product which provides the City with immediate access to an amount of money equal to the Reserve Account Requirement.

### **Financing Structure**

The Series 2010 Bonds are currently callable on May 1, 2020, and the City would like to explore locking in current market rates in order to refund those bonds for debt service savings. Interest payments should remain on May 1 and November 1, with principal being due on May 1 of each year until final maturity. The structure should provide for approximately level annual savings, and the final maturity on the refunding should not extend maturities on either of the Series 2010 Bonds.

On the next page is a preliminary amortization schedule for the refunding of the Series 2010 Bonds. The included amortization assumes issuance of par bonds. The final amortization schedule will be updated based on the proposed structure of the winning bidder, and thus the included amortizations should only be considered a draft to help guide your response.



Refunding of Series 2010A Bonds (BAB)	
Average Life: 15.7 Years	
Date	Principal
5/1/2030	2,220,000
5/1/2031	2,340,000
5/1/2032	2,460,000
5/1/2033	2,590,000
5/1/2034	2,720,000
5/1/2035	2,865,000
5/1/2036	3,020,000
5/1/2037	3,180,000
5/1/2038	3,360,000
5/1/2039	3,545,000
<b>Total</b>	<b>28,300,000</b>

Refunding of Series 2010B Bonds (RZDEB)	
Average Life: 7.4 Years	
Date	Principal
5/1/2024	1,425,000
5/1/2025	1,495,000
5/1/2026	1,560,000
5/1/2027	1,640,000
5/1/2028	1,720,000
5/1/2029	1,805,000
<b>Total</b>	<b>9,645,000</b>

**Responses**

Responses will be received until 3:00 p.m. eastern time on **Friday, June 28, 2019** via email to the City's Chief Financial Officer, Jeffery Snyder ([JSnyder@cityofpsl.com](mailto:JSnyder@cityofpsl.com)) with a copy to the City's financial advisor, PFM Financial Advisors LLC, to the attention of Jay Glover ([gloverj@pfm.com](mailto:gloverj@pfm.com)) and Pete Varona ([varonap@pfm.com](mailto:varonap@pfm.com)). Any questions regarding the RFP should be addressed to Jay Glover and Pete Varona at the above emails.



**Investment Banking Services – Proposal Format**

Investment banking proposals related to a public offering shall include the following information and should be limited to 10 pages (exclusive of resumes, deal list, and numbers which can be included as an exhibit):

- 1) Brief overview of the credentials and relevant experience of the firm and individuals to serve as senior manager and/or co-manager on the proposed transaction.
- 2) **Make sure your proposal provides information based on the specific assumptions outlined in this section.** Analysis of proposed financing based on interest rates as of the close of business on Tuesday, June 25. Please submit full sets of numbers including pricing information as an Exhibit. Assume \$200,000 for other cost of issuance for purposes of the analysis and a closing date of November 1, 2019. Please specify if you are proposing a refunding of the Series 2010A Bonds, the Series 2010B Bonds, or both. For purposes of calculating debt service savings, assume the current sequestration levels remain in place for the remaining term of the bonds (outline the sequestration levels used in the proposal).
  - a. Please provide analysis assuming 5% coupon structure. If your firm feels that other coupon structures provide a benefit to the City please also provide numbers based on alternative coupon structures. Discuss the rationale for the interest rates being used (i.e. comparable trades, investor indications, etc.). Provide a maturity by maturity breakdown of the coupons and spread to MMD.
  - b. Discussion of the City's current credit rating and how they will impact the pricing effort. How many credit ratings should the City pursue and how would this decision impact pricing.
  - c. Discussion of the potential use of bond insurance and whether it is economically beneficial do to so. Discuss the firms available to provide bond insurance and any pricing differential your firm would expect, if utilized. Also discuss how your firm would recommend handling the funding of the Reserve Account.
  - d. Discussion of the proposed marketing plan including target buyers for the refunding bonds.
- 3) Outline proposed takedowns by maturity and discuss why they represent the optimal level for the City to achieve the most successful pricing. Also provide a breakdown of all other components of underwriter's discount, including underwriter's counsel (assume the City engages Disclosure Counsel to draft the preliminary and final official statement). Provide the contact information for the law firm(s) you propose to serve as underwriter's counsel.
- 4) Any additional information that demonstrates your firm's ability to serve the City as senior manager and/or co-manager.



**Direct Placement Bank Loan (Current Closing or Forward Delivery) – Proposal Format**

No official statement or other disclosure information will be prepared as part of the transaction if issued as a direct placement bank loan. The winning proposer will be required to sign a certificate acknowledging that, among other things, no official statement or other disclosure information has been prepared.

The successful proposer will be provided with an opinion of Nabors Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel regarding the validity and tax-exempt status of the refunding bonds and an opinion of the City Attorney regarding the validity and enforceability of the financing documents relating to the refunding bonds.

Proposals should conform to the financing terms above. Each proposal shall include the interest rate (include how long the interest rate will be held or the formula that will be used to set the interest rate prior to closing), prepayment provisions, fees, financial reporting requirements, default rate, bank counsel fees, and other terms/conditions. In addition, each proposer should discuss how the funding of the Reserve Account will be handled. Interest rate adjustments for a determination of taxability as a result of action or inaction of the City must be specifically outlined in the proposal if required by the proposer. The City will not accept any proposal that requires interest rate adjustments based on changes in corporate tax rates, law, rule or regulation. All remedies upon an event of default are currently set forth in the ordinance governing all stormwater bonds, and no additional remedies will be granted to the holder of the refunding bonds.

**THE CITY RESERVES THE RIGHT TO ACCEPT OR REJECT ANY AND ALL PROPOSALS, TO WAIVE IRREGULARITIES AND TECHNICALITIES, TO REQUEST RESUBMISSIONS, AND ENTER INTO NEGOTIATIONS WITH PROPOSERS AS WARRANTED. THE CITY SHALL BE SOLE JUDGE OF THE RESPONSES AND ITS DECISION SHALL BE FINAL. THE CITY WILL NOT BE RESPONSIBLE FOR ANY COSTS OF PREPARING PROPOSALS INCURRED BY PROPOSERS.**

PFM Financial Advisors LLC will serve in the sole capacity of financial advisor to the City and not in the role as placement agent for the refunding bonds. By submitting a proposal in response to this RFP, the Proposer acknowledges the following statement: Purchaser has a present intent to hold the refunding bonds subject to this transaction to maturity, earlier redemption, or mandatory tender for its loan portfolio, and has no present intention of reselling or otherwise disposing of all or a part of such the refunding bonds. Purchaser acknowledges that PFM is relying on the foregoing representation and based on this representation this transaction meets the requirements for being a qualifying exception for purposes of MSRB Rule G-34, and PFM is released from the requirement to request a CUSIP assignment on behalf of the City pursuant to MSRB Rule G-34 for the refunding bonds.





February 13, 2019

## Refunding Opportunity Memorandum

**To:** Jeff Snyder, Chief Financial Officer  
**From:** Jay Glover, Managing Director -- PFM Financial Advisors LLC  
**Re:** Refunding Opportunity – Stormwater Utility Revenue Bonds, Taxable Series 2010A (BABs)

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As financial advisor to the City of Port St. Lucie (the "City"), PFM Financial Advisors LLC (PFM) continually reviews the City's outstanding debt to look for potential refunding opportunities. Given the current interest rate environment, the City has an opportunity to refund the outstanding Stormwater Utility Revenue Bonds, Taxable Series 2010A (Build America Bonds) (the "2010A Bonds") for net present value (NPV) debt service savings.

### Outstanding 2010A Bonds Details

The 2010A Bonds are outstanding in the par amount of \$26,895,000 maturing in years 2030-2039 with a taxable interest rate of 7.376%. The 2010A Bonds are structured to receive a 35% subsidy/rebate payment from the federal government. The subsidy payments received by the City have been reduced by varying amounts since 2013 due to sequestration (8.7% to the current 6.2% through 2027). The 2010A Bonds are callable May 1, 2020 at par but are eligible to be advance refunded prior to this call date through the issuance of tax-exempt refunding bonds (the "2019 Bonds").

### Estimated Advance Refunding Results

By advance refunding the 2010A Bonds, we estimate the City could realize approximately \$2.5 million of NPV debt service savings (net of all costs associated with completing the transaction) or 9.5% of the refunded bonds par amount. This equates to annual savings ranging from \$65,000 to \$300,000 through 2039.

### Additional Considerations

The alternative action the City could take is to wait until February of 2020 to undertake a current refunding of the 2010A Bonds. PFM has run a sensitivity analysis to determine the estimated savings under this alternative if interest rates remain the same as well as to determine a breakeven point in terms of interest rates increasing. If interest rates remain the same, the estimated NPV debt service savings would increase to \$3.4 million or 12.8% of the refunded bonds par amount. If interest rates rise approximately 35 basis points (0.35%) between now and February of 2020 the transaction would be neutral (\$2.5 million NPV debt service savings).

### Recommendation

Based on the above described analysis and the substantial savings to be achieved, we would recommend the City proceed with preparing the financing documents and seek City Council approval to pursue a negotiated advance refunding of the 2010A Bonds. By doing so, the City would be prepared to take advantage of this refunding opportunity on an expedited basis if the market conditions remain favorable. As part of this process, we would also recommend that the City undertake an RFP to procure an underwriting team that can sell the 2019 Bonds at the lowest interest rates. PFM stands ready to assist with this RFP process as well as work with legal counsel to prepare the required financing documents.

If you have any questions please feel free to contact me at 407-406-5760 or [gloverj@pfm.com](mailto:gloverj@pfm.com).



*In the opinion of Holland & Knight LLP, Bond Counsel, assuming compliance with certain arbitrage rebate and other tax requirements referred to herein, under existing law, interest on the Series 2019A Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes and will not be treated as an item of tax preference in computing the alternative minimum tax imposed on certain taxpayers other than corporations (as defined for federal income tax purposes). Holders of Series 2019A Bonds could be subject to the consequences of other provisions of the Internal Revenue Code of 1986, as amended, as further described herein. See "TAX MATTERS".*



**\$15,085,000**  
**SARASOTA COUNTY, FLORIDA**  
**Capital Improvement Revenue Bonds, Series 2019A**

**Dated: Date of Delivery**

**Due: October 1, as shown on the inside cover**

The Capital Improvement Revenue Bonds, Series 2019A (the "Series 2019A Bonds") are being issued by Sarasota County, Florida (the "County") pursuant to Article VIII, Section 1 of the Constitution of the State of Florida, Chapter 218, Part VI, Florida Statutes, Chapter 125, Florida Statutes, the Charter of the County and other applicable provisions of law (collectively, the "Act"), and pursuant to Resolution No. 2010-029 adopted by the Board of County Commissioners of the County (the "Board") on February 19, 2010, as amended by Resolution No. 2010-259 adopted by the Board on December 1, 2010 and Resolution No. 2017-176 adopted by the Board on October 31, 2017, and as particularly supplemented by Resolution No. 2019-075 adopted by the Board on April 10, 2019 (collectively, the "Resolution") for the purposes of (i) financing the cost of the 2019A Project (as defined herein), (ii) capitalizing interest on the Series 2019A Bonds, and (iii) paying the costs of issuance of such Series 2019A Bonds.

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of the issue. Investors must read this entire Official Statement, and the Appendices attached hereto, to obtain information needed in order to make an informed investment decision.

For Maturities, Amounts, Interest Rates, Prices, Yields and Initial CUSIP Numbers, see inside front cover.

The Series 2019A Bonds are being issued by the County in the form of a separate single certificated fully registered bond for each of the maturities of the Series 2019A Bonds, which initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only through Direct Participants (defined herein) in denominations of \$5,000 and integral multiples thereof. Purchasers of the Series 2019A Bonds (the "Beneficial Owners") will not receive physical delivery of the Series 2019A Bonds. Transfer of ownership in the Series 2019A Bonds will be effected by DTC's book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments are to be made directly to such registered owner which will in turn remit such payments to the Direct Participants for subsequent disbursement to the Beneficial Owners. Interest on the Series 2019A Bonds is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2019. Principal of the Series 2019A Bonds will be payable to the registered owners upon presentation and surrender at the office of U.S. Bank National Association, New York, New York, as Paying Agent and Registrar. All payments of principal of, and interest on, the Series 2019A Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The payment of principal of and interest on the Series 2019A Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon (1) receipts derived from the Half-Cent Sales Tax Revenues (as defined herein), (2) any Qualified Hedge Receipts (net of any Qualified Hedge Payments) (as defined herein), if any, and (3) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in funds and accounts established under the Resolution other than the Rebate Account and Additional Construction Funds ("Pledged Funds"), on parity with the outstanding Capital Improvement Revenue Bonds, Series 2010A (Federally Taxable - Build America Bonds - Direct Subsidy), Capital Improvement Revenue Bonds, Series 2010B (Federally Taxable - Build America Bonds - Recovery Zone Economic Development Bonds - Direct Subsidy), Capital Improvement Revenue Bonds, Series 2017 (Federally Taxable), Capital Improvement Revenue Refunding Bonds, Series 2018A, Capital Improvement Revenue Refunding Bonds, Series 2018B and Capital Improvement Revenue Refunding Bonds, Series 2019B, if issued (see "PLAN OF ANTICIPATED REFUNDINGS" herein). "Half-Cent Sales Tax Revenues" means proceeds of the Local Government Half-Cent Sales Tax and other moneys received by the County from the Local Government Half-Cent Sales Tax Clearing Trust Fund pursuant to the provisions of Chapter 218, Part VI, Florida Statutes.

THE SERIES 2019A BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, SECURED SOLELY BY A LIEN UPON AND PLEDGE OF, AND PAYABLE FROM, THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT DESCRIBED IN THE RESOLUTION. NO HOLDER OF ANY SERIES 2019A BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2019A BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2019A BOND FROM ANY MONEYS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

The Series 2019A Bonds are subject to redemption and purchase in lieu of redemption prior to their respective maturities as more fully described herein.

*The Series 2019A Bonds are offered when, as, and if issued and received by the Underwriters, subject to the opinion on certain legal matters relating to their issuance by Holland & Knight LLP, Lakeland, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by Frederick J. Elbrecht, Esq., County Attorney and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel to the County. PFM Financial Advisors LLC, Orlando, Florida, is serving as Financial Advisor to the County. GrayRobinson, P.A., Tampa, Florida, is serving as Counsel to the Underwriters. It is expected that the Series 2019A Bonds in definitive form will be available for delivery to the Underwriters through the facilities of DTC on or about May 7, 2019.*

**J.P. Morgan**  
**Raymond James**







**SARASOTA COUNTY, FLORIDA**

**REQUEST FOR PROPOSALS (RFP):**

**INVESTMENT BANKING SERVICES FOR THE  
COUNTY'S ISSUANCE OF**

**REFUNDING OF BUILD AMERICA BONDS**

**Due Date: January 21, 2019**

**SARSOTA COUNTY, FLORIDA**

**REQUEST FOR PROPOSALS FOR INVESTMENT BANKING SERVICES**

***DESCRIPTION:***

Sarasota County, Florida (the “County”) requests proposals from its pre-selected Investment Banking team to assist the County in completing the refunding of the following issuances (collectively, the “Bonds”):

- Utility System Revenue Bonds, Series 2010 (the “2010 Utility Bonds”)
- Capital Improvement Revenue Bonds, Series 2010A (the “2010A Sales Tax Bonds”)
- Communications Services Tax Revenue Bonds, Series 2010 (the “2010 CST Bonds”)

Proposals will be used to select senior managing underwriter(s) and co-manager(s).

Concurrent with the selection process for Investment Banking firms, the County’s staff, bond counsel, disclosure counsel and financial advisor will be preparing certain necessary documents to complete the financing. It is expected that the senior managing underwriter(s) will be part of the financing team that further refines the plan of finance and assists in the development of the financing documents.

A tentative calendar is as follows:

January 7, 2019	RFP circulated
January 21, 2019	Proposals due to the County and PFM
Week of January 28, 2019	County staff reviews proposals and Selects Firm(s)

**The County may, at its sole discretion, determine that none of the proposals meet its goals and objectives and may elect to terminate the evaluation process.**

***SUBMISSION REQUIREMENTS:***

Proposals should be prepared in at least size 12 font and should be responsive to the items listed under “Proposal Requirements.” Proposals should be marked “Proposals for Investment Banking Services” and an electronic copy should be e-mailed and copies should be delivered to the following addresses **no later than 3:00 p.m. eastern time on Monday, January 21, 2019:**

<b>Nicole Jovanovski</b> Director of Finance Sarasota County, FL 1660 Ringling Boulevard Sarasota, Florida 34236 <a href="mailto:njovanov@scgov.net">njovanov@scgov.net</a> <b>(2 Copies)</b>	<b>Mike Murphy</b> Fiscal Consultant Sarasota County, FL 1660 Ringling Boulevard Sarasota, Florida 34236 <a href="mailto:mmurphy@scgov.net">mmurphy@scgov.net</a> <b>(2 Copies)</b>	<b>Jay Glover</b> Managing Director PFM Financial Advisors LLC 300 S. Orange Ave, Suite 1170 Orlando, FL 32801 <a href="mailto:gloverj@pfm.com">gloverj@pfm.com</a> <b>(1 Copy)</b>
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It is the sole responsibility of the proposer to assure that the County, prior to the time specified, receives the proposal. Any proposals received after the stated deadline will not be considered.

***ADDITIONAL INFORMATION AND ADDENDUM:***

Please confirm receipt of this RFP and provide your contact information to PFM at [gloverj@pfm.com](mailto:gloverj@pfm.com) to ensure that all interested parties receive updates and addendums to the RFP. If it becomes necessary to revise or amend any part of this RFP, notice of the revision will be given to all prospective proposers. No verbal or written information that is obtained other than by information in this document or addendum to this RFP shall be binding on the County. Any questions concerning this RFP should be directed to Jay Glover at the above address and should be submitted in writing via e-mail.

***PROPOSAL REQUIREMENTS:***

***Proposals shall include the following information and should be limited to 15 pages (exclusive of resumes and deal list which can be included as an exhibit):***

1. A letter of transmittal stating the proposer's understanding of the work to be performed and the names and titles of the persons who will be authorized to make representations for the proposer.
2. General information about the proposer, including location of the office(s) from which the work will be performed, the primary contact persons for the investment banking and underwriting, and other members of the underwriting team. Include brief resumes for the proposed core project team members.
3. Experience. What attributes set your firm apart from other firms with respect to transactions of this type. Provide a list of similar transactions and any other additional information considered to be relevant to the County's proposed financing. Please limit information provided to last 3 years only.
4. Plan of Finance. Since the Bonds are being issued to refund existing debt, please provide your firm's thoughts on the timing of each financing given the current and projected level of long term interest rates. The County is considering undertaking the refunding of the 2010A Sales Tax Bonds and 2010 CST Bonds via a single issuance of bonds. Discuss how your firm would recommend structuring this single issue and what impact the recommended security would have on the County's sales tax and communications services tax credit ratings. This analysis should also take into account that the County has \$39 million of potential new money needs that will likely be secured by half cent sales tax during calendar year 2019.
5. Marketing/Distribution/Pricing. Provide information on your marketing plan for the Bonds, including the ability to market and sell the Bonds to Sarasota County residents. Within this section include coupon structure, pricing levels (spread to MMD) and call provisions. Also include a summary of refunding savings based on market conditions as of January 17, 2019 and the assumptions related to sequestration levels used to determine refunding savings. A full set of numbers for each refunding should be included as an exhibit.
6. Proposed Fees and Expenses. Please provide the proposed takedowns by maturity, average takedown, management fee (if any) and detailed expenses based upon fixed rate bond issuances. Expenses should include underwriter's counsel fees based on the assumption that disclosure counsel will draft the POS and OS.
7. Since your firm's appointment to the County's pool of underwriters in January of 2017, please describe how you have served the County and any financing ideas/proposals you have submitted to the County, and describe each briefly.

***PROPSOSAL EVALUATION:***

After reviewing the written responses, firms will be evaluated and selected based upon the following criteria:

- Experience of the firm’s primary personnel
- Experience with similar transactions
- Plan of Finance Development
- Credit/Marketing/Pricing Analysis
- Pricing – gross spread, takedowns
- Prior service to the County

The Selection Committee reserves the right to amend these criteria.

***CONDITIONS AND LIMITATIONS:***

1. The County reserves the right to reject any and all proposals and to request clarification of information from any proposer.
2. All proposals received in response to this RFP become the property of the County.
3. The County will not reimburse proposers for any costs associated with the preparation and submittal of any letter of interest, or for any travel costs that are incurred.
4. Proposer acknowledges that all information contained within their proposal is part of the public domain.
5. Proposers, their agents and associates, responding to this solicitation must agree to contact only the designated contact, Jay Glover from PFM, and shall refrain from contacting or soliciting any Sarasota County staff member or Sarasota County elected officials, officers, their appointees or there agents regarding this RFP. Failure to abide by this requirement may result in the proposer being deemed non-responsible to this solicitation. Proposers understand these restrictions regarding contact with Sarasota County and acknowledge that when responding to the RFP.
6. This RFP and the related responses of the selected proposer(s) will, by reference, become part of the formal agreement between the selected proposer and the County.
7. Compensation/Pricing. All fees shall be contingent upon completion of a financing. In the event the County elects to proceed with the financing, the County will use pricing and structuring information from the selected proposer(s)’ RFP during the actual pricing. Fees are subject to further negotiation on the part of the County or its Financial Advisor in order for the County to accomplish its financing objectives.



## D. PFM's Standard Financial Advisor Agreement

**PFM FINANCIAL ADVISORS LLC**  
**AGREEMENT FOR FINANCIAL ADVISORY SERVICES**

This agreement (“Agreement”), made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“Client”) and PFM Financial Advisors LLC (hereinafter called “PFM”), sets forth the terms and conditions under which PFM shall provide services.

WHEREAS, Client desires to obtain the services of a financial advisor to develop and assist in implementing Client’s strategies to meet its current and long-term operations, financial obligations, capital financing needs and render assistance in respect to debt transactions; and

WHEREAS, PFM is capable of providing the necessary financial advisory services.

NOW, THEREFORE, in consideration of the above mentioned premises and intending to be legally bound hereby, Client and PFM agree as follows:

**I. SCOPE OF SERVICES**

PFM shall provide, upon request of the Client, services related to financial planning, budget and strategic advice and planning, policy development and services related to debt issuance, as applicable and set forth in Exhibit A to this Agreement. Client acknowledges and agrees that most tasks requested by Client will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to just those services required to complete the task. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by PFM which are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between the Client and PFM. Upon request of Client, PFM or an affiliate of PFM may agree to additional services to be provided by PFM or an affiliate of PFM, by a separate agreement between the Client and PFM or its respective affiliate.

**II. WORK SCHEDULE**

The services of PFM are to commence as soon as practicable after the execution of this Agreement and a request by the Client for such service.

**III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES**

1. PFM is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If Client has designated PFM as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), then services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any limitations provided therein. PFM shall not be responsible for, or have any liability in connection with, verifying that PFM is independent from any other party seeking to rely on the IRMA exemption (as such independent

status is required pursuant to the IRMA exemption, as interpreted from time to time by the SEC). Client acknowledges and agrees that any reference to PFM, its personnel and its role as IRMA, including in the written representation of Client required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by PFM. Client further agrees not to represent that PFM is Client's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the scope of services without PFM's prior written consent.

2. MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFM's Disclosure Statement delivered to Client together with this Agreement.

#### **IV. FINANCIAL ADVISORY COMPENSATION**

For the services provided under this Agreement, PFM's professional fees shall be paid as provided in Exhibit B to this Agreement and Client shall pay expenses and fees for other services not set forth in Exhibit A as provided below.

1. Reimbursable Expenses

In addition to fees for services, PFM will be reimbursed for necessary, reasonable, and documented out-of-pocket expenses incurred, including travel, meals, lodging, telephone, mail, and other ordinary cost and any actual extraordinary cost for graphics, printing, data processing and computer time which are incurred by PFM. Upon request of Client, documentation of such expenses will be provided.

2. Other Services

Any services which are not included in the scope of services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

#### **V. TERMS AND TERMINATION**

This Agreement shall be effective from \_\_\_\_\_ until \_\_\_\_\_ (the "Initial Term") and shall automatically renew for additional \_\_ year periods (each a "Renewal Term" and together with the Initial Term, the "Term", unless terminated in writing by either party upon thirty (30) days written notice to the other party.

Upon any such termination, PFM will be paid for all services performed and costs and expenses incurred up to the termination date.

#### **VI. ASSIGNMENT**

PFM shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the Client; provided that upon notice to Client, PFM may assign this Agreement or any interests hereunder to a municipal



advisor entity registered with the SEC that directly or indirectly controls, is controlled by, or is under common control with, PFM.

## **VII. INFORMATION TO BE FURNISHED TO PFM**

All information, data, reports, and records in the possession of the Client or any third party necessary for carrying out any services to be performed under this Agreement (“Data”) shall be furnished to PFM and the Client shall, and shall cause its agent(s) to, cooperate with PFM in its conduct of reasonable due diligence in performing the services, including with respect to the facts that are necessary in its recommendation(s) to the Client in connection with a municipal securities transaction or municipal financial product and/or relevant to the Client’s determination whether to proceed with a course of action. To the extent Client requests that PFM provide advice with regard to any recommendation made by a third party, Client will provide to PFM written direction to do so as well as any Data it has received from such third party relating to its recommendation. Client acknowledges and agrees that while PFM is relying on the Data in connection with its provision of the services under this Agreement, PFM makes no representation with respect to and shall not be responsible for the accuracy, adequacy or completeness of such Data.

## **VIII. NOTICES**

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to wit:

**[CLIENT]**

[Client’s Address]

[Client’s Address]

[Attention: \_\_\_\_\_]

**PFM FINANCIAL ADVISORS LLC**

300 South Orange Avenue

Suite 1170

Orlando, FL 32801

Attention: Managing Director

Copy To:

**PFM FINANCIAL ADVISORS LLC**

1735 Market Street

43rd Floor

Philadelphia, PA 19103

Attention: Chief Executive Officer

## **IX. TITLE TRANSFER**

All materials, except functioning or dynamic financial models, prepared by PFM pursuant exclusively to this Agreement shall be the property of the Client. Subject to the exception described above, upon termination of this Agreement, at Client's reasonable request no later than three (3) years after the termination of this Agreement PFM shall deliver to the Client copies of any deliverables pertaining to this Agreement.

## **X. PFM'S REPRESENTATIVES**

### **1. Assignment of Named Individuals**

The professional employees of PFM set forth below will provide the services set forth in this Agreement; provided that PFM may, from time to time, supplement or otherwise amend the team members set forth below.

- James "Jay" Glover, Managing Director
- David Moore, Managing Director
- Nicklas Rocca, Senior Managing Consultant
- Mara Lugo, Analyst

### **2. Changes in Staff Requested by the Client**

The Client has the right to request, for any reason, PFM to replace any member of the advisory team. Should the Client make such a request, PFM shall promptly suggest a substitute for approval by the Client.

## **XI. INSURANCE**

PFM shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.

## **XII. LIMITATION OF LIABILITY**

Except to the extent caused by willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties under this Agreement on the part of PFM or any of its associated persons, neither PFM nor any of its associated persons shall have liability to any person for (i) any act or omission in connection with performance of its services hereunder; (ii) any error of judgment or mistake of law; (iii) any loss arising out of any issuance of municipal securities, any municipal financial product or any other financial product, or (iv) any financial or other damages resulting from Client's election to act, or not to act, contrary to or, absent negligence on the part of PFM or any of its associated persons, upon any advice or recommendation provided by PFM to Client.

## **XIII. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY**

PFM, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint

venturers of Client by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will PFM be liable for any act or omission of any third party or for any circumstances beyond PFM's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

#### **XIV. APPLICABLE LAW**

This Agreement shall be construed, enforced, and administered according to the laws of State of Florida. PFM and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

#### **XV. ENTIRE AGREEMENT; SEVERABILITY**

This Agreement represents the entire agreement between Client and PFM and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate agreement between Client and an affiliate of PFM shall not in any way be deemed an amendment or modification of this Agreement. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

#### **XVI. EXECUTION; COUNTERPARTS**

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

**IN WITNESS THEREOF**, the Client and PFM have executed this Agreement as of the day and year herein above written.

**[CLIENT]**

By: \_\_\_\_\_  
Name, Title

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

**PFM FINANCIAL ADVISORS LLC**

By: \_\_\_\_\_  
Name, Title

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

**EXHIBIT A**  
**SCOPE OF SERVICES**

1. Services related to the Financial Planning and Policy Development upon request of the Client:

- Assist the Client in the formulation of Financial and Debt Policies and Administrative Procedures.
- Review current debt structure, identifying strengths and weaknesses of structure so that future debt issues can be designed to maximize ability to finance future capital needs. This will include, but not be limited to, reviewing existing debt for the possibility of refunding that debt to provide the Client with savings.
- Analyze future debt capacity to determine the Client's ability to raise future debt capital.
- Assist the Client in the development of the Client's Capital Improvement Program by identifying sources of capital funding.
- Assist the Client with the development of the Client's financial planning efforts and process by assessing capital needs, identifying potential revenue sources, analyze financing alternatives such as pay-as-you-go, lease/purchasing, short-term vs. long-term financings, assessments, user fees, impact fees, developer contributions, public/private projects, and grants and provide analysis of each alternative as required as to the budgetary and financial impact.
- Review the reports of accountants, independent engineers and other project feasibility consultants to ensure that such studies adequately address technical, economic, and financial risk factors affecting the marketability of any proposed revenue debt issues; provide bond market assumptions necessary for financial projections included in these studies; attend all relevant working sessions regarding the preparations, review and completion of such independent studies; and provide written comments and recommendations regarding assumptions, analytic methods, and conclusions contained therein.
- Develop, manage and maintain computer models for long-term capital planning which provide for inputs regarding levels of ad valorem and non-ad valorem taxation, growth rates by operating revenue and expenditure item, timing, magnitude and cost of debt issuance, and project operating and capital balances, selected operating and debt ratios and other financial performance measures as may be determined by the Client.
- Conduct strategic modeling and planning and related consulting.
- Attend meetings with Client's staff, consultants and other professionals and the Client.

- Undertake financial planning and policy development assignments made by the Client regarding financings, and financial policy including budget, tax, cash management issues and related fiscal policy and programs.
- Assist the Client in preparing financial presentations for public hearings and/ or referendums.
- Provide special financial services as requested by the Client.

2. Services Related to Debt Transactions (Includes short term financings, notes, loans, letters of credit, line of credit and bonds); provided that if the transaction is competitive, the services of the financial advisor will be modified in advance in writing to reflect that process. Upon the request of the Client:

- Analyze financial and economic factors to determine if the issuance of bonds is appropriate.
- Develop a financing plan in concert with Client's staff which would include recommendations as to the timing and number of series of bonds to be issued.
- Assist the Client by recommending the best method of sale, either as a negotiated sale, private placement or a public sale. In a public sale, make recommendation as to the determination of the best bid. In the event of a negotiated sale, assist in the solicitation, review and evaluation of any investment banking proposals, and provide advice and information necessary to aid in such selection.
- Advise as to the various financing alternatives available to the Client.
- Develop alternatives related to debt transaction including evaluation of revenues available, maturity schedule and cash flow requirements.
- Evaluate benefits of bond insurance and/or security insurance for debt reserve fund.
- If appropriate, develop credit rating presentation and coordinate with the Client the overall presentation to rating agencies.
- Review underwriter's proposals and submit a written analysis of same to the Client.
- Assist the Client in the procurement of other services relating to debt issuance such as printing, paying agent, registrar, etc.
- Identify key bond covenant features and advise as to the financial consequences of provisions to be included in bond indentures, resolutions or other governing documents regarding security, creation of reserve funds, flow of funds,

redemption provisions, additional parity debt tests, etc.; review and comment on successive drafts of bond governing documents.

- Review the requirements and submit analysis to bond insurers, rating agencies and other professionals as they pertain to the Client's obligation.
- Review the terms, conditions and structure of any proposed debt offering undertaken by the Client and provide suggestions, modifications and enhancements where appropriate and necessary to reflect the constraints or current financial policy and fiscal capability.
- Coordinate with Client's staff and other advisors as respects the furnishing of data for offering documents, it being specifically understood that PFM is not responsible for the inclusion or omission of any material in published offering documents.
- As applicable, advise the Client on the condition of the bond market at the time of sale, including volume, timing considerations, competing offerings, and general economic considerations.
- Assist and advise the Client in negotiations with investment banking groups regarding fees, pricing of the bonds and final terms of any security offering, and make recommendations regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions.
- Arrange for the closing of the transaction including, but not limited, to bond printing, signing and final delivery of the bonds.

**EXHIBIT B**  
**COMPENSATION FOR SERVICES**

**1. . Graduated fee rate schedule and related bond amounts, for the following:**

**a) Graduated fee rate schedule and related bond amounts for the following types:**

- 1) Traditional bond issue on a competitively bid basis**
- 2) Traditional bond issue on a negotiated sale**
- 3) Refunding bond issue on a negotiated sale**
- 4) Fixing the rate on any current variable rate bond issues outstanding**

For all services related to the public offering or private placement of debt, we propose a “\$/\$1,000” fee schedule, per series, as shown in the table below. Negotiated and competitive transactions are billed at the same rate. Refunding issues will also be billed in accordance to the schedule below, with the exception of a \$2,500 additional fee for the extra services required for refundings. Fixing the rate on any current variable rate bond issue would be done at 75% of the below fees.

Minimum fee per issue:	\$17,500
Up to \$25 Million, per bond	\$0.90/\$1,000
From \$25-\$50 Million, per bond	\$0.70/\$1,000
Over \$50 Million, per bond	\$0.50/\$1,000
Maximum fee per issue:	\$60,000

**2. Annual retainer for attendance at Commission meetings for advisory services including Services provided under II. Scope of Services, Paragraph A, which does not culminate with the issuing of bonds, payable in July and January. In any year that bonds are issued, the annual retainer is offset against the bond issue fee**

See below for annual retainer fee. During the time when PFM is working on a transaction, the retainer will be offset against the bond issue fee.

**3. Hourly Project Fees (Non-Transaction Related)**

Hourly fees for services unrelated to bond issuance will be billed at the below hourly rates and will be authorized by work order and require detailed time reports to accompany the invoices. Hourly rates for strategic consulting engagements that require industry specialists will be negotiated at the time of such engagement. In lieu of hourly rates, PFM proposes an annual retainer of \$12,000 that would be paid quarterly (\$3,000 per quarter).



<u>Experience Level</u>	<u>Hourly Rate</u>
Managing Director /Director	<u>\$195.00</u>
Senior Managing Consultant	<u>\$195.00</u>
Senior Analyst/ Analyst	<u>\$175.00</u>

**4. Additional Expenses**

**a) Travel**

PFM would request reimbursement for out of pocket expenses incurred in serving the City as its financial advisor at actual cost not to exceed \$500 per transaction.

**b) Hourly computer charges.**

None

**c) Other charges and the basis for these charges.**

The financial advisory compensation proposed above does not apply to services related to procurement of bond proceeds investments or other structured products, escrow structuring, investment management, or arbitrage rebate. Fees for these special services shall be negotiated as a function of the complexity of the proposed engagement and the specific scope of services outlined. PFM Asset Management LLC, registered investment advisor, is prepared to offer the City its full range of structured products, investment management and arbitrage rebate compliance services. If needed, these services would be performed by PFM Asset Management LLC pursuant to a separately negotiated letter agreement. PFM Asset Management LLC fully discloses all fees related to any transaction.

**EXHIBIT C**  
**INSURANCE**

PFM Financial Advisors LLC (“PFM”) has a complete insurance program, including property, casualty, general liability, automobile liability and workers compensation. PFM maintains professional liability and fidelity bond coverages which total \$40 million and \$25 million single loss/ \$50 million aggregate, respectively. PFM also carries a \$10 million cyber liability policy. Our Professional Liability policy is a “claims made” policy and our General Liability policy claims would be made by occurrence.

**Deductibles/SIR:**

Automobile \$250 comprehensive & \$250 collision  
Cyber Liability \$25,000  
General Liability \$0  
Professional Liability (E&O) \$1,000,000  
Financial Institution Bond \$75,000

**Insurance Company & AM Best Rating**

Professional Liability (E&O).....Endurance American Insurance Company; (A+; XV)  
.....Argonaut Insurance Company; (A+; XIV)  
.....Everest National Insurance Company; (A+; XV)  
.....XL Specialty Insurance Company; (A+; XV)  
.....Continental Casualty Company; (A; XV)  
.....Starr Indemnity & Liability Company; (A; XV)  
.....Federal Insurance Company; (A++; XV)  
Financial Institution Bond.....Federal Insurance Company; (A++; XV)  
.....Great American Insurance Company; (A+; XV)  
.....U.S. Fire Insurance Company; (A; XV)  
Cyber Liability.....Greenwich Insurance Company (A+; XV)  
.....Arch Insurance Company; (A+; XV)  
General Liability.....Great Northern Insurance Company; (A++; XV)  
Automobile Liability.....Great Northern Insurance Company; (A++; XV)  
Excess /Umbrella Liability.....Federal Insurance Company; (A++; XV)  
Workers Compensation.....Vigilant Insurance Company; (A++; XV)  
& Employers Liability