



**Response to  
Request for Qualification  
RFQ-276-25-SA  
Financial Advisory Services**

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**Submitted by:**



**Public Resources Advisory Group, Inc.**

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Tampa, FL 33607  
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**Project Supervisor:**  
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**Project Manager:**  
**Mickey Johnston**  
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**Co-Project Manager:**  
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*Senior Managing Director*  
nsidor@pragadvisors.com

**Submittal Date/Time:**  
**February 20, 2025 (2:00 PM)**

**Disclosure of Conflicts of Interest and Legal or Disciplinary Events (G-42)**

Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, among other things, conflicts of interest and any legal or disciplinary events of Public Resources Advisory Group, Inc. ("PRAG" or the "Firm") and its associated persons. Accordingly, PRAG makes the following general disclosures with respect to conflicts of interest.

**Conflicts of Interest (G-42)**

Compensation-Based Conflicts: PRAG's compensation may include a single or a variety of fee structures. Each of these arrangements may create a conflict as defined by MSRB Rule G-42. PRAG's fees may be based on the size of the issue, and the payment of such fees may be contingent upon the delivery of the issue. While this form of compensation is customary in the municipal securities market, this may present a potential conflict of interest because it could create an incentive for PRAG to recommend unnecessary financings or financings that are disadvantageous to the client.

PRAG may also charge fees in a fixed amount as a retainer for services or as a transaction fee, and this arrangement could provide PRAG an incentive to recommend less time-consuming alternatives or fail to do a thorough analysis of the alternatives. In addition, fees may be paid based on hourly fees of PRAG's personnel, with the aggregate amount equaling the number of hours worked by such personnel times agreed-upon hourly billing rate(s). This presents a potential conflict of interest because PRAG may have the incentive to spend more time than necessary on an engagement. If the hourly fees are subject to a maximum amount, the potential conflict of interest arises because of the incentive for PRAG to fail to do a thorough analysis of alternatives and/or recommend alternatives that would be less time-consuming for PRAG staff.

Other Municipal Advisor Relationships: PRAG serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of the City of Hollywood (the "City"). For example, PRAG serves as municipal advisor to other municipal advisory clients, including Broward County, and in such cases, owes a regulatory duty to such other clients just as it would to the City. These other clients may, from time to time and depending on the specific circumstances, have interests that compete with those of the City. In acting in the interests of its various clients, PRAG could potentially face a conflict of interest arising from these competing client interests.

PRAG mitigates such conflicts through its adherence to its fiduciary duty to the client, which includes a duty of loyalty to the client in performing all municipal advisory activities. This duty of loyalty obligates PRAG to deal honestly and with the utmost good faith with each governmental entity and to act in its best interests without regard to PRAG's financial or other interests.

We have addressed potential conflicts in these situations by disclosing to all parties whom we represent, and holding discussions, analyses and e-mails with a particular client in confidence unless we are directed to send to other parties. If PRAG becomes aware of any additional potential or actual conflict of interest prior to, or during an engagement, PRAG will disclose the detailed information in writing within a timely manner.

**Disclosure of Legal or Disciplinary Events (G-42)**

On September 17, 2024, PRAG filed an amendment to its Form MA disclosing the Firm's settlement with the Securities and Exchange Commission ("SEC") of matters relating to failure to maintain and preserve text communications. The Form MA filing may be electronically accessed at the following link:

[https://www.sec.gov/Archives/edgar/data/1612223/000161222324000008/xslFormMA\\_X01/primary\\_doc.xml](https://www.sec.gov/Archives/edgar/data/1612223/000161222324000008/xslFormMA_X01/primary_doc.xml)

**Other Required Disclosure (G-10)**

The MSRB website at [www.msrb.org](http://www.msrb.org), includes the Municipal Advisory client brochure that describes the protections that may be provided by the MSRB Rules and how to file a complaint with an appropriate regulatory authority.

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February 20, 2025

Stephanie Tinsley  
Financial Services Director  
2600 Hollywood Blvd.  
Hollywood, FL 33020

Dear Ms. Tinsley:

Public Resources Advisory Group, Inc. ("PRAG" or the "Firm") is pleased to submit this proposal to provide financial advisory services to the City of Hollywood, Florida (the "City"). We have thoroughly reviewed the City's Request for Qualification ("RFQ") and fully understand the work to be performed. PRAG and its Florida financial advisory team are committed to providing the requested scope of services to the City with the utmost professional attention and service.

Formed in 1985, PRAG is an **independent, municipal advisory-only firm** and our sole business is advising state and local governments, agencies, authorities, and non-profits throughout the country and, of greatest relevance to the City, in Florida. PRAG does not engage in any form of underwriting, trading, marketing, or investing of securities, nor does it have any affiliates that engage in these lines of business. While our independence, our singular focus on the municipal advisory business, and our presence in the market differentiate us from many firms providing municipal advisory services, we believe it is **our combination of personal attention provided to our clients, our experience working with and our knowledge of local governments, and the advanced analytical and communication skills of our senior-level Florida-based advisory team that will be most impactful to the City.**

**PRAG's team-based service delivery model will include a Project Supervisor, a Project Manager, and a Co-Project Manager**, all with substantial experience serving Florida clients like the City. We have implemented this team-based coverage model for other new clients, and without exception they have been pleased with the seamless and efficient onboarding process. Using this model, we provide our clients with enhanced analysis and responsiveness, as well as the attention of and access to multiple, local senior-level advisors. PRAG's Project Supervisor, **Wendell Gaertner, Senior Managing Director**, is an authorized signatory of the Firm and will ensure the availability of resources and quality of work for the City. **Mickey Johnston, Senior Managing Director**, will be the primary contact for the City and with assistance from **Natalie Sidor, Senior Managing Director**, will provide the requested services to the City throughout PRAG's engagement.

As a leader in the municipal advisory industry nationally and in Florida, PRAG can provide the City with a comprehensive scope of financial advisory services. We have a long history and excellent track record of providing financial advisory services dating back 40 years. Setting us apart from our competition, **our Florida client base is large enough to provide us with a great deal of experience directly applicable to the City, yet sized to ensure that the advisory team has sufficient time and capacity to provide prompt and high-quality financial advisory services to all of our clients within the State of Florida (the "State").**

PRAG strives to create value for our clients by leveraging the experience of our advisors, our presence in the municipal bond market, and our access to a full suite of technical and data resources, applied in an organized and methodical manner. Our goal is to help our clients meet their capital financing needs at the lowest possible cost by adding value during the upfront planning phase, throughout the entire financing process, and for special projects aside from specific financings within the context of our three-pronged advisory approach: (i) strategic planning, (ii) implementation, and (iii) ongoing financial management. As your financial advisor, **we will act as a partner and an extension of City staff**, providing customized advisory services based on the City's specific needs and objectives. We will also act as a resource to the City and its consultants in the evolution and implementation of its long-term strategic and capital plans. This active, ongoing engagement style adds efficiency and value to our client relationships.

In preparing our proposal, we have performed a thorough review of publicly available information relating to the City's outstanding debt and future capital plans, as a demonstration of the level of detail and commitment we will bring to this engagement. Our preliminary recommendations for the City, which would be further refined based on additional discussions with the City management and staff regarding priorities and objectives, include:

- **Actively prepare for “new money” public utilities issues and review financial policies.** In reviewing the City's capital improvement plan, the City estimates \$451 million in capital projects over the next five years comprised of \$277.5 million in water/sewer projects, \$130.8 million in stormwater master plan projects, and roughly \$42.5 million in other important public safety, recreation, and roadway projects. Particularly on the water/sewer and stormwater projects, long-term debt financing for a portion of these projects will likely be needed. PRAG will work with the City to make sure these projects and the debt financing(s) to fund them are well thought out and fit appropriately alongside the existing and future debt plans of the City. We will take these financing opportunities to review the City's existing financing documents, including its water/sewer resolution, SRF loan documents, and financial policies, to make sure they are up-to-date and make recommendations in addition to managing the rating strategy and process to achieve the best possible ratings should bonds be issued, thus lowering the cost of the financing(s) as much as possible. The PRAG team has extensive experience in advising clients in water/sewer and stormwater projects as demonstrated in the case studies included herein. We would be privileged to work with the City in moving these critical projects forward.
- **Continue to evaluate potential debt refunding opportunities.** Historically, the City has proactively refunded its outstanding debt when the market provided refunding efficiencies, as evidenced by its 2015 General Obligation Refunding Note, 2016A Capital Improvement Revenue and Refunding Bonds, and 2020 Water and Sewer Refunding Revenue Bonds. The City does not have any current refunding opportunities in today's market; however, the City's 2016A Bonds are callable beginning July 1, 2026. PRAG has analyzed the level of savings this refunding opportunity generates under current market conditions as presented in our response to Question H.4. of this RFQ. Given that market conditions will undoubtedly change in the future, PRAG will continue to monitor this opportunity, and others, as the City's financial advisor so that we will be ready to “hit the market” when the time is right.
- **Keenly monitor the municipal market for potential large-scale changes.** While several times in the past few decades the notion of eliminating tax-exempt bonds has been floated around in Washington D.C., what once were just whispers have become increasingly louder. With the 2017 tax cuts slated to expire at year-end, the expectation is that tax policy will be high on the legislative agenda. Any extension or expansion of the 2017 tax cuts will grow the federal budget deficit, unless lawmakers can find revenue offsets, one of which could be ending the federal tax exemption on all or certain types of municipal bonds. PRAG will be paying close attention to this and other legislative actions that could affect the City and its ability to fund its capital projects. We will work with the City to find the best possible solutions regardless of the obstacles that might be placed in the way.

As demonstrated throughout our response, **PRAG has the knowledge, experience, and resources to provide value to the City immediately upon engagement.** We have an excellent track record of providing advisory services to Florida local governments, many facing similar challenges and opportunities as the City, and we look forward to bringing this experience to the table as the City's financial advisor.

Thank you in advance for the opportunity and your consideration.

Sincerely,

**PUBLIC RESOURCES ADVISORY GROUP, INC.**

A handwritten signature in blue ink that reads "Wendell G. Gaertner".

**Wendell Gaertner**  
Senior Managing Director

A handwritten signature in blue ink that reads "Mickey Johnston".

**Mickey Johnston**  
Senior Managing Director


A handwritten signature in blue ink that reads "Natalie Sidor".

**Natalie Sidor**  
Senior Managing Director

#### D. Firm Qualifications and Key Personnel:

1. State how and under what state the firm is organized. Your firm must provide evidence that it is authorized to do business in the State of Florida.

Founded in 1985, Public Resources Advisory Group, Inc. ("PRAG" or the "Firm") is an independent financial-, investment-, and swap-advisory firm **organized as a subchapter S corporation incorporated in the State of New York**. Now approaching our 40<sup>th</sup> anniversary, PRAG was one of the first firms in the country dedicated solely to the independent public finance advisory business and to this day we remain focused on providing impartial and in-depth financial and debt-related advice to state and local governments, authorities, agencies, and not-for-profits.



Division of

CORPORATIONS

an official State of Florida website

[Department of State](#) / [Division of Corporations](#) / [Search Records](#) / [Search by Entity Name](#) /

#### Detail by Entity Name

Foreign Profit Corporation  
PUBLIC RESOURCES ADVISORY GROUP, INC.

Filing Information

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Changed: 02/06/2025

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Changed: 10/20/2016

Registered Agent Name & Address

Gaertner, Wendell, DIR.  
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Name Changed: 02/27/2024

Address Changed: 01/08/2025

Officers/Director Detail

**Name & Address**

Title P

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Title ST

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Annual Reports

Report Year	Filed Date
2023	01/18/2023
2024	02/27/2024
2025	01/08/2025

Document Images

<a href="#">01/08/2025 - ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>
<a href="#">02/27/2024 - ANNUAL REPORT</a>	<a href="#">View image in PDF format</a>

Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchName=

## State of Florida

### Department of State

I certify from the records of this office that PUBLIC RESOURCES ADVISORY GROUP, INC. is a New York corporation authorized to transact business in the State of Florida, qualified on April 18, 1989.

The document number of this corporation is P23950.

I further certify that said corporation has paid all fees due this office through December 31, 2025, that its most recent annual report/uniform business report was filed on January 8, 2025, and that its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

*Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capital, this the Eighth day of January, 2025*




Secretary of State

Tracking Number: 8406229515CC

To authenticate this certificate, visit the following site, enter this number, and then follow the instructions displayed.

<https://services.sunbiz.org/Filings/CertificateOfStatus/CertificateAuthentication>

**D. Firm Qualifications and Key Personnel:**

2. Does your firm maintain any full-time public finance offices in Florida or the southeastern United States? If so, how would such offices assist with the proposed financings?

PRAG currently has 42 employees located in five offices nationwide, including our headquarters in New York and regional offices in Florida, Pennsylvania, and California. **All of the financial advisory services that will be provided to the City of Hollywood (the “City”) will originate from our Tampa office.** PRAG’s size is large enough to provide corporate efficiencies and a broad view of the market, but small enough to allow our advisors to know each other and maintain direct relationships and lines of communication, allowing us to effectively leverage the knowledge and experience of the entire firm.

PRAG Offices/Professionals				
Location	Senior Level	Associate Level	Support Staff	Total
New York, NY	11	4	8	23
Tampa, FL	6	0	1	7
Los Angeles, CA	4	2	0	6
Media, PA	3	1	1	5
Oakland, CA	1	0	0	1
<b>Total</b>	<b>25</b>	<b>7</b>	<b>10</b>	<b>42</b>

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***D. Firm Qualifications and Key Personnel:***

3. *If your firm's primary business is investment banking, will the financial advisory work requested through this RFP be performed by investment bankers or persons dedicated exclusively to financial advisory services?*
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**Providing strategic and transactional advice to municipalities remains our core business with financial and investment advisory services representing 100% of total firm revenue.** PRAG does not engage in any form of underwriting, trading, marketing, or investing of securities, nor does it have any affiliates that engage in these lines of business. We are exclusively focused on our municipal advisory clients, therefore avoiding potential conflicts that can arise from having other business objectives, influences by other internal departments, or cross-selling goals or strategies. Because of this, **our advice is truly independent and client focused.**



#### D. Firm Qualifications and Key Personnel:

4. Provide names, qualifications and experience in providing similar services of those persons who will be assigned to work with the City. Please include brief resumes addressing both experience over the past five (5) years and education?

PRAG's unique approach to client service is to assign two senior-level advisors to co-lead each engagement with the entire Florida advisory team available to provide support as needed. This team structure offers the City the highest level of personal attention, constant access, and continuity of service. If necessary, we will also reach out to other PRAG advisors around the country for additional support or to provide specialized expertise. Because of this service model, each of our Florida clients eventually interacts directly with each of our Florida advisors in some capacity. This model has proven extremely successful in serving existing and new Florida clients.

PRAG's Advisory Team		
Key Advisory Team		
<u>Project Supervision</u> <b>Wendell Gaertner</b> <i>Senior Managing Director</i> (36 Years Experience)	<u>Project Manager</u> <b>Mickey Johnston</b> <i>Senior Managing Director</i> (17 Years Experience)	<u>Co-Project Manager</u> <b>Natalie Sidor</b> <i>Senior Managing Director</i> (19 Years Experience)
Support Advisory Team		
<u>Technical Support</u> <b>Matthew Sansbury</b> <i>Managing Director</i> (23 Years Experience)	<u>Credit Support</u> <b>Molly Clark</b> <i>Senior Managing Director</i> (24 Years Experience)	<u>Analytical Support</u> <b>Noa Radaei</b> <i>Associate</i> (2 Years Experience)

PRAG's team of senior advisors brings extensive relevant experience working with similar clients throughout the State of Florida ("State"). **Wendell Gaertner**, *Senior Managing Director*, will serve as Project Supervisor for the City. As a 36-year veteran in the public finance industry and manager of PRAG's Florida office, Mr. Gaertner will be responsible for executing all documents, providing oversight during the engagement, and ensuring the availability of resources and quality of work product in providing the requested advisory services. **Mickey Johnston**, *Senior Managing Director*, will serve as Project Manager and is authorized and responsible to act on behalf of PRAG with respect to directing, coordinating, and administering all aspects of the services to be provided and performed. **Natalie Sidor**, *Senior Managing Director*, will serve as Co-Project Manager and will assist Mr. Johnston in the day-to-day coverage of the City. Combined, these two senior-level professionals bring more than 35 years of public finance experience to the table, focused predominantly on serving the needs of Florida local governments.

Unlike many advisors who have spent most, if not all, of their careers solely providing municipal advisory services, PRAG's Florida advisory team members have extensive experience in other aspects of public/general finance and have now chosen to focus their careers on the municipal advisory industry. Our combined experience includes investment banking, commercial banking, real estate development, and general finance. This deliberate commitment to municipal advisory reflects the desire of our staff to work with our clients on a long-term basis. It also allows us to offer our clients a direct personal experience of how investment banks and commercial banks operate and what motivates and constricts their actions.

The team we have assigned to serve the City will bring extensive experience providing training for our Florida clientele, which we would be delighted to share with the City. PRAG provides customized training services for our clients, as well as educational programs for other market participants, in public meeting, conference, webinar, and individual meeting formats. A sampling of our professionals' recent presentations is shown below:

- Florida Government Finance Officers Association ("FGFOA") 2025 Annual Conference (June 2025): Mr. Gaertner will moderate a session entitled "Financing Capital Improvements."
- City of Tampa (Feb. 2025): Ms. Clark and Mr. Sansbury will assist City staff in the development of materials and presentation of "Bonding Capacity and Financing Overview" to City Council.
- Peace River Manasota Regional Water Supply Authority (Feb. 2025): Ms. Sidor and Mr. Sansbury developed materials and presented a "Market Update and Long-Term Financing Plans" discussion to the Board of Directors.

- Florida Municipal Loan Council (“FMLC”) (Dec. 2024): Mr. Johnston presented “2024 Year in Review and 2025 Outlook” to the Board of Directors.
- Public Trust Advisors’ 2024 Public Funds Seminar (Sept. 2024): Ms. Clark presented “Planning for and Issuing Municipal Debt, Part II – Long-Term versus Short-Term/Interim Financing.”
- FGFOA 2024 Annual Conference (May 2024): Mr. Gaertner moderated the session “Rating Agencies’ FAQs” which included arranging panelists from Moody’s, S&P, and Fitch.
- Peace River Manasota Regional Water Supply Authority (August 2024): Ms. Clark presented an overview of upcoming financing plans to the Board of Directors.
- Village of Estero (March 2024): Mr. Johnston presented “Rating Strategy and Financial Policy Considerations” to the Village Council.
- Public Trust Advisors’ 2023 Public Funds Seminar (Oct. 2023): Ms. Clark presented “Planning for and Issuing Municipal Debt.”
- City of Ft. Myers (June 2023): Ms. Clark and Ms. Sidor, along with attorneys from Bryant Miller Olive and Nabors Giblin & Nickerson, developed materials and presented “Bonds 101” to City Council and staff.
- FGFOA Gulf Coast Chapter (Feb. 2023): Ms. Clark, along with an attorney from Bryant Miller Olive, presented “Overview of Municipal Debt.”

PRAG works with our clients to develop materials and present information to elected officials, staff, citizens, and other stakeholders on a regular basis. PRAG has created customized materials to assist our clients in presenting high level, strategic, and financial plans and in describing a specific bond issue or financing structure. Each time we assist our clients in presenting to stakeholders, we focus on how the particular strategy fits into the client’s underlying goals and capital plans. PRAG also provides our clients with ongoing information on economic news, market developments, industry insights, and tax law changes that may impact a client’s near-term financing needs or longer-term financial plans. Through our client-specific educational programs, PRAG provides education and training to groups such as finance staff, senior governmental leadership, and both local and Statewide elected officials.

PRAG briefs governmental officials individually and makes formal presentations at meetings and workshops. We have developed and hosted training programs on the bond issuance process for first-time issuers and for seasoned issuers including Broward, Hillsborough, and Manatee Counties. As municipal advisor to the State of Louisiana, Mr. Gaertner presents regularly to the Louisiana State Bond Commission which consists of the Governor, the Treasurer, the Lieutenant Governor, the Attorney General, the Secretary of State, the Senate President, the House Speaker, the Commissioner of Administration, and chairs of certain committees in the Senate and House or their designees.

PRAG also helps educate municipal regulators. PRAG representatives, including Mr. Gaertner, meet regularly with representatives from the Treasury Department’s Office of State and Local Finance to share insights and information on the municipal market, most recently in September 2023. PRAG also led an educational session for the Securities and Exchange Commission (“SEC”) municipal examiners on the municipal bond pricing process last year. In addition, Mr. Gaertner is currently one on two municipal advisors on the Municipal Securities Rulemaking Board (“MSRB”). In this role, he attends regular board and committee meetings and can help keep our clients apprised of certain topics under review by the MSRB.

We have implemented our team-based and issuer education focused coverage model for several recent new clients and they have been pleased with the seamless and efficient onboarding process. We take pride in this approach and we encourage the City to discuss our track record of responsiveness and accessibility with the references we have included in **Question E.8.** herein.

**Brief resumes for each member of PRAG’s assigned advisory team are provided on the following pages.**



**Wendell Gaertner**  
*Senior Managing Director  
Project Supervisor*

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Tampa, FL 33607  
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#### **Public Finance Career**

- 36 years

#### **Professional Involvement**

- Municipal Securities Rulemaking Board, *Member (2023-current)*
- Florida Government Finance Officers Association, *Member and Conference Speaker*
- North American Public-Private Partnership Deal of the Year, *Project Finance Magazine*
- North American Real Estate Deal of the Year, *Project Finance Magazine*

#### **Representative Clients Served**

- Broward County
- Columbia County
- Hillsborough County
- Manatee County
- Miami-Dade County
- City of Tampa

#### **Education, Registrations & Certifications**

- M.B.A., Stetson University
- B.S. (General Honors), University of Miami
- Series 54 (Municipal Advisor Principal)
- Series 50 (Municipal Advisor Representative)

Wendell Gaertner is a *Senior Managing Director* and a partner of the Firm. Mr. Gaertner joined PRAG in 2013 and brings 36 years of experience in public finance at the local, regional, state, and federal level. Mr. Gaertner manages the Firm's Florida office located in Tampa. **Mr. Gaertner will serve as Project Supervisor for PRAG's engagement with the City.**

With a background in commercial banking, investment banking, and financial advisory, Mr. Gaertner offers PRAG's clients extensive experience in tax-exempt and taxable municipal bonds, 144A corporate debt in public, private and global offerings, variable rate debt, swaps, letters of credit, bank debt, and equity. Having spent decades as an investment banker, Mr. Gaertner brings a deep practical understanding of bond sales and pricings to his clients.

Throughout his career, Mr. Gaertner has provided strategic financial advisory services including development of long-term financial models, creation of interim funding strategies, and evaluation of public-private partnership ("P3") opportunities. Mr. Gaertner has advised clients on financial structures and strategies in connection with assessment, utility, solid waste, economic development projects, real estate projects, transportation, P3s, and affordable housing.

Prior to joining PRAG, Mr. Gaertner served as an investment banker and financial advisor with Merrill Lynch, Banc of America Securities, and Raymond James. Mr. Gaertner began his career as a commercial banker with Barnett Bank of Tampa.

Mr. Gaertner received a B.S. degree in Chemistry (General Honors) from the University of Miami and an M.B.A. degree from Stetson University. Mr. Gaertner is registered with his Series 50 (Municipal Advisor Representative) and Series 54 (Municipal Advisor Principal) licenses. Mr. Gaertner currently serves as one of only two municipal advisor representatives on the MSRB.

**With over three decades of experience in public finance through multiple economic cycles, as Project Supervisor, Mr. Gaertner will provide oversight and transactional/strategic advice to City leadership.**



**Mickey Johnston**  
*Senior Managing Director  
Project Manager*

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Tampa, FL 33607  
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Fax: (727) 822-3502  
[mjohnston@pragadvisors.com](mailto:mjohnston@pragadvisors.com)

#### **Public Finance Career**

- 17 years

#### **Professional Involvement**

- Florida Government Finance Officers Association, *Member*
- New Jersey Municipal Management Association, 2016  
*Presenter: "Municipal PILOT Agreements"*

#### **Representative Clients Served**

- City of Dania Beach
- Hillsborough County
- Manatee County
- Miami-Dade County
- Village of Pinecrest
- Village of Estero

#### **Education, Registrations & Certifications**

- B.B.A., James Madison University
- Series 50 (Municipal Advisor Representative)

Michael "Mickey" Johnston, *Senior Managing Director*, joined PRAG in 2018 and brings 20 years of professional experience including 17 years in public finance. Since joining PRAG, Mr. Johnston has advised clients on various debt transactions including bond issues, bank loans, commercial paper notes, and other credit facilities. Mr. Johnston also has experience with P3 initiatives, actively builds custom financial models for clients, and structures cash flows utilizing the industry standard DBC software.

**As Project Manager, Mr. Johnston is authorized and responsible to act on behalf of PRAG with respect to directing, coordinating, and administering all aspects of the services to be provided.**

Mr. Johnston advises his clients on a variety of credits and structures including tax-exempt debt, taxable debt, assessment debt, tax increment financings, general obligation bonds, water & sewer, solid waste, and covenant to budget & appropriate non-ad valorem revenue debt. Mr. Johnston has supported some of PRAG's larger Florida county clients, including Broward, Hillsborough, and Miami-Dade as well some of the state's more infrequent issuers through his work with the Florida League of Cities and the Florida Municipal Loan Council ("FMLC"). In 2024, Mr. Johnston advised the FMLC on its first competitive bond sales and first CDD conduit issue.

Outside of Florida, Mr. Johnston advises the City of Newark, N.J. and the City of Asbury Park, N.J. with a special emphasis on payment in lieu of taxes ("PILOT") agreements and PILOT-backed redevelopment area bonds. Mr. Johnston works closely with Newark's Economic & Housing Development Department ("EHD") to execute financial agreements between the City and developers. Since 2020, Mr. Johnston has facilitated the execution of PILOT agreements that is expected to result in \$2.2 billion in redevelopment investment and over 6,000 residential housing units in the City. Mr. Johnston also assists EHD with analysis utilized to strengthen existing ordinances, most notably the City's inclusionary zoning ordinance which promotes equitable growth and increased affordable housing for low-income residents. As part of his role as the City of Asbury Park's Redevelopment Area Bond ("RAB") PILOT administrator, Mr. Johnston provides ongoing support to the City's tax collector office and participates during the RAB issuance process.

Aside from his work in public finance, Mr. Johnston also gained valuable experience as a Manager of Financial Analysis at Blackstone, one of the world's leading investment firms, in New York City.

Mr. Johnston received a B.B.A. degree in Finance from James Madison University. Mr. Johnston is registered with his Series 50 (Municipal Advisor Representative) license.





**Natalie Sidor**  
*Senior Managing Director  
Co-Project Manager*

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#### **Public Finance Career**

- 19 years

#### **Professional Involvement**

- Florida Government Finance Officers Association, *Member and Conference Speaker*
- Florida Women in Public Finance, *Founding Member (2016), President (2019), Board Member (2016-Present)*
- The University of Tampa Board of Fellows *(2013-Present)*
- The University of Tampa Educational Affairs Committee *Member (2019-Present)*

#### **Representative Clients Served**

- City of Clearwater
- City of Fort Myers
- City of Largo
- City of Palm Bay
- City of Pinellas Park
- City of West Melbourne

#### **Education, Registrations & Certifications**

- M.B.A., The Wharton School of the University of Pennsylvania
- B.S., University of Tampa
- Series 50 (Municipal Advisor Representative)

Natalie Sidor, *Senior Managing Director*, joined PRAG in 2018 and offers the County over 20 years of corporate and public finance experience. At PRAG, Ms. Sidor provides client support and transactional advisory services to Florida local governments, agencies, authorities, and special districts. Ms. Sidor currently serves or has recently served the following advisory clients: Clearwater, Fort Myers, Largo, Pinellas Park, Palm Bay, Safety Harbor, Columbia County, Escambia County, Hillsborough County, Manatee County, the Emerald Coast Utilities Authority, and the Peace River Manasota Regional Water Supply Authority, to name a few.

Formerly with Raymond James, Ms. Sidor provided investment banking and advisory services to clients throughout the Southeast and Florida. While at her prior firm, Ms. Sidor was responsible for evaluating, developing, and executing financing solutions based on client objectives and market dynamics. During her time with Raymond James, Ms. Sidor was involved in the execution of \$4.5 billion of lead-managed municipal financings for state and local governments, primarily in Florida.

In addition to her extensive public finance experience, Ms. Sidor also has experience in real estate development and corporate finance. After receiving her M.B.A., Ms. Sidor was the Finance and Investments Manager for The Sembler Company, a real estate development company. Ms. Sidor began her career as an analyst in Corporate Investment Banking for Wachovia Securities, participating in deal teams for mergers and acquisitions advisory, debt private placements, strategic studies, and valuations.

Ms. Sidor is a member of the Florida Government Finance Officers Association ("FGFOA") and frequently participates as a speaker and/or panelist at FGFOA conferences and schools of governmental finance. Ms. Sidor is a founding member of the Florida Chapter of Women in Public Finance, served as the President in 2019 and currently serves as an ex-officio member of the Board. Ms. Sidor also serves as a member of the University of Tampa Board of Fellows and the University of Tampa Educational Affairs Committee.

Ms. Sidor received a B.S. degree in Finance and Economics from the University of Tampa. Ms. Sidor also earned an M.B.A. degree from The Wharton School of the University of Pennsylvania. Ms. Sidor is registered with her Series 50 (Municipal Advisor Representative) license.

**Since joining PRAG, Ms. Sidor has advised clients throughout the State on approximately \$3.0 billion of debt, offering the City, as Co-Project Manager, a wide range of relevant knowledge and experience.**



**Matthew Sansbury**  
*Managing Director*  
*Technical Support*

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[msansbury@pragadvisors.com](mailto:msansbury@pragadvisors.com)

**Public Finance Career**

- 23 years

**Professional Involvement**

- Florida Government Finance Officers Association, *Member and Conference Speaker*

**Representative Clients Served**

- City of Davie\*\*
- City of Lauderhill\*\*
- City of Miramar\*\*
- City of Oakland Park\*\*
- City of Sunrise\*\*
- City of Tamarac\*\*

\*\*Represents an investment banking client from prior firm.

**Education, Registrations & Certifications**

- M.B.A., University of South Florida
- B.S., University of Florida
- Series 50 (Municipal Advisor Representative)

Matthew Sansbury joined PRAG in 2024 as a *Managing Director* and has 23 years of municipal finance experience, a vast majority of which has been focused on providing municipal advisory or investment banking services to municipal issuers across the State. Prior to joining PRAG, Mr. Sansbury worked with RBC Capital Markets, Hilltop Securities, Stifel Nicolaus, and Raymond James.

**With 23 years of municipal finance experience across the full spectrum of credits, Mr. Sansbury will provide analytical and technical support services to the City.**

Mr. Sansbury assists his clients with their various budgetary and capital financing needs, specifically helping with their issuance of debt, which may include public bond offerings, privately placed bank loans, letters/lines of credit, and other debt financing instruments. Mr. Sansbury takes pride in leading the financing process, guiding the various counsels, commercial/investment banks, rating agencies, bond insurers, consultants/engineers, and other financing team members throughout the process to make it as efficient and cost effective as possible for his clients.

Mr. Sansbury has worked on over 330 financings within the State valued at nearly \$43.5 billion. Mr. Sansbury's financing experience includes the entire gamut of municipal credits including, but not limited to, bonds backed by an issuer's covenant to budget and appropriate, ad valorem taxes, water and sewer system revenues, electric system revenues, stormwater system revenues, solid waste system revenues, parking revenues, gas taxes, toll revenues, sales taxes, guaranteed entitlement revenues, tourist development taxes, tax increment revenues, and special assessments.

Throughout his career, Mr. Sansbury has worked with over 100 Florida issuers, consisting mostly of cities, counties, and K-12 school districts. Of note, Mr. Sansbury has provided municipal advisory services to Cape Coral, Clearwater, Key Biscayne, Ocoee, Tequesta, Broward County, Citrus County, Hernando County, Okaloosa County, Seminole County, the Peace River Manasota Regional Water Supply Authority, the Northern Palm Beach County Improvement District, the Florida Hurricane Catastrophe Fund, and Citizens Property Insurance Corporation.

Mr. Sansbury received a B.S. degree in Business Administration from the Warrington College of Business at the University of Florida and a M.B.A. degree from the University of South Florida. Mr. Sansbury is registered with his Series 50 (Municipal Advisor Representative) license and held multiple investment banking-related securities registrations while at his prior firm.



**Molly Clark**  
*Senior Managing Director  
Credit Support*

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[mclark@pragadvisors.com](mailto:mclark@pragadvisors.com)

**Public Finance Career**

- 24 years

**Professional Involvement**

- Florida Government Finance Officers Association, *Member and Conference Speaker*
- Florida Women in Public Finance, *Founding Member (2016), Communications Chair (2016-2023), Board Member (2018-2023)*

**Representative Clients Served**

- Broward County
- Miami-Dade County
- City of Palm Bay
- City of Palmetto
- City of Tampa
- City of Treasure Island

**Education, Registrations & Certifications**

- B.A., Carleton College
- Series 50 (Municipal Advisor Representative)
- Series 65 (Investment Advisor Representative)

Molly Clark, *Senior Managing Director*, joined PRAG in 2018 and offers the City 24 years of public finance experience. Ms. Clark serves many of PRAG's Florida general government clients including counties, cities, and special districts, providing both analytical and transactional support. Ms. Clark works closely with PRAG clients in debt financing, policy review, and general advisory capacities.

**Having worked in the Florida public finance market for over 24 years, Ms. Clark provides credit expertise and a long history of working with rating agencies on behalf of her clients.**

Ms. Clark works with many long-term PRAG clients and has also been involved in the onboarding of various new clients since joining PRAG. Ms. Clark provides in-depth financial analysis, policy review, transaction execution, and ongoing client support to a wide range of Florida issuers.

Sample clients include Broward County (hotel revenue/CB&A, sales tax, TDT, water and sewer), Emerald Coast Utilities Authority (water and sewer), Miami-Dade County (water and sewer), Pinellas County (ad valorem), Palm Bay (general obligation), Pease River Manasota Regional Water Supply Authority (water), and Tampa (assessments, CB&A, sales tax, solid waste), to name a few.

Ms. Clark is a frequent speaker at industry conferences throughout the State, having recently presented to various audiences on the bond issuance process, debt financing structures, and related topics. Ms. Clark is also a founding member of the Florida Chapter of Women in Public Finance, serving on the Board from 2016 to 2023 and as the Communications Chair from 2018 to 2023.

Ms. Clark was previously employed as a public finance investment banker with Wells Fargo Securities and RBC Capital Markets, where she provided investment banking services to clients throughout the State. Ms. Clark was involved in planning, structuring, and executing tax-exempt and taxable debt financings through the public and bank markets. Ms. Clark also served as a liaison between Florida municipal issuers and the banks' municipal government relationship managers, comparing the merits of capital markets and bank financing vehicles, and assisting clients in selecting appropriate and cost-effective structures for their financing needs. Ms. Clark began her career as a corporate trust banker with Northern Trust.

Ms. Clark received a B.A. degree in Economics (cum laude) from Carleton College. Ms. Clark is registered with her Series 50 (Municipal Advisor Representative) and Series 65 (Investment Advisor Representative) licenses



**Noa Radaei**  
*Associate*  
*Analytical Support*

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**Public Finance Career**  
– 2 years

**Education, Registrations & Certifications**  
– B.A., University of California, Los Angeles  
– Series 50 (Municipal Advisor Representative)

Noa Radaei, *Associate*, joined PRAG in 2024. Ms. Radaei serves PRAG's general government clients including cities, counties, and special districts providing both analytical and transactional support.

Ms. Radaei was previously employed as a public finance investment banker with Citigroup, where she provided investment banking services to clients throughout the State. Ms. Radaei was involved in providing analytical and quantitative support for the planning, structuring, and execution of tax-exempt and taxable debt financings through the public and bank markets, with most of her support focused on the Florida utility (water and sewer) industry.

Ms. Radaei received a B.A. degree in Business Economics from the University of California, Los Angeles (UCLA). Ms. Radaei is registered with her Series 50 (Municipal Advisor Representative) license and held multiple investment banking-related securities registrations while at her prior firm.

**In her role as Associate, Ms. Radaei will provide technical and analytical support to the City's project management team.**



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**D. Firm Qualifications and Key Personnel:**

5. *Describe availability of individuals assigned to engagement. What other individuals would be available to the City?*
- 

With the growth of our Florida municipal advisory team over the past few years, PRAG has developed a targeted new business strategy to ensure that we have the capacity and adequate staffing to provide the full range of advisory services to meet the needs of our existing client base and potential new clients. PRAG's business model focuses on servicing clients with significant capital needs and/or an ongoing need for advisory services. This model enables PRAG to assign fewer clients to each professional, thus allowing greater time and attention to be paid to each client. **Our senior-level advisors typically work with six-to-eight clients as lead project managers, allowing for dedicated, one-on-one service and trusted relationships. This approach may differ from other advisory firms, where senior professionals often manage a larger number of clients and may rely more heavily on junior staff to provide day-to-day services.**

At PRAG, we are strategic and selective in our new business targets, as we are always mindful of ensuring that the full resources of the Firm can be mobilized for any client engagement. Our Florida client base is large enough to provide a great deal of experience directly applicable to the City yet sized to ensure that the advisors assigned to the City have sufficient time and capacity to provide prompt, sound, and high-quality financial advisory services to all of our clients Statewide.

PRAG's Florida advisory team works out of the Firm's Tampa office providing advisory services to issuers across the State, from Miami-Dade County to Escambia County. Our team of advisors is accustomed to being available to our clients as needed, regardless of geography. **We will be accessible to the City for in-person meetings, virtual meetings, and phone calls, as best meets the City's needs for any given project.** We will also always be available to provide both transaction-related and educational presentations to elected officials, staff, and other stakeholders. The project team assigned to the City aims to essentially act as extensions of the City's staff and will be available to consult with the City with little advance notice required.

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#### **E. Work Experience:**

- 1. Describe the firm, including the size, range of activities, similar work performed, etc. Particular emphasis should be given as to how the experience and expertise in the financial advisory area will be brought to bear on the proposed work.*

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#### **FIRM DESCRIPTION**

Founded in 1985, PRAG is an independent financial-, investment-, and swap-advisory firm organized as a subchapter S corporation incorporated in the State of New York. PRAG is a 100% employee-owned and managed firm. PRAG currently has 42 employees located in five offices nationwide, including our headquarters in New York and regional offices in Florida, Pennsylvania, and California.

**Providing strategic and transactional advice to municipalities remains our core business with financial and investment advisory services representing 100% of total firm revenue.** PRAG does not engage in any form of underwriting, trading, marketing, or investing of securities, nor does it have any affiliates that engage in these lines of business. We are exclusively focused on our municipal advisory clients, therefore avoiding potential conflicts that can arise from having other business objectives, influences by other internal departments, or cross-selling goals or strategies. Because of this, **our advice is truly independent and client focused.** While we are focused on our business activities, we are diversified in our client base, our geographic footprint, and our staffing resources.

PRAG is a registered municipal advisor with the SEC (Municipal Advisor Registration Number 867-00146) and the MSRB (MSRB ID K0133), and is a registered investment adviser under the New York Investment Advisers Act in California, Florida, Maryland, New York, and Pennsylvania.

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#### **FINANCIAL ADVISORY PHILOSOPHY**

PRAG's philosophy when providing municipal advisory services runs parallel with our three core values:

- **Independence.** As mentioned previously, PRAG is an independent, employee-owned financial advisor and does not engage in any form of underwriting, trading, marketing, or investing in securities, nor do we have any affiliate which engages in these lines of business. As an independent financial advisor, we aim to aggressively advocate on behalf of our clients for lower interest rates and underwriting spreads.
- **Service.** PRAG strives to provide the best possible service to our clients. Providing high quality service requires the dedication of senior-level personnel. Our staffing meets those needs with nearly 60% of PRAG's professionals at the Managing Director level or above with an average of approximately 20 years of experience. Our staffing model ensures that highly qualified professionals are involved in the day-to-day management of engagements for all of the Firm's clients, ensuring optimal service. PRAG's Florida advisory team will be available to assist the City on an as-needed basis from our local Tampa office.
- **Quality.** The quality of our work and the confidence our clients have shown in us are of the utmost importance to the Firm, especially with the continued implementation of new federal regulations for municipal advisors. Even before these regulatory requirements were established, PRAG has always felt that it has a fiduciary relationship with its clients that we take very seriously.

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#### **FINANCIAL ADVISORY QUALIFICATIONS**

PRAG does not see municipal advisory services as a commodity, but rather as a bespoke activity that requires the focus of experienced personnel with direct knowledge of the client. We are strategic and selective in our new business targets, as we are always mindful of ensuring that the full resources of the Firm can be mobilized for any client engagement. **Our Florida client base is large enough to provide a great deal of experience directly applicable to the City yet sized to ensure that the advisors serving the City have sufficient time and capacity to add the County to their existing clientele.** PRAG's reputation lies in consistently providing exemplary service in a timely manner to each one of our clients. In submitting our response to the City, we are committing that our proposed team has the ability and capacity to deliver advisory services meeting these high standards.

## NATIONAL EXPERIENCE

PRAG has been one of the top ranked financial advisors in the U.S. for the past several decades and offers the experience and expertise to provide financial advisory services to the City. **In 2024, PRAG maintained its position as one of the largest municipal advisors throughout the country, advising on \$53.1 billion of long-term municipal issuance, representing a 10.5% market share.**

Based on LSEG data, **PRAG has been ranked as the #2 financial advisor nationally based on total long-term issuance for the past eight years.** Our national ranking is an important demonstration of both our ongoing presence in the market and the trust placed in us by major issuers of municipal debt.

PRAG's Financial Advisory Rankings Long-Term Municipal Issuance						
Year	Competitive		Negotiated		Total	
	Par (\$B)	Ranking	Par (\$B)	Ranking	Par (\$B)	Ranking
2024	\$11.6	1	\$41.5	2	\$53.1	2
2023	\$7.6	2	\$27.1	2	\$34.7	2
2022	\$10.5	2	\$24.7	2	\$35.2	2
2021	\$17.1	1	\$27.3	2	\$44.5	2
2020	\$13.5	1	\$29.9	2	\$43.4	2
2019	\$19.4	1	\$21.2	3	\$40.6	2
2018	\$17.4	1	\$18.7	2	\$36.1	2
2017	\$20.2	1	\$32.2	2	\$52.4	2

Source: LSEG (formerly Refinitiv / Thomson Reuters)


















































While PRAG is ranked as the #2 municipal advisor by volume in total long-term municipal bond issuance, of perhaps greater benefit to the City is **PRAG's focus on and #1 ranking in the general government sector of the municipal market.** LSEG divides the municipal market into 10 sectors representing the various purposes for which municipal bonds are issued: development, education, electric power, environmental facilities, general purpose, healthcare, housing, public facilities, transportation, and utilities. While each of these sectors represents an important component of the municipal market, certain market sectors, such as education, electric power, and healthcare, have little connection with the everyday operations and financial needs of the City. PRAG's #1 ranking within the general government sector is directly relevant to the City as a large governmental issuer.

Our level of national activity allows us to understand market fluctuations, desired structures, and specific market pricing. We are aware of trends in interest rates, changes in investor sentiment, and the latest innovations in the capital markets, thanks to our continuous market access. This market intelligence enables us to provide up-to-date information on the financial markets, regulatory changes, and innovative structures to the City on an on-going basis and to provide sound, informed advice during a transaction.

## FLORIDA EXPERIENCE

**Since 2020, PRAG's Florida advisory team has completed over 215 debt issuances for Florida governmental entities, totaling over \$12.2 billion.** These financings include public bond issues, bank loans, lines of credit, capital leases, and commercial paper. A complete listing of this experience can be found in **Appendix A**, as part of our response to **Question E.5**. PRAG's Florida advisors have also provided specialized advisory services on non-debt related projects for our clients, as discussed throughout this proposal.

PRAG offers long-term and consistent experience with local governments throughout Florida facing challenges and opportunities similar to those faced by the City. PRAG's experience with Florida local governments spans a variety of structures and credits, including covenant to budget and appropriate non-ad valorem revenues ("CB&A"), sales tax, special assessments, and utility credits, among others. A summary table highlighting PRAG's Florida advisory clients, which includes the credits we have worked on and PRAG's coverage team for each client, is provided on the following page.

PRAG's Florida Financial Advisory Clients*			
Client	Credits	Coverage Team	
 Auburndale**	CB&A	Johnston, Gaertner	
 Belle Isle**	CB&A	Johnston, Gaertner	
 Belleair Beach**	Special Assessment	Johnston, Gaertner	
 Brevard County HFA	Multifamily Housing	Edmonds, Clark	
 Broward County	CB&A, Hotel Revenues, Sales Tax, TDT, Utility	Gaertner, Clark, Sansbury	
 Captiva Erosion Prevention District	Assessment	Sidor, Sansbury	
 Central Florida Tourism Oversight District	Ad Valorem	Gaertner, Sansbury	
 HFA of Clay County	Multifamily Housing	Edmonds, Clark	
 Clearwater	CB&A, Utility	Sansbury, Sidor	
 Columbia County	CB&A	Gaertner, Sansbury	
 Dania Beach**	CB&A	Johnston, Gaertner	
 Emerald Coast Utilities Auth	Utility	Clark, Sidor	
 Englewood Water District	Utility	Sidor, Sansbury	
 Escambia County	CB&A, Sales Tax	Sidor, Gaertner	
 Estero**	CB&A	Johnston, Gaertner	
 Florida Department of Transportation	Tolls	Gaertner, Johnston	
 State of Florida	Lease Payments	Gaertner, Johnston	
 Florida Municipal Loan Council	Assessments, CB&A, Tax Increment, Utility	Johnston, Gaertner	
 Fort Myers	CB&A, Utility	Sidor, Sansbury	
 Hillsborough County	Ad Valorem, Assessments, CB&A, Solid Waste, Utility	Gaertner, Johnston, Sansbury	
 Hillsborough County IDA	Healthcare	Clark, Edmonds	
 Indian Shores**	CB&A	Johnston, Gaertner	
 Jacksonville Transportation Auth	Gas Tax	Gaertner, Johnston	
 Largo	CB&A	Sidor, Johnston	
 Malabar**	CB&A	Johnston, Gaertner	
 Manatee County	Ad Valorem, CB&A, Sales Tax, Utility	Gaertner, Johnston, Sidor	
 Manatee County Port Authority	Seaport	Sidor, Gaertner	
 Mary Esther**	CB&A	Johnston, Gaertner	
 Miami-Dade County	Utility	Gaertner, Clark, Sansbury	
 HFA of Miami-Dade County	Multifamily Housing	Edmonds, Clark	
 New College	Higher Ed	Gaertner, Sidor	
 Northern Palm Beach County Imp District	Assessments	Sansbury, Sidor	
 Palatka**	CB&A	Johnston, Gaertner	
 Palm Bay	Ad Valorem	Clark, Sansbury	
 Palmetto	CB&A, Charter School	Clark, Gaertner	
 Palmetto Bay**	CB&A	Johnston, Gaertner	
 Peace River Manasota Regl Water Supp Auth	Utility	Sidor, Sansbury	
 Pinecrest**	CB&A	Johnston, Gaertner	
 Pinellas County	Utility	Clark, Edmonds, Gaertner	
 Pinellas Park	Utility	Sidor, Sansbury	
 HFA of Polk County	Multifamily Housing	Edmonds, Clark	
 Safety Harbor	CB&A	Sidor, Johnston	
 Sanibel**	CB&A	Johnston, Gaertner	
 Shingle Creek Transit And Utility CDD**	Assessments	Johnston, Gaertner	
 HFA of St. Johns County	Multifamily Housing	Edmonds, Clark	
 Sumter County	CB&A	Sidor, Sansbury	
 Tampa	Assessments, CB&A, Healthcare, Higher Ed, Sales Tax, Solid Waste	Clark, Sansbury	
 Trailer Estates Park & Recreation District	Assessments	Gaertner, Johnston	
 Treasure Island	CB&A	Clark, Sansbury	
Valparaiso**	CB&A	Johnston, Gaertner	
HFA of Volusia County	Multifamily Housing	Edmonds, Clark	
West Melbourne**	Utility	Johnston, Sidor	
Westgate/Belvedere Homes CRA**	Tax Increment	Johnston, Gaertner	
Wildwood	CB&A, Utility	Sidor, Sansbury	

\*Includes both current and past (since 2020) PRAG Florida financial advisory clients.

\*\*Represents entities that have issued debt through the Florida Municipal Loan Council to whom PRAG acts as financial advisor.

#### **E. Work Experience:**

2. *Outline your firm's experience during the past three years with the major rating agencies. Discuss this experience and its potential applicability to the City.*

Working with issuers on obtaining new or improved credit ratings is a key responsibility of a municipal advisor – after all, the higher the credit rating, the lower the borrowing cost. **PRAG is a tireless advocate for our clients when it comes to working with rating agencies.** As a result of representing many different clients before the rating agencies over several decades, we have developed a deep and nuanced understanding of the credit rating process. Our knowledge of credit, combined with the direct involvement of our senior-level staff, allows PRAG to provide customized rating advisory services and targeted rating strategies for our clients. PRAG is often at the forefront in developing its clients' ratings strategies, from developing and generating the presentations, to anticipating likely questions the rating analysts will have, to participating in the ratings meetings and following up to rating agency requests for additional information.

#### **PRAG's Credit Rating Advisory Services**



PRAG's credit expertise and experience benefits our clients through our proactive strategies designed to manage client credit ratings. PRAG assists our clients in the development and execution of their credit strategies and rating agency communications both during and outside of a bond issue, providing analyses, drafting presentations, assisting in written responses to rating analyst questions, and participating in conference calls and meetings with the rating agencies. In addition, PRAG assists with post-event rating management and communications, something that we have done recently for various clients following Hurricane Ian's landfall in September 2022 and Hurricane Helene's and Hurricane Milton's landfalls in 2024.

As financial advisor, PRAG stays on top of changes in rating agency methodologies in order to further customize our rating agency strategies and support analysis for each financing and for each rating agency. We work with issuers to evaluate the impact of these published metrics to make the case for obtaining ratings from certain agencies or justifying rating upgrades, both by focusing on the hard metrics and scores, as well as the "below the line" adjustments that can affect the rating. PRAG digs deep into the scorecards and methodologies of the various rating agencies and independently recreates these scorecards to evaluate the rating agencies' key focus areas and how changes in certain factors or sub-factors (i.e., issuance of additional debt, higher reserve levels, environmental mitigation efforts) could impact our clients' ratings.

In Florida, PRAG has assisted multiple clients recently in obtaining initial ratings, rating upgrades, and rating affirmations. The following points highlight this success:

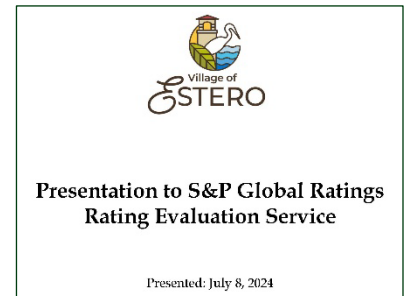
- **Initial Rating(s):** Broward County (Hotel), Clearwater (CB&A), Dania Beach (CB&A), Estero (Issuer Credit Rating) Jacksonville Transportation Authority (Gas Tax), Largo (CB&A), Manatee County (Limited G.O.), Northern Palm Beach County Improvement District (Special Assessment), Palmetto (Charter School), Tampa (Special Assessment), West Melbourne (Water & Sewer ("W&S"))
- **Rating(s) Upgrade:** Auburndale (CB&A), Emerald Coast Utilities Authority (W&S), Fort Myers (W&S), Miami-Dade County (W&S)
- **Rating(s) Affirmation:** Broward County (W&S), Central Florida Tourism Oversight District (Ad Valorem), Hillsborough County (G.O., Solid Waste), Manatee County (CB&A, W&S), Palm Bay (G.O.), Peace River Manasota Regional Water Supply Authority (Water), Pinecrest (CB&A)



Provided below are several brief case studies further describing some of our recent interactions with the rating agencies on our clients' behalf.

### CASE STUDY: VILLAGE OF ESTERO, FLORIDA

The Village of Estero was incorporated in 2014 and has traditionally delivered services to its rising population by utilizing interlocal agreements and outside consultants for legal representation, permitting, planning and development review, and transportation. As the Village grows, so do its capital needs; however, the Village has only issued debt once, a \$20 million bank loan that financed a 2019 generational-equity acquisition comprised of 64.4 acres of land to be used for a mix of conservation and development.

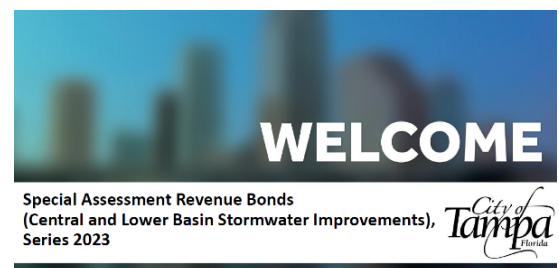


The Village's capital improvement plan ("CIP") calls for nearly \$135 million over a five-year period and they expect the projects will be financed through a combination of grant funds, assessment revenues, cash-on-hand, and possibly debt. **In late 2023, the Village sought PRAG's services to develop a rating agency strategy with the goal of achieving a "AAA" rating in the event the Village moved forward with a public bond issue.** PRAG developed an Excel model that allowed for stress-testing of potential ratings based on CIP execution rates, cash utilized, and estimated debt levels. Once it was determined the Village's "AAA" goal was in reach under various borrowing scenarios, PRAG advised the Village to pursue S&P's confidential Rating Evaluation Service to get indications directly from the rating agency in an attempt to confirm PRAG's quantitative analysis and to receive assurances with respect to certain qualitative analyses that were "outside the model." PRAG delivered a presentation to the Village Council to discuss the importance of obtaining a credit rating, our recommended course of action, and the possible outcomes given the Village's existing metrics.

In July 2024, PRAG developed a 22-slide presentation that illustrated the Village's key credit strengths. PRAG recommended that the Village introduce several highly experienced, key staff members to S&P, with each playing an important role in the rating presentation. PRAG provided messaging guidance on each slide and staff delivered. **As part of the presentation, PRAG stress-tested three debt scenarios and included an excerpt from our model in the presentation for S&P's review.** Ultimately, all of these efforts proved valuable, as S&P provided indicative "AAA" ratings assuming the Village issues \$15 million, \$30 million, or \$50 million in bonds. While these initial indications were confidential, and the Village desired to inform its stakeholders and residents of its rating. Therefore, PRAG advised the Village to obtain a "no-debt" public issuer credit rating. **In November 2024, S&P assigned a "AAA" issuer credit rating to the Village.** PRAG attended the Village Council's December 2024 meeting to describe the process and results. The Village continues to develop its CIP, with PRAG's assistance.

### CASE STUDY: CITY OF TAMPA, FLORIDA

In November 2023, PRAG advised the City of Tampa on the issuance of its \$34,935,000 Special Assessment Revenue Bonds (Central and Lower Basin Stormwater Improvements), Series 2023. This was the City's third and final series of stormwater special assessment backed bonds. The City's first series of stormwater special assessment bonds were issued in April 2018 and the second series of bonds were issued in September 2021. **When the Series 2018 and Series 2021 Bonds were issued, of the three major rating agencies, Moody's offered the most favorable viewpoint of the special assessment pledge.** Therefore, with guidance from PRAG, the City pursued only a Moody's rating for these initial issuances, with each issue receiving an "Aa2" Moody's rating.



In October 2023, S&P updated their special assessment rating criteria. PRAG reviewed the S&P report related to the City of Fort Lauderdale's Series 2023A Stormwater Assessment Bonds and discussed the updated rating methodology with the S&P analyst who wrote the report. **After a thorough review, PRAG felt confident that S&P would assign a mid-to-high "AA" credit rating to the City's stormwater special assessment bonds, putting**

the rating on these bonds on par or potentially above the existing Moody's rating. PRAG compared estimated pricing results of different rating scenarios (i.e., Moody's only, S&P only, and both Moody's and S&P) at different assumed rating levels in an effort to quantify the potential pricing benefit of the second, potentially higher rating. Ultimately, the City and PRAG decided to seek ratings from both Moody's and S&P for the Series 2023 Bonds. **As PRAG expected, Moody's assigned an "Aa2" rating on the Series 2023 Bonds, consistent with the Series 2018 and Series 2021 Bonds, and S&P assigned an "AA+" rating.**

## CASE STUDY: CITY OF FORT MYERS, FLORIDA

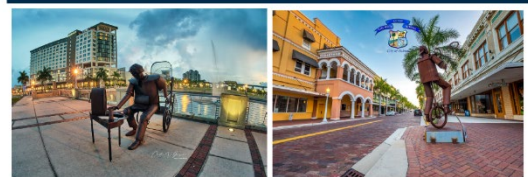
PRAG was recently successful in obtaining an **upgrade for the City of Fort Myers' utility system credit rating in the midst of a \$685+ million utility CIP, expected to be funded with 50% debt.** This upgrade changed the dynamic of the system's ratings by placing both ratings on the City's Utility System Refunding and Revenue Bonds, Series 2023 in the double-A category while previously the system's ratings were split at "Aa3/A+".

PRAG assisted the City in developing and executing a customized rating agency strategy for the Series 2023 Bonds. Based on the City's historical rating actions and improving system metrics, PRAG recommended a detailed strategy and developed a detailed 55-page rating presentation that focused on specific messaging and analyses to achieve an upgrade from S&P. PRAG discovered that the last upgrade for the system was in 2016 and that many of the system's credit metrics under the S&P water and sewer criteria had improved since that time. PRAG developed a ratings scorecard, a ratings presentation, and messaging focused on these accomplishments, **resulting in the upgrade from "A+" to "AA-".**



The City of Fort Myers, Florida  
Ratings Presentation

### Utility System Refunding and Revenue Bonds, Series 2023



September 2023

## CASE STUDY: CITY OF CLEARWATER, FLORIDA

PRAG advised the City of Clearwater on its inaugural covenant to budget and appropriate from legally available non-ad valorem revenues (i.e. CB&A) backed bond issuance to fund its major downtown economic development project, commonly referred to as "Imagine Clearwater." **PRAG assisted the City in developing a customized rating strategy for obtaining this inaugural rating, including advising on the number of ratings to be used, the selection of rating agencies, the overall rating message and presentation, and participating in rating calls, resulting in an "AA+" rating from S&P.** Given the type of project being financed, PRAG recommended that the City's Project Manager and Sustainability Coordinator participate on the rating call in addition to finance staff, allowing for a comprehensive perspective of the project and economic development efforts in addition to financial and credit factors.

### The City of Clearwater, Florida Credit Rating Presentation



### Non-Ad Valorem Revenue Bonds, Series 2022 (Imagine Clearwater Improvements)

June 6, 2022

## CASE STUDY: CITY OF LARGO, FLORIDA

PRAG advised the City of Largo on its inaugural CB&A backed bond issuance to fund its city hall project. Prior to this issuance, the City had not issued bonds in over 35 years. Initially, PRAG worked with the City and its bond counsel to determine the appropriate composition of non-ad valorem revenues legally available to be pledged as security and to create an anti-dilution test. **PRAG also worked closely with the City to develop and execute a customized rating agency strategy for obtaining the City's first public credit rating. Based on our evaluation of rating agency criteria, the specifics of this bond issue and the City's future borrowing plans, PRAG recommended that the City obtain one**

### The City of Largo, Florida Credit Rating Presentation



### Capital Improvement Revenue Bonds, Series 2022A Taxable Capital Improvement Revenue Bonds, Series 2022B

November 29, 2021

**rating from S&P.** This strategy allowed the City to minimize initial ratings fees and future administrative time of ratings surveillance.

PRAG worked with the City to provide detailed data and written responses to specific questions from S&P ahead of a ratings conference call, which included the City Manager, Finance Director, Assistant Finance Director, Treasurer and representatives from the City's economic/community development and information technology departments. In addition, PRAG created a detailed rating agency presentation and prepared the City staff for the discussion with S&P. **The rating "interview" went extremely well and concluded with a comment being made by S&P's staff that "it seemed like Largo has gone through this interview process before," which was largely attributable to the preparation assistance and guidance we were able to provide them. As expected, given our in-depth analysis of the City's credit, the City received an "AA" credit rating.**

#### **CASE STUDY: FLORIDA MUNICIPAL LOAN COUNCIL (CITY OF AUBURNDALE, FLORIDA)**

PRAG advised the City of Auburndale in connection with the Florida Municipal Loan Council Revenue Bonds, Series 2024B (City of Auburndale Series) where the FMLC loaned bond proceeds to the City, an infrequent borrower, for the purpose of financing its \$18.7 million Lake Ariana Park improvements and civic center relocation. The Series 2024B Bonds are secured by the City's CB&A credit. As ultimate obligor, the underlying rating attached to the bonds falls on the City rather than the conduit issuer, the FMLC. Prior to this issuance, the City last borrowed in the public markets in September 2019. At that time, S&P upgraded the City's general creditworthiness from "A" to "A+" citing the City's "relatively stable financial performance" and provided a future upside scenario that stressed diversification of the City's tax base coupled with improvement in wealth and incomes while maintaining strong reserves.



In April 2024, the City engaged S&P again for its upcoming issuance. As financial advisor to the FMLC, PRAG designed a rating agency presentation that highlighted the City's key credit strengths with particular emphasis on increased tax base, economic development and tourism efforts, and the continued growth in general fund reserves. **After analyzing the City's financials and utilizing our proprietary model that mirrors S&P's general government rating scorecard, it became apparent that the City's growth story and resulting financial strengths could merit an additional upgrade from S&P.** Understanding the strength of the City's management team, PRAG advised the City Manager and Finance Director that their direct participation in delivering the message was of critical importance. **This rating strategy proved successful as S&P upgraded the City again, this time from "A+" to "AA-".**



#### E. Work Experience:

3. Describe the experience of your proposed personnel in developing long-term strategic financial plans for municipal clients. Include case studies completed over the past three (3) years which illustrate the experience of your proposed personnel in this area.

PRAG's proposed project team to the City has extensive experience advising local governments in developing and executing long-term strategic financial plans. Below we offer three case studies that demonstrate our ability to deliver comprehensive financial plans across a range of distinct credits. These case studies highlight our experience developing long-term financial plans focused on general government projects, water/sewer projects, and stormwater projects. These financial plans were developed over several years and accounted for various financing sources and revenue streams. PRAG worked with each local government to carefully structure the debt that funded a portion of the entity's capital plan.

Entity	Projects	Debt Security
Manatee County	Transportation, Public Safety, Athletic Fields, Parks	CB&A Non-Ad Valorem Revenues
City of Fort Myers	Water and Sewer Improvements	Utility System Revenues
City of Tampa	Stormwater Improvements	Stormwater Assessment Revenues

#### CASE STUDY: MANATEE COUNTY, FLORIDA



Manatee County has experienced significant population growth over the past 10 years (30%) which has driven its robust general government CIP. Major improvements include critical transportation, public safety, an athletic facility, a convention center, and park-related projects.

To pay for its growing needs, the County has a diverse basket of non-ad valorem revenues that has been leveraged in recent years. The County collects tourist development taxes ("TDT"), infrastructure sales taxes ("IST"), gasoline taxes, impact fees, and communication services taxes, amongst other non-ad valorem revenue collections. **These revenue sources have certain restrictions, so PRAG worked closely with the County to carefully structure multiple debt issues between 2021 and 2024 that funded \$585.9 million in projects.**

In 2021, PRAG advised the County on the issuance of two lines of credit, each with a not-to-exceed par amount of \$40 million, one secured by the County's pledge of IST and one secured by the County's CB&A pledge. The "IST" line of credit served to pay for allowable projects while the CB&A line of credit paid for other general government projects including park and transportation improvements. At the County's direction, PRAG developed and released an RFP to banks, assisted with the analysis and evaluation of the proposals, and facilitated the closing of each non-revolving credit facility. These lines were structured consistent with the County's initial draw expectations (two-year maturities); however, due to an acceleration of the County's project needs amid the rapid population growth, the lines were largely drawn in one year.

In 2022, the next phase of the financial plan was implemented when the County issued its \$219.3 million Revenue Improvement and Refunding Bonds, Series 2022 which financed an additional \$157.2 million in new money projects and refunded the 2021 lines of credit (approximately \$75 million). The "new money" proceeds funded major investments into the County's Convention Center, its Premier Sports Campus, growth-driven impact fee projects in the southeast part of the County, and additional transportation-related projects.

As mentioned, the County has a variety of non-ad valorem which are in some cases restricted in their uses. Rather than pledging specific non-ad valorem revenues under multiple series of bonds, **PRAG advised the County to issue the Series 2022 Bonds by utilizing its CB&A credit thereby utilizing the very strong credit ratings assigned by Moody's and Fitch ("Aa1/AA+" at the time of issuance; later upgraded to "Aaa/AAA" following rating agency criteria changes).** PRAG worked closely with the County's Financial Management Department to identify the anticipated payment sources over the 30-year life of the bonds. PRAG assisted the County in structuring the Series 2022 Bonds cash flows to finance the Convention Center and Premier Sports Campus over 30 years given the TDT-eligible revenue source; IST-eligible projects were financed through 2031 consistent with the IST's expiration; impact fee-eligible projects were financed over 10-years to conservatively account for construction demand; and gas

tax-eligible projects and other general government projects were financed over the 30-year life of the bonds. Further, PRAG was mindful of the County's existing CB&A debt service requirements when structuring the Series 2022 Bonds; for example, the bonds were structured to provide smooth annual aggregate payments that step down at intervals before remaining level for years 11-30.

In 2023 and 2024, due to the continued acceleration of growth-driven needs, PRAG advised the County on the next phases of the financial plan. PRAG advised the County on its issuance of \$175 million Revenue Improvement Bonds, Series 2023 secured by CB&A, which, together with the original issue premium generated, funded \$195.2 million impact fee-eligible, gas tax-eligible, and general non-ad valorem revenue projects. In 2024, PRAG advised the County on the issuance of an \$18.6 million bank loan as part of an energy-efficient sports lighting project across 77 athletic fields within the County. Lastly, in anticipation of a larger future CB&A issue, PRAG advised the County on a \$140 million non-revolving line of credit to fund various transportation and recreation projects on an interim basis.

### CASE STUDY: CITY OF FORT MYERS, FLORIDA



The City of Fort Myers identified the need to fund regulatory and expansion projects as part of its \$600 million+ utility system CIP and to repay a portion of a line of credit that was used as interim financing for utility system capital projects. **As the City's financial advisor, PRAG performed an in-depth review of the capital improvement plan, assessing the types of projects (i.e., regulatory/consent order, expansion, maintenance), estimated project costs, timing factors, and funding sources to develop a long-term financing plan.**

PRAG assisted the City in the planning and evaluation of various financing structures for its initial bond issuance under the plan, taking into account the utility system's existing aggregate debt service profile, future capital needs, the City's borrowing capacity, and the shape of the yield curve at the time of issuance. In addition, PRAG identified an opportunity for the City to refund and restructure certain existing utility system debt to achieve cash flow relief over the next five fiscal years and eliminate the risk of a future cash deposit by the City to an aggregate debt service reserve fund ("DSRF") by negotiating with an existing lender for the release of that reserve from their security structure. PRAG worked closely with the City and the financing team to effectively manage the transaction process, complete all necessary approvals and documentation, including a detailed bond feasibility study and consulting engineers report, lead the credit rating process, and advise on the bond sale in a challenging market.

PRAG assisted the City in developing and executing a customized rating agency strategy for the Series 2023 Bonds. Based on the City's historical rating actions and the improving financial metrics of the utility system, PRAG recommended a detailed strategy and rating presentation that focused on achieving an upgrade from S&P. PRAG discovered that the last upgrade for the City's utility system debt was in 2016 and that many of the system's credit metrics under the S&P water and sewer criteria had improved since that time. **PRAG developed a ratings scorecard, a detailed ratings presentation, and overall messaging which focused on these accomplishments, resulting in an upgrade from "A+" to "AA-".** With that upgrade, the utility system now maintains two "AA" category ratings of "Aa3" and "AA-" from Moody's and S&P, respectively.

The City's Utility System Refunding and Revenue Bonds, Series 2023 were originally expected to price on September 26, 2023. Leading up to pricing, both the Treasury and municipal markets faced headwinds and extreme volatility, primarily as a result of the commentary by the Fed that they expected higher interest rates to last longer than many had anticipated. The financing team made the decision to delay the pricing and reassess the market after a brief "cool down" period. Two days later, on September 28, 2026, the team decided to move forward with the pricing as the market was showing signs of stability and increased investor interest. This move would also allow the City to avoid the continued interest rate risk associated with waiting.

Based on investor feedback and expected pricing levels, PRAG evaluated a restructuring of the bonds to increase maturities that were in higher demand and decrease the average life of the transaction. After the order period ended, volatility returned and news came out that tax-exempt interest rates were expected to increase 10-12 basis points on the day of pricing. Even with these significant increases, the underwriter proposed to leave the original pricing levels

unchanged in all but one maturity. Despite the backdrop of continued market volatility, the City's offering was well received, generating \$368 million (2.6x subscription) of orders on the bonds.

## CASE STUDY: CITY OF TAMPA, FLORIDA



PRAG has served as financial advisor to the City of Tampa since 2005 and has completed a significant number of bond issues, bank loans, and line of credit financings over that period, including three financings for the City's stormwater special assessment credit. **PRAG was involved in structuring and modeling the financial plan for several years before the implementation of the Stormwater Improvement Plan.**

Several years ago, the City decided to expand its stormwater utility and the applicable assessment areas to address numerous flooding issues throughout the area. As part of this process, the City increased the relatively low operational assessment it was already charging and asked PRAG to assist in determining the appropriate financial plan to implement a capital charge based on the expanded assessment area. Because the assessment area covered a large portion of the City, it provided a strong credit to back any bond issuance, but careful structuring was required to ensure that all property owners within the assessment area received a benefit corresponding to their assessment. Also, since the program was going to take over 10 years to complete, the City had to be comfortable it could deliver the entire program in order to provide the necessary level of benefit relative to their assessment.

**PRAG worked with the City and outside counsel to validate the underlying assumptions for the assessments, capital costs, and expected State funding. PRAG also developed a custom financial model to integrate the assessment collections, the necessary financings, and the capital requirements.** Below is a screen shot of one of the many variations of the model PRAG developed to assist the City. The City presented the financial plan to the Mayor and City Council in both informal and formal settings and, based on feedback, PRAG ran a variety of scenarios including increasing assessments, the use of general fund support, and staggered financings. The final plan obtained support from the administration, City Council, and the public, and was implemented by the City.

<b>City of Tampa</b> <b>Stormwater Improvement Assessment</b> <b>\$20 Million CIT Bond Funded Contribution</b> <b>To Use Model:</b> 1) Project Fund Requirement are linked to the prior worksheet provided by the City 2) Confirm all debt and interest rates assumptions shown in beige, including assumed SWFWMD grants 3) Press "Payoff Bank Loan" Button to run macro to determine amount required for bank loan payoff 3) Press "Size Project Fund" Button to run macro to determine amount required for deposit to Project Fund												
3-6-16, Scenario B, 30 Year Debt, Total Project Requirements = \$251,285,000 <b>BALANCED</b> Annual Improvement Assessment Required is \$44.99 to \$69.55 This model does not take into account any tax implications of the extended construction fund spenddown												
<b>Years of Assessment Increases</b> <b>Annual Assessment Increases</b>												
5 16.5%												
Fiscal Year Ending	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026
CIT Capital Contribution	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Project Requirements	29,425,000	18,300,000	17,625,000	27,825,000	29,125,000	39,125,000	27,500,000	17,500,000	9,000,000	9,000,000	9,000,000	9,000,000
Estimated SWFWMD Funding	33,549,375	6,125,000	5,000,000	5,811,632	5,811,632	2,390,875	2,390,875	1,592,500	819,000	819,000	819,000	819,000
Net Funding Required	23,360,000	-6,700,000	12,813,375	22,813,368	23,313,368	36,814,125	24,997,500	15,907,500	8,181,000	8,181,000	8,181,000	8,181,000
Revised Assumption - % SWFWMD Funding	20.8%	27.3%	27.3%	17.4%	7.9%	5.9%	0%	0%	0%	0%	0%	0%
Bank Loan Funding												
Total Draws												
Project Fund Draws / (Repayment)	29,473,375	23,360,000	-6,700,000	12,813,375								
Interest Draws	117,968	201,280	384,746									
Bank Loan Payoff				(30,177,369)								
Bank Loan Interest Rate	1.00%	1.00%	1.00%	1.00%								
Bank Loan Interest	117,968	85,745	306,791									
Bank Loan Balance	23,477,968	16,979,240	0									
Bond Issue Assumptions												
Term			29				25					
Coverage Required			1.10				1.10					
Assumed Interest Rate			5.00%				5.00%					
Cost of Issuance (%)			1.5%				1.5%					
Debt Service Reserve Fund			0%				0%					
Bond Issue Uses												
Pay off of Bank Loan	30,177,369			30,177,369			0					
Deposit to OSRF	144,942,209			75,316,753			69,625,457					
Costs of Issuance	0			0			0					
Par Amount	177,785,774			107,100,270			70,685,504					
Annual Debt Service	165,000			7,073,492			5,015,310					
Equivalent Stormwater Units												
Overhead and Collection %	10.0%											
Date Assessment Levied	1/1/16	1/1/17	1/1/18	1/1/19	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24	1/1/25	1/1/26	1/1/27
Dollar Amount Assessed per ESU	44.99	52.40	61.02	71.05	82.74	89.55	89.55	89.55	89.55	89.55	89.55	89.55
Date of Full Collection	3/1/2016	3/1/2017	3/1/2018	3/1/2019	3/1/2020	3/1/2021	3/1/2022	3/1/2023	3/1/2024	3/1/2025	3/1/2026	3/1/2027
Gross Amount Generated	7,424,113	8,645,300	10,067,545	11,723,856	13,652,197	14,775,203	14,775,203	14,775,203	14,775,203	14,775,203	14,775,203	14,775,203
Less: Collections and Overhead	(742,411)	(864,536)	(1,006,754)	(1,172,366)	(1,365,220)	(1,477,520)	(1,477,520)	(1,477,520)	(1,477,520)	(1,477,520)	(1,477,520)	(1,477,520)
Net Amount Collected	6,681,702	7,780,764	9,060,790	10,551,290	12,286,977	13,297,683	13,297,683	13,297,683	13,297,683	13,297,683	13,297,683	13,297,683
Uses												
Debt Service	0	0	3,536,746	7,073,492	7,073,492	7,073,492	9,581,148	12,088,803	12,088,803	12,088,803	12,088,803	12,088,803
Deposit to Project Fund	0	0	3,144,956	707,349	1,987,298	3,477,798	2,705,830	1,208,880	1,208,880	1,208,880	1,208,880	1,208,880
Total Uses	0	0	6,681,702	7,780,764	9,060,790	10,551,290	12,286,977	13,297,683	13,297,683	13,297,683	13,297,683	13,297,683
Debt Service Coverage			1.10	1.28	1.49	1.28	1.10	1.10	1.10	1.10	1.10	1.10
Fiscal Year Ending	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026
Project Fund Balance												
Project Fund Deposits	23,360,000	-6,700,000	91,275,063	707,349	1,987,298	3,477,798	72,331,286	1,208,880	1,208,880	1,208,880	1,208,880	1,208,880
From Bank Draws	23,360,000	-6,700,000	12,813,375	0	0	0	0	0	0	0	0	0
From Bond Proceeds	0	0	75,316,753	0	0	0	69,625,457	0	0	0	0	0
From Assessment Cash Flow	19,276,512	0	3,144,956	707,349	1,987,298	3,477,798	2,705,830	1,208,880	1,208,880	1,208,880	1,208,880	1,208,880
Project Draws	23,360,000	-6,700,000	12,813,375	22,812,500	26,824,125	36,814,125	24,997,500	15,907,500	8,181,000	8,181,000	8,181,000	8,181,000
Pre-Earnings Balance	0	0	78,461,706	56,690,020	32,530,616	-246,346	47,333,706	32,990,170	26,823,142	20,102,661	13,484,372	6,766,509
Investment Rate	0.25%	0.50%	0.63%	1.00%	1.25%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Earnings	4,044,529	0	333,462	677,426	561,663	246,346	355,003	605,092	451,636	353,831	254,556	153,793
Ending Project Fund Balance	0	0	78,795,171	57,367,446	33,092,481	0	47,688,790	33,595,262	27,074,780	20,456,492	13,738,928	6,920,602
ASSESSMENT DUE DATE	11/1/16	11/1/17	11/1/18	11/1/19	11/1/20	11/1/21	11/1/22	11/1/23	11/1/24	11/1/25	11/1/26	11/1/27
AVERAGE ANNUAL CAPITAL ASSESSMENT PER ESU	\$44.99	\$52.40	\$61.02	\$71.05	\$82.74	\$89.55	\$89.55	\$89.55	\$89.55	\$89.55	\$89.55	\$89.55
AVERAGE CAPITAL ASSESSMENT PER MONTH PER ESU	\$3.75	\$4.37	\$5.08	\$5.92	\$6.90	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46
AVERAGE ANNUAL INCREASE			16.5%	16.5%	16.5%	16.5%	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%

The City's first series of stormwater special assessment bonds were issued in April 2018 and the second series of bonds were issued in September 2021. When the Series 2018 and Series 2021 Bonds were issued, of the three major rating agencies, Moody's offered the most favorable viewpoint of the special assessment pledge. Therefore, with guidance from PRAG, **the City pursued only a Moody's rating for these initial issuances, with each issue receiving an "Aa2" Moody's rating.**

Subsequent to the issuance of the City's third tranche of bonds in October 2023, S&P updated their special assessment rating criteria. PRAG reviewed the S&P report related to the City of Fort Lauderdale's Series 2023A Stormwater Assessment Bonds and discussed the updated rating methodology with the S&P analyst who wrote the report. **After a thorough review, PRAG felt confident that S&P would assign a mid-to-high "AA" credit rating to the City's stormwater special assessment bonds, putting the rating on these bonds on par or potentially above the existing Moody's rating.** PRAG compared estimated pricing results of different rating scenarios (i.e., Moody's only, S&P only, and both Moody's and S&P) at different assumed rating levels in an effort to quantify the potential pricing benefit of the second, potentially higher rating. Ultimately, the City and PRAG decided to seek ratings from both Moody's and S&P for the Series 2023 Bonds. **As PRAG expected, Moody's assigned an "Aa2" rating on the Series 2023 Bonds, consistent with the Series 2018 and Series 2021 Bonds, and S&P assigned an "AA+" rating.**

Pricing of the Series 2023 Bonds occurred on October 31, 2023. At the end of the order period, nearly the entire issue was oversubscribed, with only the 2041 serial bond having a small unsold balance. Oversubscriptions in serials from 2024 through 2043 and the 2046 term bond ranged from 1.2x to 5.5x. Yield adjustments were made as agreed to between the City and the senior manager, and the Series 2023 pricing was completed with an average life of 13.6 years and a true interest cost ("TIC") of 4.76%.

#### E. Work Experience:

4. Describe the experience of your proposed personnel with taxable financings. Include descriptions of taxable transactions completed over the past three (3) years which illustrate the experience of your proposed personnel in this area.

Since 2022, PRAG has advised on \$16.9 billion in taxable bond financings, over 14% of the taxable par amount that was brought to market during this period according to Bloomberg. Following tax law changes that became effective in 2018, issuers were no longer able to advance refund debt on a tax-exempt basis. When taxable U.S. Treasury rates were at or near record lows in 2020 and 2021, many issuers took advantage of the opportunity by advance refunding outstanding tax-exempt (and taxable) debt on a taxable basis, which led to large volumes of taxable issuance in those years: approximately \$145 billion in 2020 and \$120 billion in 2021. As inflation began its upward trajectory and caused taxable interest rates to rise, the savings from taxable advance refundings diminished, leading to a decline in this practice. Over the last three years, a *combined* total of approximately \$115 billion in taxable debt has come to market, less than the amounts we saw in either 2020 or 2021.

While PRAG maintains a strong national presence in this area, providing municipal advisory services to some of the largest taxable issuers in the country as highlighted in the tombstones provided below, PRAG's Florida financial advisory team has ample experience working on taxable financings for local issuers, including a recent taxable financing for the City of Largo as part of their financing package for a new city hall.

 <p><b>City and County of San Francisco</b></p> <p>\$339,915,000 General Obligation Bonds, Series 2025 A-2, B-2, C &amp; D</p> <p>January 2025</p>	 <p><b>State of Hawaii</b></p> <p>\$750,000,000 General Obligation Bonds, Series 2024</p> <p>December 2024</p>	 <p><b>State of California</b></p> <p>\$381,150,000 Various Purpose General Obligation Bonds</p> <p>October 2024</p>	 <p><b>New York City</b></p> <p>\$1,500,000,000 General Obligation Bonds, 2025 Series D-1 &amp; D-2</p> <p>October 2024</p>	 <p><b>Los Angeles Unified School District</b></p> <p>\$105,295,000 General Obligation Bonds, 2024 Series QRR</p> <p>September 2024</p>	 <p><b>NYC Transitional Finance Auth</b></p> <p>\$300,000,000 Future Tax Secured Sub Bonds, 2025 Series C-2</p> <p>September 2024</p>	 <p><b>Santa Clara Valley Water District</b></p> <p>\$115,525,000 Water System Ref Rev Bonds, Series 2024 B-1 &amp; B-2</p> <p>September 2024</p>
 <p><b>State of Minnesota</b></p> <p>\$29,965,000 General Obligation State Various Purpose Bonds, Series 2024C</p> <p>August 2024</p>	 <p><b>City of Phoenix</b></p> <p>\$105,200,000 Various Purpose General Obligation Bonds, Series 2024B</p> <p>July 2024</p>	 <p><b>State of Maryland</b></p> <p>\$200,000,000 General Obligation Bonds, Series 2024B</p> <p>June 2024</p>	 <p><b>State of Illinois</b></p> <p>\$250,000,000 General Obligation Bonds, Series 2024A</p> <p>May 2024</p>	 <p><b>Metropolitan Transportation Auth</b></p> <p>\$500,000,000 Payroll Mobility Tax Bond Anticipation Notes, Series 2024A</p> <p>March 2024</p>	 <p><b>New York State Dormitory Auth</b></p> <p>\$64,735,000 State Personal Income Tax Rev Bonds, Series 2024B</p> <p>March 2024</p>	 <p><b>State of Rhode Island</b></p> <p>\$24,300,000 General Obligation Bonds, 2023 Series B</p> <p>October 2024</p>

**E. Work Experience:**

5. Provide, in chart form, a description of similar municipal engagements performed since 2020. List date of issue, issue name, issue size, method of sale, participating underwriters, and bond counsel for the transaction, relevant Bond Buyer Index on sale date, T.I.C., gross spread, and components of the gross spread. Also include in the chart your firm's role in the financing.

PRAG has been actively providing financial advisory services to Florida municipalities for the past 20 years. Since 2020, PRAG has worked on 217 Florida financings valued at over \$12.2 billion. This experience includes working on negotiated bond financings, competitive bond financings, direct placement bank loans, lines of credit, and capital leases. An annual summary of this experience can be found in the table provided below. Due to its size, we have chosen to include the detailed experience list as requested in this question in **Appendix A** to this proposal.

PRAG's Florida Financial Advisory Experience		
Year	# of Financings	Par Amount
2020	47	\$ 2,484,042,702
2021	50	2,851,538,712
2022	33	1,830,438,960
2023	44	1,433,121,344
2024	37	3,308,803,764
2025 YTD	6	336,000,000
<b>Total</b>	<b>217</b>	<b>\$ 12,243,945,482</b>

Source: PRAG's Internal Database (as of 2/11/25)



## E. Work Experience:

6. *What experience does your firm have in representing public entities in negotiations with private vendors or developers in matters of service agreements and financial plans?*

PRAG has extensive experience representing public entities in negotiations with private vendors in both matters of service agreements and financial plans. PRAG's experience includes providing financial advisory services to the public sector for many types of P3s, sports facilities including arena and stadium financings, affordable housing projects, and economic development initiatives including PILOT agreements. We offer the following case studies as samples of our experience in these areas:

- **City of Tampa / Hillsborough County:** TIF amendments with developer of \$2 billion "Water Street" project.
- **Broward County:** County-owned Convention Center expansion and new County-owned and developer-operated Convention Center Headquarters Hotel.
- **City of Newark:** PILOT agreements between the City and various private developers.

## CASE STUDY: CITY OF TAMPA, FLORIDA / HILLSBOROUGH COUNTY, FLORIDA



Most of the City of Tampa's downtown area is contained within the City's Downtown Community Redevelopment Agency (the "Downtown CRA"), a property-tax based tax increment district which was originally established in 1983 and covers 870 acres, including Amalie Arena, home of the Tampa Bay Lightning. Jeff Vinik, the owner of the Lightning had significant landholdings surrounding the Amalie Arena and announced plans for a \$2 billion, 50-acre redevelopment project within the Downtown CRA through developer Strategic Property Partners, LLC ("SPP"), which was a joint venture between Mr. Vinik and Cascade Investment, Bill Gates' real estate investment vehicle.

The development, named "Water Street," was envisioned as a mixed-use urban neighborhood embracing well-being and outdoor living. Walkable streets would connect homes, offices, shops and hotels, all along an accessible waterfront. Water Street would focus on sustainable building practices and wellness activities as well as strategies to reduce heat island effects common in big city developments. Plus, Water Street would emphasize green space. In order to support the development, the area needed \$100 million in infrastructure improvements including roadway realignments and utility services to create the livable neighborhood envisioned by SPP.

Although a tax increment district would be the perfect vehicle to fund these type of infrastructure improvements, the Downtown CRA, which captured the property tax increment from both the City and Hillsborough County, was expiring. While the City wanted to extend the life of the Downtown CRA, the County believed its ad valorem taxes could be better used in other parts areas. PRAG worked with the City, the County, and SPP to model a variety of funding options that would (i) provide \$100 million in infrastructure support to the development, (ii) allow the City to extend the life of the Downtown CRA, and (iii) allow the County to support the proposed downtown redevelopment project while retaining the ability to fund other projects throughout the County.

PRAG developed a financial model that all sides used to determine their desired level of investment. At the conclusion of negotiations, the County agreed to reimburse SPP for \$50 million of infrastructure improvements to be matched by \$50 million from the City, but only from tax increment revenues generated by SPP's projects. SPP would "front the money" for the infrastructure improvements and would be reimbursed from future tax increment revenues from its properties up to \$100 million once they were completed and on the property tax rolls. After sharing the financing model with all parties, PRAG presented the plan to a joint meeting of representatives from the County, the City, and SPP. The County and the City were not comfortable financing the improvements based on potential development but they were willing to reimburse SPP for the improvements once the properties were constructed. The parties saw the plan as meeting everyone's needs and it was eventually approved.

As a result of the negotiations, the City extended the Downtown CRA, which is now supported primarily by City revenues, the County allocated its funding, and SPP made the infrastructure improvements and has completed Phase

of the project at an investment estimated to be in excess of the original \$2 billion estimate. Water Street is the first neighborhood in the world to be certified by the International WELL Building Institute for advancing healthy lifestyles. In total, Phase I includes three hotels, half-a-million square feet of office space, 1,300 apartments, 37 condominiums, and space for 60 retail or restaurant businesses to an area once covered by parking lots and “underutilized” property. It also included a campus for the University of South Florida Morsani College of Medicine and Heart Institute. SPP expects Phase II of Water Street to be completed by 2029.

## **CASE STUDY: BROWARD COUNTY, FLORIDA**



In June 2015, Broward County published a “Declaration of Official Intent” indicating its plans to use County bond proceeds to finance the expansion of the County-owned Broward County Convention Center (the “Convention Center”) and construct a new County-owned / developer-operated Convention Center Hotel (the “Hotel”). Between mid-2015 and late 2019, the County undertook all aspects of the planning, permitting, and initial development processes, during which time PRAG was peripherally involved, as needed. By early 2020, the County had selected a developer for the Hotel and project plans were sufficiently complete. The County had begun work on the Convention Center expansion and needed at least a portion of the financing by the summer of 2020. With these elements underway and financing needs in place, the County and its team were in position to move into the financing process.

In early 2020, PRAG officially kicked off the financing process. PRAG, the County, and bond counsel worked together to determine appropriate security structures for the two proposed bond issues. It was determined that the Convention Center expansion would be secured by County TDT and the Hotel would be secured by Hotel net operating revenues with a County CB&A pledge to replenish any draws on the DSRF. However, as the financing team was developing documents, COVID-19 was rapidly spreading. By early April 2020, both the municipal market and the tourism industry were in freefall. It became clear that the County would not be able to successfully issue either TDT-backed or Hotel revenue-backed bonds to meet its initial funding need, and that an alternate interim financing approach was needed.

After reviewing various alternatives, PRAG and the County determined that two bond anticipation bank loans would provide the most efficient execution to meet funding requirements on the related Convention Center and Hotel and to provide flexibility given the uncertainty of the duration of the pandemic. The bond anticipation loans would be structured only to meet current funding requirements; although the project was underway, it was determined that the additional financing would wait until market conditions improved, which was unknown at that time.

PRAG drafted and distributed two bond anticipation bank loan RFPs on the County’s behalf in June 2020. The RFP process occurred at the height of the COVID-19 pandemic, at a time when the market was experiencing significant disruption, and the future was unclear. With this as a backdrop, PRAG set out to structure the loans with a maturity date long enough to offer the County time to determine another course forward for the long-term financing, if needed, and a call date short enough to allow the County to call the loans and enter long-term financing sooner, should the opportunity to so present itself, without creating an untenable increase to the bank’s proposed interest rates. Ultimately each loan was structured with a stated maturity date of October 1, 2023 and a par call on or after October 1, 2021. On September 2, 2020, the County closed the \$227.2 million Series 2020A Loan (Convention Center) with J.P. Morgan at a rate of 1.65% and the \$52 million Series 2020B Loan (Hotel) with Wells Fargo at a rate of 1.17%.

The next step was watching for indications that the market would be receptive to long-term tourism-related debt issuance at attractive interest rates. The County compiled monthly tourism data and TDT receipts. PRAG monitored the market, paying close attention to the results of non-essential financings with sales tax or other revenue pledges which may have been perceived as vulnerable to the impacts of the pandemic by potential investors. By summer 2021, tourism had returned to the County, with TDT receipts returning to their pre-pandemic levels, and the municipal market was in good health. The financing team re-engaged to re-start the long-term financing process.

The financing team determined that the bonds for the Convention Center would be issued first, followed by the bonds for the Hotel, as the Hotel developer agreements were still in process. The \$487.4 million Tourist Development Tax Revenue Bonds, Series 2021 (the “TDT Bonds”) closed on December 21, 2021, with an all-in TIC of 2.74% and a final maturity in 2051. The TDT Bonds repaid the Convention Center loan and funded additional construction costs of



the Convention Center Expansion. The \$389.4 million Convention Center Hotel First Tier Revenue Bonds, Series 2022 (the “Hotel Bonds”) closed on April 19, 2022, with an all-in TIC of 3.98% and a final maturity in 2055. The Hotel Bonds repaid the Hotel loan, funded additional construction costs of the Hotel, and funded reserve accounts.

## **CASE STUDY: CITY OF NEWARK, NEW JERSEY**



PRAG actively supports the City of Newark’s Department of Economic and Housing Development (“EHD”) with the negotiation and execution of tax abatement agreements. Our work has included extensive analysis and direct negotiations with real estate developers to ensure all projects meet the standards and provisions outlined in the State of New Jersey’s Long-Term Tax Exemption (“LTTE”) law as well as the City’s Ordinances related to tax abatements and inclusionary zoning. As a part of our analytical process, PRAG develops individual custom financial models which include details of a project’s capital stack, development costs, and pro forma financial projections. Our model analyzes investor IRRs, return on equity, return on cost, and debt service coverage metrics. PRAG’s model also projects the estimated budgetary revenue derived including PILOTs, administrative fees and community fund contributions all of which help facilitate the advancement of economic development projects in the City. In partnership with the City’s Tax Assessor office, PRAG also estimates the respective City share of taxes of each project, with or without an abatement, and estimates the PILOT as a percentage of taxes otherwise due. PRAG is able to leverage its analysis to “stress-test” the subsidy being sought by developers and assist the City in maximizing the PILOT dollars generated by the project by negotiating the percentage of annual gross revenues that is owed to the city upon project completion.

PRAG is currently assigned to 16 redevelopment projects that will be presented to the City’s Tax Abatement Committee once the negotiation of terms is complete. Since May 2020, PRAG has assisted EHD in the successful negotiation of \$2.2 billion worth of redevelopment investment into the City. The projects are comprised of 6,050 residential units throughout the City including 2,777 housing units deed-restricted to families with very-low to low-and-moderate incomes. Other projects have included short-term rentals (i.e., hotel), commercial space, and industrial warehouses. Once these projects obtain certificates of occupancy, the City’s current fund budget will benefit from the receipt of a portion of the project revenues, pursuant to each project’s financial agreement. In addition to annual PILOT revenues and administrative fees, these financial agreements provide over \$5.8 million to the City’s Affordable Housing Trust Fund, Community School Trust Fund, Community Economic Development Trust Fund, and other funds. The projects also create both construction and permanent jobs in the City in compliance with certain affirmative action, contracting and workforce requirements outlined in the financial agreements. Developers are required to make documented good faith efforts to hire City residents to fill these jobs.

As part of its ongoing efforts to advance the EHD and City goals, PRAG regularly participates in work sessions with the Deputy Mayor and Director of EHD that are aimed to streamline processes to create economic opportunities for local residents. PRAG recently assisted EHD with identifying strategies for incenting housing development within the City; specifically, options for increasing affordable housing developments within certain neighborhoods, raising funds for acquisitions, addressing blight, and accessing programs to advance neighborhood development. PRAG drafted a comprehensive memorandum with various findings and considerations. In addition, PRAG assisted EHD in the development of amendments to the City’s inclusionary zoning ordinance (“IZO”) which are designed to strengthen the City’s affordable housing stock and promote equitable development. Along with attending meetings with the Equitable Growth Commission and listening sessions with developers, PRAG drew on the information it has compiled since 2020 to provide EHD with data points concerning construction costs and average rents.

In furtherance of its support to EHD and the City, PRAG has built a concise PILOT database that tracks the terms of redevelopment projects executed in the past few years. This database has served as a useful tool for PRAG and EHD as tax abatement applications are evaluated. PRAG also performs ad hoc analysis on a case-by-case basis as requested by EHD. PRAG recently developed a database containing IZO-eligible projects that have received Tax Abatement Committee approval. This database was developed in connection with a study performed by the Rutgers Law School Center for Law, Inequality, and Metropolitan Equity (“CLiME”). PRAG’s contribution to the study included a housing unit breakdown by Area Median Income restriction level, developer contributions into City funds including the Affordable Housing Trust Fund, projected annual gross revenues, and projected annual PILOT revenues over the duration of each respective financial agreement.

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**E. Work Experience:**

7. *Provide samples of work products, such as a comprehensive debt management policy, long-term financial plans and non-transactional project reports.*
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As financial advisor, PRAG is often tasked with providing advice on non-transactional projects. Examples include review of financial and debt related policies, assistance with underwriter or other financial institution's selection, development and implementation of a rating strategy outside of a transaction, assistance with the financial components of client-initiated RFPs, assistance with long-term financial plans, budgeting, and capital plans, and review of P3 opportunities, including review of unsolicited proposals. Provided below are several recent examples of the non-transactional services we have provided to our Florida financial advisory clients. We have included three sample work products from this list in **Appendix B** to this proposal.

- **City of Clearwater:** Underwriter, Bank Loan RFP Development and Evaluation
- **City of Fort Myers:** Debt Management Policy Review / Fund Balance Policy Review / Investment Policy Review / Evaluation of Funding Options for Police Headquarters Project / P3 Education Session / Underwriter, Investment Advisor, Bond/ Disclosure Counsel, Bank Loan RFP Development and Evaluation / "Bonds 101" Presentation
- **City of Palm Bay:** Fund Balance Policy Review / "Bonds 101" Presentation
- **City of Pinellas Park:** Investment Advisor RFP Development and Evaluation
- **City of Tampa:** Long-Term Financial Planning for Stormwater Utility / Tax Increment Extension Analysis / Bank Loan, Line of Credit RFP Development and Evaluation / "Bonds 101" Presentation
- **City of West Melbourne:** Evaluation of Financing Options for Water Treatment Plan
- **City of Wildwood:** Review of Developer Proposal and Financing Options for Downtown Parking Garage
- **Englewood Water District:** Summary of Capital Financing Options Presentation / Summary of Interim Financing Options Presentation / Swap Advisory
- **Florida Municipal Loan Council:** Underwriter RFP Development and Evaluation
- **Hillsborough County:** Long-Term Financial Planning for W&S Utility / Tax Increment Extension Analysis / Underwriter, Bank Loan, Line of Credit, Commercial Paper Liquidity Facility RFP Development and Evaluation
- **Jacksonville Transportation Authority:** Debt Management Policy Review
- **Manatee County:** Investment Policy Review / Long-Term Financial Planning for W&S Utility / Underwriter, Bank Loan, Line of Credit RFP Development and Evaluation
- **Miami-Dade County:** Long-Term Financial Planning for W&S Utility
- **New College:** Long-Term Financial Planning for Student Housing
- **Northern Palm Beach County Improvement District:** Bank Loan RFP Development and Evaluation
- **Peace River Manasota Regional Water Supply Authority:** Long-Term Financial Planning for Water Authority / Investment Policy Review / Line of Credit RFP Development and Evaluation
- **Pinellas County:** Debt Management Policy Review
- **Village of Estero:** Non-Transactional Ratings Strategy / Debt Management Policy Review / Fund Balance Policy Review / Investment Policy Review / Information Security Policy Review

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**E. Work Experience:**

8. *Provide three (3) references of governmental issuers for which your firm serves or served as financial advisor, preferably in Florida. Each reference must be completed using the City's vendor reference form.*
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PRAG believes that recommendations from our clients are the most accurate indications of the Firm's and our advisors' level of service and expertise. Provided below are three Florida municipalities that PRAG has provided financial advisory services to that the City may contact as references with respect to our overall capabilities. Completed vendor reference forms have also been submitted for these three references as part of this RFQ response.

**City of Dania Beach**

Frank DiPaolo  
Finance Director  
100 W. Dania Beach Blvd.  
Dania Beach, FL 33004  
(954) 924-6800 (ext. 3609) | [fdipaolo@daniabeachfl.gov](mailto:fdipaolo@daniabeachfl.gov)

**City of Clearwater**

Jay Ravins  
Finance Director  
100 S. Myrtle Avenue  
Clearwater, FL 33756  
(727) 444-8501 | [jay.ravins@myclearwater.com](mailto:jay.ravins@myclearwater.com)

**Broward County**

Stephen Farmer  
Deputy CFO  
115 S. Andrews Avenue  
Fort Lauderdale, FL 33301  
(954) 357-7246 | [sfarmer@broward.org](mailto:sfarmer@broward.org)

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**F. Technical Ability of Firm:**

- 1. What technical and legal support services do you have available? How would you utilize them in the formulation of the financing plan and in support of the City's financing program?*

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**TECHNICAL SUPPORT SERVICES**

PRAG is recognized by our clients and the public finance community for its technical and analytical expertise – in instances where multiple financial advisors are involved in an assignment, PRAG is often selected to provide the analytics. We take pride in the sophisticated financial models we bring to our financial advisory engagements and we provide our clients with the analysis they need to make data-informed, strategic decisions. PRAG has the capability to custom design and develop software specifically tailored to the needs of our clients. These services are included in our standard fee structure and will not increase the cost to the City. Our personnel have strong backgrounds in quantitative modeling and technical analysis. Finance is ultimately dependent on numbers, and an in-depth understanding of quantitative modeling and analysis is integral to achieving optimal financial results. PRAG's professionals keep abreast of market developments and advances in technology to ensure that our clients receive the most sophisticated financial analysis available. Our professionals use a combination of spreadsheet-driven templates, higher level computer languages (e.g., Visual Basic for Applications), linear and non-linear software modules (e.g., What's Best!), as well as "off-the-shelf" software (e.g., the industry-standard DBC Finance), to assure that we are positioned to provide our clients with the analysis they need to make well-informed decisions in support of their financing programs.

PRAG's analytical toolkit includes an internally developed option pricing model to determine the option adjusted yields of various coupons and call date alternatives, which we be a useful tool during negotiated pricings. Although the model is based on several assumptions, it helps issuers decide between alternative structures and can be used as a tool to price lower coupon/yield structures tighter than underwriters initially propose. Of course, other factors should be taken into account in making couponing decisions such as yield to maturity and the impact of including lower coupon structures in tightening the spreads on 5.00% bonds.

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**LEGAL SUPPORT SERVICES**

In our role as financial advisor, PRAG works closely with our clients' legal teams to ensure that any financing plan takes into account all related federal, state, and local legal requirements. PRAG is in constant contact with bond, disclosure, and tax counsels and has developed a strong working relationship with the public finance legal community nationally and throughout Florida. Additionally, our team receives frequent legal updates from various industry organizations and the MSRB, including first-hand knowledge given Mr. Gaertner's position as one on two municipal advisors on the MSRB.

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**F. Technical Ability of Firm:**

2. *Describe the specific services that your firm provides to municipal clients during bond pricing. What sources of information are utilized to provide pricing comparisons? Identify firm resources, including any dedicated staff that will be available to the city during bond pricing.*
- 

PRAG provides our clients with prompt, accurate, and detailed market information on a regular basis. Prior to every tax-exempt or taxable pricing where we are acting as municipal advisor, we will prepare and provide market information including:

- Forward economic calendar showing major economic releases, events, and Treasury auctions during bond pricing week.
- Historical debt pricings and selected recent comparable financings.
- Discussions with syndicate desks, especially regarding expected pricing levels for a particular issue.
- Secondary market trading information.
- Forward issuance calendar providing brief descriptions of large transactions during the week of pricing, potential competing deals, and the new issue market.
- Municipal bond fund flows revealing investor demand for municipal bonds.
- Historical Municipal Market Data ("MMD") and Treasuries and ratios identifying current relationship, historical highs, lows, and average.
- Current Open Market Securities ("OMS") and State and Local Government Securities ("SLGS") yields, as applicable.

We keep our clients informed of financial, economic, and governmental trends, including tax law changes that could impact them. To do so, we subscribe to a variety of publications and information services which provide us with some of the raw information and data needed to perform various analyses and to foresee financial, legal, and market trends. These publications include Bloomberg, Refinitiv's (formerly Thomson Reuters) TM3, the *Bond Buyer*, the *Wall Street Journal*, the MSRB's Electronic Municipal Market Access ("EMMA") website, Moody's, S&P, and Fitch ratings websites, in addition to local news publications, such as the *Sun Sentinel* and the *South Florida Business Journal*.

Furthermore, with a national clientele, our clients are in the market on a regular basis. The transactions we work on keep us in ongoing conversations with numerous underwriting desks, enabling us to have current market information from a variety of primary sources at virtually all times. Because we advise on such a high volume of bond underwritings and are not a competitor to underwriters, underwriters are willing to provide insight on the market directly to PRAG. Thanks to these ongoing communications with a range of underwriting desks and banks, we are able to form a comprehensive and consensus view on interest rates, coupon preferences, pricing spreads, and investor demand for our clients' securities. By accessing market information from a variety of underwriting desks, PRAG can provide a broad perspective on the market well beyond the viewpoint of a single pricing desk. Our involvement and understanding of the market enable us to structure maturity schedules and other features of a bond financing to respond to the ever-changing shape of the yield curve and investor preferences, thereby enabling our clients to consistently achieve a low cost of borrowing.

**Throughout the bond marketing and pricing process, the City will have full access to PRAG's dedicated primary advisory team.** Additional pricing support will be provided by other members of our Florida team as needed. For large or complex pricings, we will also leverage the recent experiences of advisors across the Firm to ensure the City benefits from the most current market knowledge and insights.

#### F. Technical Ability of Firm:

3. What role would your firm expect to play in evaluating financing alternatives other than municipal bonds? What alternatives would be considered?

As financial advisor, PRAG will work closely with the City to perform a comprehensive review of various financing options, including publicly offered debt, privately placed bank loans, interim financing options and other capital sources, to assist the City in developing the best possible plan of finance for a given project(s). PRAG's analysis will focus not only on the timing and economics (i.e., lowest borrowing costs, mitigating impact to taxpayers / ratepayers) associated with each financing option but also the benefits and considerations of each alternative in the context of the City's overarching objectives. In addition, during this phase, PRAG will develop and evaluate unique or innovative financing ideas that may better meet the needs of the City in addition to evaluating funding sources specific to certain types of projects, such as State Revolving Fund ("SRF") loans or and Water Infrastructure Finance and Innovation Act ("WIFIA") loans for qualified utility projects.

PRAG views structuring and analysis as an ongoing element of the financing process. For each financing, PRAG will work closely with the City to develop alternative financing structures by varying assumptions (i.e., market conditions, timing, rate increases, credit rating, reserve levels, redemption features, tax status) and including analyses of potential outcomes, risks, and benefits to facilitate informed decision-making. PRAG works with our clients to address all aspects of any financing, taking into account their existing debt profile, bonding capacity, immediate needs of the financing, and future capital plans to determine the ongoing implications of the chosen financing strategy. The expertise and analytical perspective we bring to our clients enables us to advise them as they determine the most efficient source of funding for projects, consider opportunities to refund existing debt, and explore bank lending terms.

**Alternative Financing Methods: Bonds versus Bank Loans.** For any proposed debt financing, PRAG will analyze both a bond issue and a bank loan structure to determine which structure will provide our client with the optimum mix of pricing, costs, and timing. Dynamics of the tax-exempt markets are constantly in flux, as are banks' appetites for purchasing tax-exempt debt directly. There are certain instances in which bank loans continue to make sense and provide the lowest cost of funding or other more qualitative benefits for our clients. PRAG evaluates the following characteristics to determine the appropriate financing method that achieves the lowest possible borrowing cost within the context of the issuer's overall goals, timing requirements and legal considerations.

Key Characteristics of Public Bond Issues vs. Private Bank Loans		
Characteristic	Public Bond Issue	Private Bank Loan
Term	1-30 Years Usually more efficient for longer transactions	1-20 Years Usually more efficient for shorter transactions
Size	Unlimited	Limited
Costs of Issuance	Higher	Lower
Credit Ratings	Typically Required	Not Required
Debt Service Reserve Fund	Some Required	Not Required
Call Features	Typically 10-Year Par Call	Flexible
Disclosure	Official Statement Full Continuing Disclosure	No Official Statement Limited Continuing Disclosure
Execution Timing	12-16 Weeks	6-8 Weeks

**Alternative Financing Methods: Interim versus Long-Term.** For any capital project, PRAG works with our clients to evaluate whether interim financing sources should be considered. Interim financing is typically used in situations where project costs and/or timing are uncertain or when funding is needed quickly to meet contract requirements. Additionally, if a project is being financed in phases, interim debt can serve as a bridge until permanent, long-term financing is secured for the project as a whole. Traditionally, Interim financing vehicles are variable-rate and prepayable at any time, such as lines of credit and commercial paper. The expectation is that these short-term financing tools will be refinanced with long-term debt once project details are finalized. Common sources of interim financing include reserves, interfund loans, lines of credit, short-term bank loans, and commercial paper.



In contrast, long-term financings, such as bank loans or bond issues described above, are typically utilized when project costs and schedules are relatively well-defined. As such, clients feel more comfortable locking-in a fixed amount and interest rate, and are also able to provide the necessary certifications to comply with the IRS spend-down requirements associated with tax-exempt debt. When determining whether interim or long-term financing is the best fit for a particular capital project, PRAG evaluates the following key factors in addition to understanding our client's risk tolerances and overall financing objectives.

Key Characteristics of Interim vs Long-Term Debt	
Interim	Long-Term
Uncertainty on Project Costs/ Timing	Certainty on Project Costs/ Timing
Need Funding Quickly	Timing Flexibility
Unfavorable Market for Long-Term Debt	Favorable Market for Long-Term Debt
Access to Funding Until Project Completion	Asset/ Liability Match
Majority Variable Rate	Majority Fixed Rate
Typically Prepayable Anytime	Typically Ten Year Par Call
Ability to Draw Funds as Needed	All Funds Drawn at Closing
Interest Only Through Maturity	Interest Due Total Borrowing from Day One
Budgeting Uncertainty	Budgeting Certainty
Interest Rate/ Refinancing Risk	No Future Interest Rate/ Refinancing Risk

#### **Alternative Financing Methods: State or Federal Loan Programs.**

For certain eligible utility capital projects, PRAG recommends evaluating the State Revolving Fund (SRF) and/or the Federal Water Infrastructure Finance and Innovation Act (WIFIA) programs. Both offer low-cost, reimbursement-based financing for water-related infrastructure projects. However, they differ in eligibility, funding limits, interest rates, and flexibility.

The SRF programs are administered by the Florida Department of Environmental Protection (FDEP) and aim to support the construction, improvement, and maintenance of water and wastewater facilities. SRF loans are funded through money received from federal grants and state contributions and are offered at below market interest rates, set by FDEP. The standard repayment term for SRF loans is 20 years with a level debt service repayment schedule, thus, offering little to no structuring flexibility. SRF loans are prepayable anytime without penalty and can provide funding for up to the full amount of eligible project costs. Borrowers must comply with several state and federal requirements throughout the project's lifecycle, including planning, environmental compliance, construction, and post-completion monitoring. SRF loans require a competitive, multi-step application process with loan requests funded in priority order until available funds are exhausted. FDEP establishes project priorities, ensures compliance with Federal and State regulations, provides technical assistance throughout the loan process and ensures proper implementation of funded projects.

Established in 2014 and administered by the U.S. Environmental Protection Agency (EPA), the WIFIA program provides funding for eligible water and wastewater infrastructure projects. WIFIA loans offer low-cost financing at 1 basis point (0.01%) over the corresponding Treasury rate and long terms, with a 35 year maximum final maturity date from substantial completion. These loans also offer structuring flexibility in that repayment may be deferred after substantial completion of the project for up to five years and borrowers can structure repayments to align with cash flow needs. Similar to SRF loans, WIFIA loans are prepayable anytime without penalty. WIFIA loans provide financing for up to 49% of eligible project costs, while the recipient of the loan is responsible for financing the balance (51%) of the project, either with internal cash, bonds, bank loans or SRF loans. Borrowers must incorporate certain project requirements, such as the National Environmental Policy Act, Davis-Bacon and Buy America, Build America, among others, in addition to complying with on-going monitoring and reporting. WIFIA has a competitive, multi-step application process that can take significant time and requires detailed financial and environmental documentation.

In addition to public bonds, bank loans and interim financings, PRAG has experience with evaluating, structuring and executing transactions with SRF and WIFIA loan components. Below is a comparison of the key characteristics of each program.

Key Characteristics of SRF and WIFIA Loans	
SRF Loans	WIFIA Loans
Smaller Projects Eligible (No Min)	Larger Projects Eligible (Min \$20MM)
Fund up to 100% of Eligible Project Costs	Fund up to 49% of Eligible Project Costs
Interest Rates Set by FDEP as % of Bond Market Rates	Interest Rates Based on U.S. Treasury Rates + 1 bp
Payments Begin within One Year of Completion	Payment Deferral up to 5 Years Post Completion
20-Year Maximum Loan Term	35-Year Maximum Loan Term
Little to No Structuring Flexibility	Structuring Flexibility
No Credit Rating	Requires Credit Rating
Prepayable Anytime with No Penalty	Prepayable Anytime with No Penalty
Administered by Florida DEP	Administered by U.S. EPA
Competitive Application Process Required	Competitive Application Process Required
Projects Prioritized for Funding	Projects Prioritized for Funding
Reimbursement Based Funding	Reimbursement Based Funding
On-Going Compliance/ Monitoring Required	On-Going Compliance/ Monitoring Required

PRAG will evaluate the specifics of each financing and market conditions at the time of each upcoming financing for the City to determine the most advantageous financing structure. As described in further detail herein, PRAG works with our Florida clients to determine the appropriate structure, timing and method of sale for each distinct financing. In many cases, a client will use a range of financing structures in the overall delivery of its capital plan. For example, since the start of our relationship with the City of Clearwater, we have advised on one competitive bond issue, one negotiated bond issue and one bank loan, in addition to assisting with ratings surveillance, an investment banking pool RFP and selection process, the evaluation of parking garage financing options and affordable housing advisory services.



#### F. Technical Ability of Firm:

4. For each debt issue, the firm will recommend the method of sale. Please outline the circumstances under which each method (competitive or negotiated) would be preferred. What role would your firm expect to play as financial advisor under each method of sale?

PRAG has experience with providing clients advisory services on bond issues under each sale method, **ranking as the #2 financial advisor on negotiated sales and the #1 financial advisor on competitive sales nationally in 2024**. PRAG will analyze the proper method of sale for each financing, even those that have historically only used a competitive or a negotiated sales process. Provided below is an example of PRAG's experience with evaluating and executing bond issues under both sales methods in addition to executing a long-term bank loan financing and an interim line of credit for a Florida client.

**Circumstances Driving Method of Sale: Negotiated vs. Competitive.** As financial advisor, PRAG's role and objective for both competitive and negotiated sales is to analyze the specific characteristics of each financing independently to develop a recommendation that achieves the lowest possible borrowing cost for our client. Our role in both sales methods is very similar, with the only major difference occurring during the marketing/sales period, as described in **Section H** of this RFQ response. PRAG evaluates the factors listed in the table below, in addition to the specific characteristics of each distinct financing to determine the method of sale that will achieve the lowest possible borrowing cost, taking into account the issuer's internal objectives and external market factors.

Key Characteristics of Competitive vs. Negotiated Bond Sale	
Competitive Bond Sale	Negotiated Bond Sale
Highly Rated	Lower Rated or Unrated
Straightforward Credit	"Story" Credit
Stable Market Conditions	Volatile Market Conditions
Standard Security Structure	Innovative Security Structure
Customary Bond Structure	Unusual Bond Structure
Established Entity	New Entity
Frequent Issuer	Infrequent Issuer
Political Considerations	Political Considerations

**PRAG's Role in a Negotiated Sale.** Prior to marketing and pricing a negotiated transaction, PRAG works with the financing team to develop the optimal bond structure, evaluate security features, obtain ratings, analyze credit enhancement, and review bond and disclosure documents in the context of the issuer's existing debt structure, financial resources, and future capital needs. We will also make ourselves available to prepare and deliver presentations to City staff and the City Commission on any upcoming financings. In addition, PRAG will assist the City in the solicitation of and negotiations with other vendors, such as investment bankers, paying agents/registrars, trustees, verification agents, printers, etc. PRAG will also work with the City and the underwriting syndicate to determine the value of holding a retail order period.

PRAG's thorough process positions our clients to achieve a low cost of borrowing when pricing negotiated bonds. This process begins well before the actual sale date and involves working with the client to develop parameters that set the framework for pricing. For instance, we develop a matrix of call option values, which shows the theoretical trade-off among various call provisions of bonds. We use a similar analytical tool to analyze the trade-off between different levels of discounts and yields and the impact of the shorter duration associated with premium bonds.

Properly pricing a negotiated bond has elements of both art and science. Although pricing is ultimately determined by investors, in a negotiated pricing the underwriter recommends the prices at which the bonds will be offered for sale for approval by the issuer. If the initial prices are set too low (interest rates are too high), then the bonds will sell but the issuer may be leaving money on the table. If the initial prices are set too high (interest rates are too low), investors may not place orders, leaving unsold balances which investors may only buy at a premium during a revised pricing.

**Pre-Pricing Day.** PRAG follows a rigorous process to assure that the pricing is executed efficiently and smoothly. To do so, we will gather the following information from multiple sources and provide it to the issuer in a timely manner:

- Detailed market analysis of interest rates, yields, spreads, takedowns, and call provisions for comparable issues priced close to the sale date of the City's bonds.
- Historical pricings of the City's bonds with the aforementioned information.
- Secondary market trading information of the City's bonds, as it indicates investors' appetite and spreads for the City's existing debt.
- Forward economic calendar, which shows major economic releases and Treasury auctions during the week of the City's pricing that could potentially affect the market.
- Forward issuance calendar, which provides descriptions of upcoming large transactions during the week of pricing and identifies potential competing deals and the overall new issue supply in the market.
- Historical rates and ratios to identify current relationship, historical high-low, and average.
- Market inflow/outflow trends, which shows demand for the bonds from specific market segments.
- Review of market conditions such as recent deal performance, municipal supply, demand by sector, tax-exempt and Treasury market trends, major economic news, political events, and credit events impacting the bond market.

We keep our clients informed of financial, economic, and governmental trends, including tax law changes that could impact them. To do so, we subscribe to a variety of publications and information services which provide us with some of the raw information and data needed to perform various analyses and to foresee financial, legal, and market trends. In the afternoon of pre-pricing day, PRAG will present the City with current market information and comparable transactions as described earlier. Subsequently, the underwriter will present their pricing views along with those of the underwriting syndicate, if applicable, allowing the City to see a range of indicative yields from various sources. PRAG, the City, and the syndicate will begin discussions regarding current market conditions, comparable transactions in the market, and potential pricing alternatives. The terms and conditions of the purchase agreement between the underwriter(s) and the City will be put into final form and agreed to among the parties. Finally, rules guiding priority of orders and designation policy will be established.

**Pricing Scale.** In a negotiated transaction, PRAG will review each manager's price views and the senior manager's initial scale. Based on the pre-pricing information, discussions with underwriters, and our assessment of the market, we will provide the City with our own pricing scale. We will utilize our call option model to confirm that the yields we are proposing are not greater on an option adjusted basis than the option adjusted yields on any proposed premium coupon bonds. Once the issue is in the market, we will work vigorously to negotiate fair market prices for the City's bonds based on current market conditions. We believe in being "firm but fair" in negotiations. Underwriting firms know we are knowledgeable about pricing terms and that we aggressively advocate for the lowest possible rates on behalf of our clients. In instances in which the underwriter presents levels that we believe are reasonable based on market conditions, we will recommend that the City accept those levels.

**Underwriter Spread Negotiations.** PRAG will assist the City in negotiating the components of the underwriter spread (management fee, takedowns, and expenses), eliminating an at-times contentious discussion. We will use our knowledge of comparable Florida transactions to determine the appropriate level of underwriter's spread, making sure that the fees charged are neither too high nor too low so that that transaction prices successfully.

**Pricing Day.** During pricing, PRAG will take an integrated, data-driven approach to evaluate the pricing on the bonds to achieve the best possible result for the City. PRAG will monitor order flow (i.e. demand) of the City's transaction in addition to other transactions and market events occurring during pricing. PRAG provides our clients with the resources and recommendations to assist in fully evaluating and negotiating the final underwriting offers and any suggested re-pricing or structural adjustments. Our process focuses on the key elements in a changing stream of relevant data to provide our clients with multiple opportunities to negotiate their final pricing.

Once preliminary pricing levels have been agreed upon by the City and the underwriter, the underwriter will release a pricing wire announcing the sale and the preliminary interest rates and takedowns. After the release of the pricing

wire, PRAG and City representatives will be able to monitor the status of the order period through the use of Ipreo's Municipal Bookrunning system, viewing orders in real time.

**Recommendations Based on Order Book.** After a negotiated order period, PRAG will examine the “book” of orders and review pricing results with the City to evaluate the success of the pricing period. To do so, we will ask:

- Does the financing meet all legal requirements of the Bond Resolution, including refunding savings, if applicable?
- Does the financing generate funding sufficient to complete the project – “new money” or refunding of prior bonds?
- Are pricing results reasonably consistent with results for other issues with similar credit characteristics priced concurrently?
- Are pricing spreads reasonably consistent with spreads for prior issues of the issuer/credit?
- Did the financing receive market interest consistent with the syndicate’s expectations and consistent with market interest received by other comparable issues priced concurrently?
- If pricing results and/or market interest were not consistent with expectations, are there market or other explanations for why this may have been the case?

Depending on the number of orders by maturity, particularly from institutional investors, PRAG will make recommendations to the City regarding adjustments in yields and/or changes to coupons. Other factors that are taken into consideration in making recommendations to adjust coupons and yields include: current market conditions, overall supply, buyer sentiment, and absolute and relative spreads to historical issues and appropriate market indices. Once this negotiation is complete and the underwriters receive the verbal award, PRAG will assist, if requested, with the allotment process to ensure the bonds are fairly distributed among the investors and/or underwriting group.

**PRAG’s Role in a Competitive Sale.** For competitive sales, PRAG works with our clients to determine the fundamental characteristics of the bond issue, obtain ratings, review bond and disclosure documents, and prepare and distribute the notice of sale and preliminary official statement. We gather pre-pricing information as if we were preparing for a negotiated sale. Our focus is on establishing bid parameters that will give the bidders flexibility in structuring their bids and at the same time fulfill the City’s goals within any legal and financial constraints. The ultimate goal is to provide the issuer the greatest likelihood of achieving the lowest cost of borrowing, while simultaneously maintaining as much flexibility as possible. Our advisors have relationships with the major investment banks who typically participate in competitive sales. We have found that with enough advance notice and consultation, underwriters are willing to accommodate the needs of our competitive issuers.

To accomplish that, and to decide on the best timing of the sale, we monitor the economic calendar and the calendar of other competitive and significant negotiated sales. In developing the notice of sale, we review the prevailing features of notices of sales in the market and we may discuss the contemplated bid parameters with underwriters (in general terms) to gauge expected market response. We also analyze results of recent competitive sales and calculate option adjusted yields using our call option model, which helps us to evaluate coupon restrictions on the callable bonds that may be beneficial to the issuer. For refunding bonds, we may restrict coupons to avoid dis-savings in any fiscal year. Further, we draft a notice of sale to provide the issuer flexibility to postpone or change the sale date and time, to revise principal amounts and bid parameters before the sale, and to revise principal amounts after the verbal award to the winning bidder. This flexibility enables the issuer to achieve its desired debt service profile or savings profile. When working on very large competitive transactions, we propose various tranching methods to ensure several bidders, after discussions with major market participants.

Following the electronic distribution of the notice of sale and preliminary official statement, PRAG personnel contact underwriting desks to make sure they have received the documentation for the upcoming issue, answer questions, and ask whether or not the underwriter intends to bid and with which syndicate, if any. If necessary, we schedule meetings with underwriting desks of firms managing a syndicate. We have found that this marketing activity can result in one or two additional bids, ultimately positioning our clients to achieve more favorable pricing results in many instances. After an order period closes, PRAG reviews and verifies all bids submitted for compliance with bidding

parameters. PRAG has developed its own model to calculate TIC, which we use to confirm information provided by the bidding platform before our clients award the winning bid to the lowest TIC bidder that conforms with the notice of sale. We contact the winning underwriter, coordinate with the issuer and underwriter to ensure receipt of the good faith deposit, if applicable, and coordinate the final sizing of the bonds in accordance with the notice of sale parameters.

Below are screenshots from PRAG's verification model that we use to confirm the accuracy of TICs provided by the Parity bidding platform.

A B C D E F G H I J K L M N O P															
Florida Municipal Loan Council Refunding and Improvement Revenue Bonds, Series 2024C (City of Dania Beach Series)														<b>Instructions</b>	
Bidder: <b>Raymond James &amp; Associates, Inc. - St. Petersburg,</b>														<b>Enter Information In Blue</b>	
Date of Sale: 09/24/24														Summary of Results: below Bid Results	
Dated: 09/24/24														<b>Instructions for Summary of Bid Results:</b>	
Delivery: 10/02/24														Press F9 to Recalc to be safe	
First Interest: 04/01/25														1. Erase all extraneous entries (e.g. any TIC over 5.0%)	
First Principal: 10/01/25														2. Go to TIC Sheet and Press Control + Shift + C	
														3. Press the Sort Icon (or Press Control + Shift + S)	
														<b>To Print:</b>	
														1. Hide All Columns that Are Not Used (In the Table Immediately to the Right)	
														2. Press the Print Icon (or Press Control + Shift + P)	
Date Principal Coupon Interest Aggregate Debt Service PV @ 3.901990% 0.000000% <-- check all zero														TIC to Dated Date	
1 10/01/24															
1 10/01/24															
1 04/01/25				628,163.75		628,163.75		616,738.38		0.050000		31,346,782.61			
1 10/01/25		465,000	5.000%	661,225.00		1,126,225.00		1,084,580.52							
1 04/01/26				649,600.00		649,600.00		613,608.25		5.000000%		16,815,005.67	5.000000%		
1 10/01/26		500,000	5.000%	649,600.00		1,149,600.00		1,065,124.70		5.000000%		14,343,203.31	6.000000%		
1 04/01/27				637,100.00		637,100.00		576,988.37		-0.879021%		71,127,554.97	-0.879021%		
1 10/01/27		525,000	5.000%	637,100.00		1,162,100.00		1,035,691.50		3.940137%		20,346,986.85	3.940137%		
1 04/01/28				623,975.00		623,975.00		545,564.99		2.896239%		25,182,738.29	2.896239%		
1 10/01/28		550,000	5.000%	623,975.00		1,173,975.00		1,006,808.05		1.570501%		34,481,271.50	1.570501%		
1 04/01/29				610,225.00		610,225.00		513,317.84		2.017882%		30,839,763.34	2.017882%		
1 10/01/29		575,000	5.000%	610,225.00		1,185,225.00		977,825.34		1.955591%		31,311,541.90	1.955591%		
1 04/01/30				595,850.00		595,850.00		482,225.72		1.950938%		31,347,276.08	1.950938%		
1 10/01/30		605,000	5.000%	595,850.00		1,200,850.00		953,258.58		1.950995%		31,346,782.25	1.950995%		
1 04/01/31				580,725.00		580,725.00		452,163.24		1.950995%		31,346,782.61	1.950995%		
1 10/01/31		635,000	5.000%	580,725.00		1,161,725.00		928,463.89		1.950995%		31,346,782.61	1.950995%		
1 04/01/32				564,850.00		564,850.00		423,136.70		1.950995%		31,346,782.61	1.950995%		
1 10/01/32		670,000	5.000%	564,850.00		1,124,850.00		907,340.50		1.950995%		31,346,782.61	1.950995%		
1 04/01/33				548,100.00		548,100.00		395,024.86		#DIV/0!		#DIV/0!	1.950995%		
1 10/01/33		700,000	5.000%	548,100.00		1,048,100.00		882,312.72		#DIV/0!		#DIV/0!	1.950995%		
1 04/01/34				530,600.00		530,600.00		367,916.22		#DIV/0!		#DIV/0!	1.950995%		
1 10/01/34		735,000	5.000%	530,600.00		1,065,600.00		860,769.14		#DIV/0!		#DIV/0!	1.950995%		
1 04/01/35				512,225.00		512,225.00		341,711.44		#DIV/0!		#DIV/0!	1.950995%		
1 10/01/35		775,000	5.000%	512,225.00		1,027,225.00		842,280.21		#DIV/0!		#DIV/0!	1.950995%		
1 04/01/36				492,850.00		492,850.00		316,322.86		#DIV/0!		#DIV/0!	1.950995%		
1 10/01/36		810,000	5.000%	492,850.00		1,002,850.00		820,198.12		#DIV/0!		#DIV/0!	1.950995%		
1 04/01/37				472,600.00		472,600.00		291,827.76		#DIV/0!		#DIV/0!	1.950995%		
1 10/01/37		855,000	5.000%	472,600.00		1,002,600.00		804,097.40		#DIV/0!		#DIV/0!	1.950995%		
< > 2024C Parity Input Production Report (w UWd entry) Sheet1 +														Average: 5691394.208 Count: 104 S	

Florida Municipal Loan Council Refunding and Improvement Revenue Bonds, Series 2024C (City of Dania Beach Series) \$30,000,000			DIF
Summary of Bid Results September 24, 2024			
Bidder	True Interest Cost		
Raymond James & Associates, Inc. - St. Petersburg,	3.901990%	0.000%	
TD Securities - New York, NY	3.959903%	0.000%	
Wells Fargo Bank, National Association - Charlotte	3.964007%	0.000%	
Robert W. Baird & Co., Inc. - Milwaukee, WI	3.974247%	0.000%	
KeyBanc Capital Markets - Cleveland, OH	3.996308%	0.000%	
RBC Capital Markets - New York, NY	4.002136%	0.000%	
UBS Financial Services Inc. - New York, NY	4.034419%	0.000%	
BNYMellon Capital Markets - Pittsburgh, PA	4.039245%	0.000%	
Jefferies LLC - New York, NY	4.052113%	0.000%	
HilltopSecurities - Dallas, TX	4.056168%	0.000%	
Truist Securities, Inc. - Charlotte, NC	4.074186%	0.000%	
Mesirow Financial, Inc. - Chicago, IL	4.099109%	0.000%	
*Bold Indicates Winner			

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**F. Technical Ability of Firm:**

5. *Describe any innovations you have developed or worked on for tax-exempt security issues, briefly outlining the problem, your solution, and the results.*
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The key to PRAG's ability to deliver innovation is our platform that puts senior-level advisors with a broad understanding of and access to market, technical, and legal developments in day-to-day contact with our clients and their specific financing needs. Both in Florida and across the country, PRAG has extensive experience assisting municipal issuers in their financing programs, many of which include complex problems and limitations requiring unique and innovative solutions. The combination of our understanding of municipal operations, our market knowledge and our financial engineering expertise has been instrumental to finding many of these solutions. In addition, as the financial advisor to some of the largest municipal issuers in the nation, PRAG is often the first financial advisory firm introduced to the newest innovations in the market, providing us with the opportunity to analyze such products and, where applicable, to adapt these products for our other clients – both big and small. PRAG's offices collaborate and frequently share various creative or innovative market techniques implemented to solve issues our clients face.

In Florida, PRAG has worked with cities and counties to evaluate, develop and execute unique and customized solutions to meet our clients' financing and non-financing needs. We offer the following case studies to describe instances in which PRAG has developed and executed innovative financing techniques for issues facing our clients.

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**CITY OF FORT MYERS, FLORIDA****Transactional Advisory Services:**

- \$40,270,000 Subordinate Utility System Refunding Revenue Bonds, Series 2020B

**Applicability to Hollywood:**

- Debt portfolio monitoring led to identifying a unique refinancing opportunity of SRF Loans.
  - Structured new debt to achieve targeted debt service savings to minimize near-term customer rate increases, while providing flexibility for future debt.
  - Creation of a new subordinate lien bond resolution.
- 



PRAG proactively identified a unique refunding opportunity for the City of Fort Myers' utility system that involved make-whole provisions on a bank loan, the release of a DSRF, and the refunding of SRF loans with new subordinate lien bonds. PRAG evaluated various structures, taking into account the utility system's aggregate debt service profile and capital improvement plans to achieve maximum near-term cash flow relief, reduce or minimize near term rate increases for customers and preserve future senior lien borrowing capacity.

The City targeted the following financing objectives with the Series 2020 Bonds: (i) achieve maximum cash flow relief over the next five fiscal years, reduce aggregate maximum annual debt service, and level out the utility system's aggregate debt service profile, and (ii) take advantage of historically low interest rates to refinance low rate SRF Loans for savings, while preserving senior lien borrowing capacity for future capital projects via a newly created subordinate lien structure.

The Series 2020 Bonds represented one of the first Florida water and wastewater financing transactions completed since the COVID pandemic caused severe distress in the markets. PRAG worked closely with the City and the working group to effectively manage the transaction process and expedite the transaction, completing all necessary approvals, documentation (including necessary COVID disclosures), credit ratings, bond sale, and closing in only two months. Ultimately, the refunding allowed the City to reduce its aggregate maximum annual debt service by \$3.0 million and resulted in a TIC of less than 1.0%.



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## PINELLAS COUNTY, FLORIDA

### Transactional Advisory Services:

- \$44,400,000 Sewer Refunding Revenue Note, Series 2021A
- \$5,292,000 Sewer Refunding Revenue Note, Series 2021B

### Applicability to Hollywood:

- Proactive identification of innovative refunding opportunity of privately placed bank loans.
- Development and execution of multi-faceted refunding plan.
- Successful negotiations with existing lenders, resulting in multiple quantitative and qualitative benefits.



PRAG presented a combined refunding/restructuring opportunity to Pinellas County in August 2020 in connection with its then outstanding Series 2003 and Series 2012 Bonds. While the Series 2012 Bonds could not be advance refunded on a tax-exempt basis, PRAG believed that banks would offer a “Cinderella” loan, which is a taxable loan that automatically converts to a tax-exempt loan on the first available call date of the refunded bonds.

Although the Series 2003 Bonds were callable on a current tax-exempt basis, they had not been refunded because there was a DSRF surety policy associated with the Series 2003 Bonds that was necessary to meet the combined DSRF requirement of the existing sewer bonds. PRAG approached the County’s existing lenders and negotiated the release of the DSRF surety policy and reduced the DSRF requirement on their loans, which allowed for the refunding of the Series 2003 Bonds.

Together, the transactions provided the following benefits to the County:

- \$3.26MM NPV savings from the taxable refunding (7.85% of refunded bonds),
- \$1.55MM NPV savings from the tax-exempt refunding (29.7% of refunded bonds),
- Allows for an additional \$520,000 in NPV savings upon conversion of the taxable note to tax-exempt,
- Reduced DSRF requirement on existing debt and the need for a DSRF on new debt,
- Eliminated the need to replace a \$7.8 million DSRF surety policy expiring in 2024 with cash,
- Eliminated the need to provide on-going capital markets disclosure, and
- Eliminated the need for a separate audit of the County’s sewer system.

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## MIAMI-DADE COUNTY, FLORIDA

### Transactional Advisory Services:

- \$213,860,000 Water and Sewer System Refunding Revenue Bonds, Series 2024B

### Applicability to Hollywood:

- Advised the first successfully executed tender refunding transaction in the State of Florida.
- Identification of a savings-driven refinancing structure amid limited current refunding opportunities.
- Ability to educate staff and governing body on the benefits/risks of a complex and innovative financing structure.



PRAG has served as the financial advisor to the Miami-Dade County Water and Sewer Department since 2006. The County embarked on a major water and sewer capital program in 2014 to address mandated improvement resulting from a federal consent decree and state ocean outfall legislation as well as its on-going capital needs. With a capital improvement plan of over \$7.5 billion, PRAG works closely with the water and sewer department on the strategic plan for debt issuance.

Since 2014 PRAG advised the County on 10 debt transactions totaling \$5.3 billion in par as well as a \$400 million commercial paper program. PRAG advised on new money issuances as well as tax-exempt and taxable refundings. Included in the debt transactions were four WIFIA loans totaling approximately \$1 billion. In May 2024 PRAG advised the County on the first municipal tax-exempt tender in Florida. Through the tender, the County was able to achieve debt service savings from refunding tax-exempt bonds in advance of their call date as well as taxable bonds with interest rates below the arbitrage yield on the refunding bonds.

The County did not have any current refunding opportunities for its water and sewer debt portfolio, but PRAG identified the tender opportunity and proposed that the County include the tender as part of an upcoming new money bond issue. PRAG spent a significant amount of time educating staff and the Board on the concept, the mechanics, the opportunities and the risk associated with the tender. PRAG also worked with County finance staff and the County Attorney's Office to ensure that the tender would conform with the County's existing debt policies, which did not contemplate a tender.

A tender for taxable bonds works because the outstanding taxable bonds are valued below par due to the increase in interest rates since they were issued. The County could purchase the taxable bonds at a discount and, once the tax-exempt bonds refunded by the taxable bonds were fully paid from the escrow, fund the purchase with new tax-exempt bonds sold at a premium and realize debt service savings.

A tender for tax-exempt bonds works similarly because the outstanding tax-exempt bonds are trading priced to their next call date. The County could purchase these bonds for less than they would generate from new tax-exempt bonds sold at a greater premium priced to the new 10-year call date and realize debt service savings.

The County launched the tender on April 29, 2024, identifying \$230.285 million of tax-exempt bonds and \$548.09 million of taxable bonds as subject to the tender offer. By the close of the tender period on May 10, 2024, \$250.12 million of bonds had been tendered, representing 32% of the eligible bonds. The tender resulted in net present value savings of \$22.9 million, representing 9.1% of the bond refunded.

The County purchased and retired \$132.305 million of tax-exempt bonds maturing from 2030 through 2024 that were callable on October 1, 2025 at a price of 102.902. The County also purchased and retired \$117.815 million of taxable bonds maturing from 2027 through 2034. The taxable bonds had interest rates ranging from 2.501% to 3.49% and would not have been refunding candidates through a traditional refunding. Because the rates on the taxable bonds were below current market, the County was able to purchase the taxable bonds at prices ranging from 85.036 to 94.002. In the end, the County purchased \$250.12 million of outstanding bonds funded with the issuance of \$213.86 million of new tax-exempt bonds, saving \$22.9 million on a present value basis, reducing its debt service by \$30.8 million, and reducing its outstanding principal by 36 million.

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**F. Technical Ability of Firm:**

6. *Describe your firm's method of providing client computer support and modeling for complex financial analysis. Is this service provided with in-house resources? If not, please describe how the services are provided.*
- 

As discussed in our response to **Question F.1.**, PRAG prides itself on our technical expertise and analytical approach to our advisory business. While many financial advisory firms offer basic financial analysis, PRAG distinguishes itself by offering quantitative analysis which is highly sophisticated in terms of analyzing, developing, and implementing financing structures and products.

**All of our analytical services are offered in-house by PRAG advisors.** PRAG's technical and analytical ability is fundamental to the quality of our advice. PRAG believes that sound financial policies should be rooted in critical, quantitative analysis. To assist our clients to better understand their options and the long-term effects of critical decisions, PRAG designs comprehensive capital funding models incorporating various financial decision points, including multi-lien and multi-product debt structures, funding capital projects on a pay-as-you-go basis versus debt financing, the timing of bonds versus short-term financing issuances, the structure of long-term bonds, and how different amortization structures impact rates, fees, and financial ratios, among other factors. PRAG's objective is to make even the most complex topics understandable to a wide audience, without overlooking challenges. These analyses are used to develop long-term financing strategies and are often useful tools in the capital budgeting and planning processes, as well as in developing strategies for maintaining the issuer's credit position. Below is an example of PRAG's experience developing in-depth customized models that assisted in the implementation of a new, multi-year financing program.

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**CITY OF TAMPA, FLORIDA****Non-Transactional Advisory Services:**

- Financial modeling (in-house)

**Applicability to Hollywood:**

- Development of a comprehensive financial model to assist in structuring a long-term capital plan.
  - Provide a strategic planning tool to analyze funding options for major stormwater capital improvements in a flood-prone area.
- 



PRAG has served the City of Tampa since 2005. The City needed to expand its stormwater utility and the applicable assessment areas to address numerous flooding issues throughout the City. The City increased the relatively low operational assessment and asked PRAG to assist in determining the appropriate financial plan to implement a capital charge based on the expanded assessment area.

Because the assessment area covered a large portion of the City, it provided a strong credit to back the bonds, but careful structuring was required to ensure that all property owners within the assessment area received a benefit corresponding to their assessment. Also, since the program was going to take ten years to complete, the City had to be comfortable it could deliver the entire program in order to provide the necessary level of benefit relative to their assessment.

PRAG worked with the City and outside counsel to validate the underlying assumptions for the assessments, capital costs, and expected state funding. The resulting capital plan required ten years to implement, and PRAG **developed a custom financial model to integrate the assessment collections, the necessary financings, and the capital requirements.** A snapshot of the model's output is provided below.

City of Tampa Stormwater Improvement Assessment \$20 Million CIT Bond Funded Contribution														3-6-16, Scenario B: 30 Year Debt, Total Project Requirements = \$251,285,000 BALANCED													
To Use Model: 1) Project Fund Requirement are linked to the prior worksheet provided by the City 2) Confirm all debt and interest rates assumptions shown in beige, including assumed SWFWMD grants 3) Press "Payoff Bank Loan" Button to run macro to determine amount required for bank loan payoff 3) Press "Size Project Fund" Button to run macro to determine amount required for deposit to Project Fund														Annual Improvement Assessment Required is \$44.99 to \$89.55 This model does not take into account any tax implications of the extended construction fund spenddown													
														Years of Assessment Increases 5 Annual Assessment Increases 16.5%													
Fiscal Year Ending														9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026	9/30/2027	
CIT Capital Contribution															20,000,000	0	0	0	0	0	0	0	0	0	0	0	0
Total Project Requirements														29,425,000	18,300,000	17,625,000	27,625,000	29,125,000	39,125,000	27,500,000	17,500,000	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000	
Estimated SWFWMD Funding														33,548,375	6,125,000	5,000,000	6,811,625	6,812,500	2,308,875	2,308,375	2,502,500	1,592,500	819,000	819,000	819,000	819,000	
Net Funding Required														23,360,000	-6,700,000	12,813,375	22,812,500	26,824,125	36,816,625	24,997,500	15,907,500	8,181,000	8,181,000	8,181,000	8,181,000	8,181,000	
Revised Assumption - % SWFWMD Funding														20.8%	27.3%	27.3%	17.4%	7.9%	5.9%	0%	0%	0%	0%	0%	0%	0%	
Bank Loan Funding																											
Total Draws																											
Project Fund Draws / (Repayment)														29,473,375	23,360,000	-6,700,000	12,813,375										
Interest Draws															117,968	201,230	354,746										
Bank Loan Payoff																	(30,177,369)										
Bank Loan Interest Rate															1.00%	1.00%	1.00%										
Bank Loan Interest															117,968	85,745	304,791										
Bank Loan Balance															23,477,968	16,979,248	0										
Bond Issue Assumptions																											
Term																											
Coverage Required																											
Assumed Interest Rate																											
Cost of Issuance (%)																											
Debt Service Reserve Fund																											
Bond Issue Uses																											
Pay off of Bank Loan																											
Deposit to Project Fund																											
Deposit to DSRF																											
Costs of Issuance																											
Par Amount																											
Annual Debt Service																											
Equivalent Stormwater Units																											
Overhead and Collection %																											
Date Assessment Levied															1/1/16	1/1/17	1/1/18	1/1/19	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24	1/1/25	1/1/26	1/1/27	
Dollar Amount Assessed per ESU															44.99	52.40	61.02	71.05	82.74	89.55	89.55	89.55	89.55	89.55	89.55	89.55	
Date of Full Collection															3/1/2017	3/1/2018	3/1/2019	3/1/2020	3/1/2021	3/1/2022	3/1/2023	3/1/2024	3/1/2025	3/1/2026	3/1/2027	3/1/2028	
Gross Amount Generated															7,424,113	8,645,300	10,067,545	11,723,656	13,652,197	14,775,203	14,775,203	14,775,203	14,775,203	14,775,203	14,775,203		
Less: Collections and Overhead															(742,411)	(864,538)	(1,006,754)	(1,172,366)	(1,365,228)	(1,477,520)	(1,477,520)	(1,477,520)	(1,477,520)	(1,477,520)	(1,477,520)		
Net Amount Collected															6,681,702	7,780,762	9,060,790	10,551,290	12,286,977	13,297,683	13,297,683	13,297,683	13,297,683	13,297,683	13,297,683		
Uses																											
Debt Service															0	0	3,536,746	7,073,492	7,073,492	7,073,492	9,581,148	12,088,803	12,088,803	12,088,803	12,088,803		
Deposit to Project Fund															0	0	1,144,956	707,349	1,987,298	3,477,798	2,700,880	1,208,880	1,208,880	1,208,880	1,208,880		
Total Uses															0	0	6,681,702	7,780,842	9,060,790	10,551,290	12,286,977	13,297,683	13,297,683	13,297,683	13,297,683		
Debt Service Coverage																	1.09	1.10	1.28	1.49	1.10	1.10	1.10	1.10	1.10		
Fiscal Year Ending														9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024	9/30/2025	9/30/2026	9/30/2027	
Project Fund Balance																											
Project Fund Deposits														23,360,000	-6,700,000	91,275,083	707,349	1,987,298	3,477,798	72,331,286	1,208,880	1,208,880	1,208,880	1,208,880	1,208,880		
From Bank Draws																12,813,375	0	0	0	0	0	0	0	0	0	0	
From Bond Proceeds															0	0	75,316,753	0	0	0	69,625,457	0	0	0	0	0	
From Assessment Cash Flow														19,276,512	0	0	3,144,956	707,349	1,987,298	3,477,798	2,700,880	1,208,880	1,208,880	1,208,880	1,208,880		
Project Draws														23,360,000	-6,700,000	12,813,375	22,812,500	26,824,125	36,816,625	24,997,500	15,907,500	8,181,000	8,181,000	8,181,000	8,181,000		
Pre-Earnings Balance															0	0	78,461,708	56,690,020	32,530,618	-246,346	47,333,786	32,990,170	26,823,142	20,102,661	13,484,372	6,766,809	
Investment Rate															0.25%	0.50%	0.85%	1.00%	1.25%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	
Earnings															0	0	33,462	677,426	561,663	246,346	355,003	405,092	451,638	553,811	254,556	153,793	
Ending Project Fund Balance															0	0	78,795,171	57,367,446	33,092,481	0	47,688,790	33,595,262	27,074,700	20,456,492	13,738,928	6,920,602	
ASSESSMENT DUE DATE															11/1/16	11/1/17	11/1/18	11/1/19	11/1/20	11/1/21	11/1/22	11/1/23	11/1/24	11/1/25	11/1/26	11/1/27	
AVERAGE ANNUAL CAPITAL ASSESSMENT PER ESU															\$44.99	\$52.40	\$61.02	\$71.05	\$82.74	\$89.55	\$89.55	\$89.55	\$89.55	\$89.55	\$89.55	\$89.55	
AVERAGE CAPITAL ASSESSMENT PER MONTH PER ESU															\$3.75	\$4.37	\$5.08	\$5.92	\$6.90	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	\$7.46	
AVERAGE ANNUAL INCREASE																16.5%	16.5%	16.5%	16.5%	16.5%	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	

The City presented the financial plan to the Mayor and City Council and based on feedback, PRAG ran a variety of scenarios including increasing assessments, the use of general fund support, and staggered financings. The final plan obtained support from the Administration, the Council, and the public, and was implemented by the City.

Most recently, in November 2023, the City priced its third and final series of stormwater assessment bonds and was able to obtain a new "AA+" rating from S&P for the \$34.935 million issue, enhancing the existing "Aa2" rating from Moody's. PRAG also advised on the \$36.615MM Series 2021 Bonds and \$84.56MM Series 2018 Bonds.

**G. Independence of Firm:**

1. *Does your firm have any arrangement with any unrelated individual or entity with respect to the sharing of any compensation, fees, or profit received from or in relation to acting as a financial advisor for the City? If so, provide a copy of any contract relating to the arrangement and the manner in which compensation or fees would be shared.*

PRAG does not have any arrangement with any unrelated individual or entity with respect to the sharing of any compensation, fees, or profit received from or in relation to acting as a financial advisor for the City.



**G. Independence of Firm:**

2. *Will the selection of your firm or the assignment of any employee of your firm result in any current or potential conflict of interest? If so, your firm's response must specify the party with which the conflict exists or might arise, the nature of the conflict and whether your firm would step aside or resign from the engagement or representation creating the conflict.*

Neither the selection of PRAG nor the assignment of any PRAG employee will result in any current or potential conflict of interest.

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**G. Independence of Firm:**

3. *Identify fully the extent to which your firm or individual partners or employees are the subject of any ongoing municipal securities investigation, are a party to any municipal securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation.*

None of the Firm's executives or its individual partners or employees are the subject of any ongoing municipal securities investigation, nor a party to any municipal securities litigation or arbitration or the subject of a subpoena in connection with a municipal securities investigation.

**G. Independence of Firm:**

4. *Additionally, include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last five (5) years.*

On September 17, 2024, PRAG filed an amendment to its Form MA disclosing the Firm's settlement with the SEC of matters relating to failure to maintain and preserve text communications. The Form MA filing may be electronically accessed at the following link:

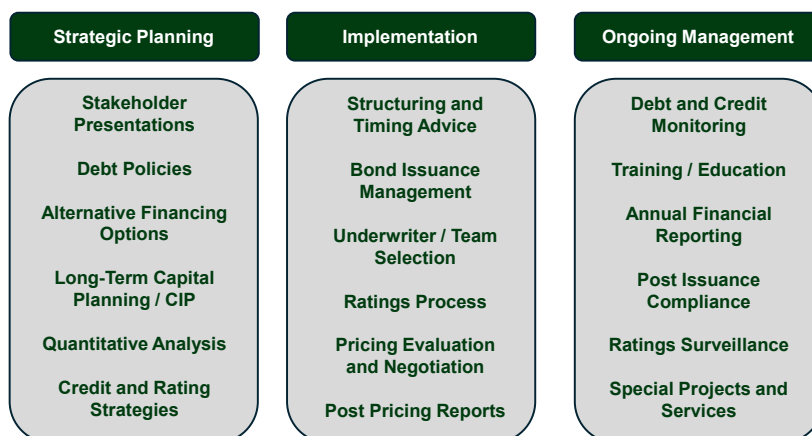
[https://www.sec.gov/Archives/edgar/data/1612223/000161222324000008/xslFormMA\\_X01/primary\\_doc.xml](https://www.sec.gov/Archives/edgar/data/1612223/000161222324000008/xslFormMA_X01/primary_doc.xml)

#### H. Project Understanding, Proposed Approach, and Methodology:

1. Describe your approach to performing the contracted work. It should include the following points:
  - a. Type of services that will be provided to the City. Discuss your role and that of other parties involved in the data gathering, data analysis and recommendation process.
  - b. Discuss your project plan for this engagement outlining major tasks and responsibilities, time frames and staff assigned.

#### PLAN OF APPROACH

At PRAG, we view each project as having three distinct phases: (i) the strategic planning phase, (ii) the implementation phase, and (iii) the ongoing financial management phase. We describe in detail the strategic planning phase as it pertains to the City in this response. The implementation and ongoing management phases will be further described while addressing **Question H.2.**; we also provide our detailed approach toward developing a debt management policy in our response to **Question H.2.**



**Our fundamental objective is to provide our clients with the information they need to make well-informed strategic decisions during each of these phases.** While the phases frequently overlap, each phase requires attention to be paid to certain key tasks: from long-term financial and capital planning during the strategic planning phase, to structuring and timing a bond sale or bank loan during the implementation phase, to continuing debt management, rating agency communications, and annual reporting in the ongoing financial management phase.

**PRAG's multi-phased approach aligns with the City's requested scope of services, allowing us to accommodate all of the City's defined needs in a streamlined and efficient manner.** PRAG's capabilities and approach to addressing the City's advisory needs are described in detail below.

#### STRATEGIC PLANNING

During the initial strategic planning phase, PRAG's Florida advisory team will build upon our existing understanding of the City's debt, financing needs, and long-term strategic plans to ensure that we are fully up-to-speed and able to take into consideration any new policies, initiatives, or objectives in our recommendations. We will work closely with the City, both upon engagement and on an ongoing basis, to identify refunding opportunities and evaluate bonding capacity for "new money" needs, in the context of both internal and external considerations, to efficiently execute upcoming financings. From a credit perspective, we will work closely with the City to develop a proactive credit strategy that will allow it to execute its capital plans, while affirming current ratings or achieving future upgrades when warranted. We will act as a partner and resource to the City and its consultants in the development and implementation of its long-term strategic and capital plans. PRAG works frequently with bond counsel Greenberg Traurig across the State and recently worked with consulting engineer Hazen and Sawyer on a "new money" water/sewer financing in late 2024.

PRAG's technical and analytical abilities are fundamental to the quality of our advice. We distinguish ourselves by offering our clients sophisticated computer support and modeling for complex financial analysis to assist in evaluating, developing, and implementing financing structures, products, and hedging techniques. **All of our computer support, modeling, and analytical services are offered in-house by PRAG advisors, including Mr. Johnston who will act as the City's primary contact for this engagement.** We develop custom models using a combination of spreadsheet-driven templates, higher level computer languages (e.g., Visual Basic for Applications, or VBA), linear

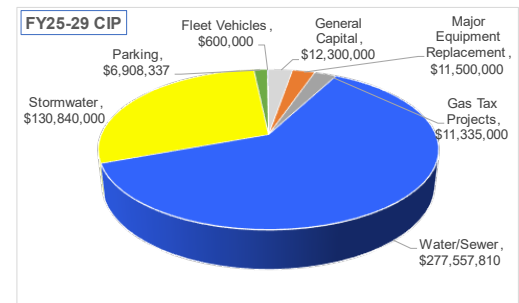
and non-linear optimization software modules, and “off-the-shelf” software (e.g., the industry-standard DBC Finance) to provide our clients with the analysis necessary to make informed decisions.

The following is a summary of the expected tasks and responsibilities, timeframes, and PRAG staff assigned to each facet of the engagement.

Task/Responsibility	PRAG Staff Assigned	Estimated Timeframe
<b>Strategic Planning</b>		
Initial review of City outstanding debt, credit ratings, and CIP	M. Johnston; N. Sidor; M. Sansbury N. Radaei	Complete and provided below
Request additional information re: outstanding debt, financial policies, operating and capital budgets	M. Johnston	Upon engagement
Kickoff meeting with staff at City Hall	M. Johnston; N. Sidor	Within 2 weeks upon engagement
Assist the City in modifying or updating financial policies ( <i>see H.2</i> ); provide samples; review City Charter	M. Johnston; N. Sidor	4 weeks, additional time as needed for City Commission to adopt updated policies if applicable
Develop a cash flow model that incorporates alternative financing sources of CIP as needed	M. Johnston	2-4 weeks and ongoing
Evaluate credit ratings in concert with future borrowing needs	M. Johnston; N. Radaei	1 week and ongoing
<b>Debt implementation (<i>see H.2</i>)</b>	M. Johnston; N. Sidor; N. Radaei	Bank Loan: 45-60 days; Bond Issue: Non-Ad Valorem: 90-120 days; Water/Sewer: 90-150 days depending on status of rate study; Stormwater: TBD based on assessment roll timing; GO: TBD based on referendum and bond validation timing
<b>Ongoing management (<i>see H.2</i>)</b>	M. Johnston	Ongoing debt and credit monitoring; meeting attendance and special project completion at City's request

### Initial Review of the City's Capital Plans, Outstanding Debt, and Credit Ratings

We have undertaken an initial detailed review of the City's operating budget, outstanding debt, credit factors, and capital plans. **We have expanded our understanding of the City's current position both to inform our responses to the RFQ and to communicate to the City the level of commitment that we will bring to this engagement.** Although these detailed discussions may extend beyond the requirements of the RFQ, we have used this process to establish a knowledge base of the City and a foundation for our approach to providing the requested advisory services.



### *Capital Improvement Plan*

The City Commission passed Resolution 2024-318 on September 18, 2024, which approved the Citywide \$451.0 million five-year CIP for the fiscal years 2025 through 2029 and appropriated the FY2025 portion of the CIP totaling approximately \$101.9 million. The City's five-year CIP is heavily weighted toward water/sewer (61.5%) and stormwater



(29.0%) projects, which together make up more than 90% of the current plan. The CIP includes continued investment in other critical capital projects, including street resurfacing and roadway repairs, fire engine replacements, sports field lighting replacements, and facility improvements.

FY2025 - 2029 Capital Improvement Plan							
Project Type	FY25	FY26	FY27	FY28	FY29	Total	% of Total
General Capital	\$ 2,960,000	\$ 2,335,000	\$ 2,335,000	\$ 2,335,000	\$ 2,335,000	\$ 12,300,000	2.7%
Major Equipment Replacement	2,700,000	2,200,000	2,200,000	2,200,000	2,200,000	11,500,000	2.5%
Gas Tax Projects	1,535,000	2,450,000	2,450,000	2,450,000	2,450,000	11,335,000	2.5%
Water/Sewer	80,687,810	60,130,000	76,380,000	30,780,000	29,580,000	277,557,810	61.5%
Stormwater	10,550,000	23,290,000	32,500,000	32,000,000	32,500,000	130,840,000	29.0%
Parking	3,004,337	3,904,000	-	-	-	6,908,337	1.5%
Fleet Vehicles	500,000	100,000	-	-	-	600,000	0.1%
	<u>\$ 101,937,147</u>	<u>\$ 94,409,000</u>	<u>\$ 115,865,000</u>	<u>\$ 69,765,000</u>	<u>\$ 69,065,000</u>	<u>\$ 451,041,147</u>	<u>100.0%</u>

### Existing Debt and Credit Ratings

#### GENERAL OBLIGATION

**Overview.** On March 12, 2019, the City's residents voted to fund \$78 million in Public Safety Facilities, Technology and Equipment projects (54.2%), \$64 million in Parks, Open Space, Recreational and Cultural Facilities (58.6%), and \$23 million in Neighborhood Improvements, Infrastructure and Resiliency projects (59.9%) with bonds backed by ad valorem tax revenues that mature no later than 25 years from their issuance date. Following bond sales in 2019 and 2022, the City does not have any general obligation ("GO") bond authorization remaining.

**Outstanding Debt.** The City currently has three series of GO debt outstanding in the amount of approximately \$156.7 million. The Series 2019 and Series 2022 GO Bonds were issued as part of the aforementioned 2019 voter referendum, while the Series 2015 GO Note with Raymond James Capital Funding was issued to refund prior GO debt of the City.

General Obligation Debt (dollars in \$000s)								
Series	Purpose	Security	Original Par	Outstanding Par	Final Maturity	Outstanding Coupons	Call Date	Bond Ratings
2022	2019 Referendum Projects	Ad Valorem	\$ 89,660	\$ 84,655	7/1/2047	5.00%	7/1/2032	Aa3/--/AA-
2019	2019 Referendum Projects	Ad Valorem	\$ 60,045	\$ 52,315	7/1/2044	4.000% - 5.000%	7/1/2029	Aa3/--/AA-
2015	Refund Series 2005A	Ad Valorem	\$ 43,922	\$ 19,787	6/1/2030	2.92%	6/1/2025	Unrated (Loan)
				<u>\$ 156,757</u>				

**Credit Ratings.** The City's GO and issuer default credit ratings are "Aa3" and "AA-" by Moody's and Fitch, respectively. Moody's affirmed the City's "Aa3" credit rating in November 2022, while Fitch affirmed the City's "AA-" long-term issuer default rating in August 2024. The City's GO credit is not currently rated by S&P.

**Future Financing Plans/Recommendations.** Although the City does not anticipate any new near-term GO debt, nor does it have any current GO refunding opportunities (a Series 2015 refunding does not currently generate savings), **the City may consider obtaining either a public issuer credit rating or a confidential indicative rating from S&P given the double-digit or near-double-digit growth in property values in each of the past three years and other strong credit metrics.** Each rating agency scores local government issuers differently; Moody's and S&P are typically known as being the most transparent in that for years they have included their indicative scoring system with their methodology criteria publications. As the City already has ratings with Moody's and Fitch, as your financial advisor, PRAG would develop the S&P scorecard in an Excel model tailored to the City's existing economic statistics, fund balance levels, outstanding debt position, and other metrics accounted for in S&P's criteria for rating U.S. governments which was updated September 9, 2024. While we do not anticipate the City would be rated "AAA" by S&P, PRAG's research indicates that S&P rates more Florida cities "AAA" than each of the other major rating agencies. If our analysis indicates the City could achieve a "AA" rating from S&P, this may be an opportunity for the City when financing or refinancing in the future.

## NON-AD VALOREM REVENUES

**Overview.** The City has not taken on any significant debt to fund its general government CIP since its 2020 and 2016 issues. In 2022, the City financed an unpaid balance in connection with a settlement agreement between the City and the Board of Directors of the City's Employees' Retirement Fund and the purchase of municipal vehicles in separate notes, both secured by the City's electric franchise fee revenues. In 2020, the City leveraged business tax receipts and in 2016 the City leveraged its half-cent sales tax and communications services tax revenues to pay for improvements and to refinance prior debt. The City's general government capital needs appear small compared to the large public utilities' needs.

**Outstanding Debt.** In 2022, the City borrowed \$8.4 million and \$1.5 million with Webster Bank as the lender. In 2020, the City funded various capital improvements with a bank loan and in 2016 the City funded various improvements and refunded its outstanding First Florida Governmental Financing Commission loans and BB&T promissory notes when it issued its \$36,890,000 Capital Improvement Revenue and Refunding Bonds, Series 2016A. It is worth noting that the City is also the ultimate obligor of the \$35,625,000 Revenue Refunding Bonds (Public Parking Facilities Project) issued and paid by the Hollywood Beach Community Development District I.

Non-Ad Valorem Revenue Debt (dollars in \$000s)								
Series	Purpose	Security	Original Par	Outstanding Par	Final Maturity	Outstanding Coupons	Call Date	Bond Ratings
2022A	Pension Settlement	Electric Franchise Fee	\$ 8,400	\$ 2,150	5/1/2025	2.03%	5/1/2024	Unrated (Loan)
2022B	Purchase Municipal Vehicles	Electric Franchise Fee	\$ 1,500	\$ 845	5/1/2027	1.90%	5/1/2024	Unrated (Loan)
2020AB	Various Capital Improvements	Business Tax Receipts	\$ 11,700	\$ 6,556	5/1/2030	2.340% (2020A) 2.270% (2020B)	Need Info.	Unrated (Loan)
2016A	Refund 2006, 2007, 2009B loans/notes; various improvements and acquisitions	Half-Cent Sales Tax, Communications Tax Revenues	\$ 36,890	\$ 26,180	7/1/2031	3.000% - 5.000%	7/1/2026	Aa3/--/--
				\$ 35,731				

**Credit Ratings.** The City's 2016A Bonds were rated "A1" by Moody's at the time of issuance; however, in January 2023, Moody's upgraded its bond rating one notch to "Aa3". The Hollywood Beach Community Development District I bonds guaranteed by the City are also rated "Aa3".

**Future Financing Plans/Recommendations.** With a diverse basket of non-ad valorem revenues, the City may consider financing future general government projects (or refinancing the Series 2016A Bonds – see our response to Question H.4.) with a CB&A pledge rather than a direct non-ad valorem revenue pledged such as a half-cent sales tax or communications tax. Investors, banks, and rating agencies are familiar with this common Florida credit. In fact, in recent years, all three of the major rating agencies no longer notch the CB&A credit down one from a Florida city's GO credit, but instead view the CB&A and GO on par with each other. While the City's current GO credit rating matches the ratings of the City's 2016A Bonds (secured by half-cent sales taxes and communications taxes), the City may benefit from utilizing the CB&A credit in the future. As discussed in the GO discussion earlier, as your financial advisor, PRAG would review possible credit ratings by the rating agencies to determine if the City's CB&A pledge would offer an opportunity to lower future borrowing costs. As part of the analysis, PRAG would review the City's revenue coverage under common anti-dilution tests that accompany the credit such as 1.50x-2.00x coverage of net non-ad valorem revenues over maximum annual debt service. PRAG would then design a rating strategy to make the case for the potentially stronger credit.

## WATER AND SEWER UTILITY SYSTEM

**Overview.** PRAG's initial review of the City's water/sewer system debt shows that the City has had success financing a large portion of its water/sewer capital needs in the recent past with SRF loans.

**Outstanding Debt.** With the Series 2014 Bonds retired in 2023, the City's one water/sewer bond outstanding is its Series 2020 Bonds, which refunded the City's Series 2010 Bonds. Recent projects have been financed on a pay-go basis or by leveraging the SRF program; notably, the City has approximately \$105 million in outstanding SRF loans,

locked in at sub-1.00% rates (i.e. 0.00% - 0.13% according to the City's FY2023 ACFR). The City's SRF loan balance has increased by over \$44 million overall in the past five years.

Water/Sewer Revenue Debt (dollars in \$000s)								
Series	Purpose	Security	Original Par	Outstanding Par	Final Maturity	Outstanding Coupons	Call Date	Bond Ratings
2020	Refund Series 2010	Water/Sewer	\$ 30,425	\$ 29,130	10/1/2039	3.000% - 5.000%	10/1/2030	Aa2/--/AA
SRF Various	Water/Sewer projects	Water/Sewer	\$ 115,007	\$ 105,951	2/15/2043	0.000% - 0.130%	Need Info.	Unrated (SRF)
				\$ 135,081				

**Credit Ratings.** The City's water/sewer bond ratings (Moody's "Aa3" and Fitch "AA") are in fact one-notch *stronger* than the City's GO and non-ad valorem backed bond ratings.

**Future Financing Plans/Recommendations.** The City has over \$277 million in water/sewer projects listed in its five-year CIP. **Given the level of improvements required, and the likelihood that at least a portion of the funding will come from debt sources, we would recommend starting the planning efforts associated with the borrowing process as soon as possible if the City has not done so already.** Whether it is SRF or publicly offered bonds that will finance a portion of the CIP, each has certain constraints that will need to be built into the financing timeline. As your financial advisor, PRAG would work with the City to weigh the pros and cons of financing with the SRF versus public offered bonds, amongst other options. Given the impact of supply chain and inflationary pressures, project costs have increased in recent years. Interest rates have also risen since the record lows experienced four years ago. Below is a general side-by-side comparison between the SRF program and issuing bonds to finance critical water/sewer infrastructure. Additional details on these financing options, in addition to bank loans and WIFIA loans, are provided above in our response to Question F.3.

Comparison - SRF vs. Publicly Offered Bonds		
Method	SRF Loans	Publicly Offered Bonds
Availability of Funds	Subject to segment cap	No cap
Lien Position	Subordinate	Senior
Interest Rates	Below Market	Market
Credit Ratings	None	Yes
Term	Up to 20 years	Up to 30 years (or longer)
Structuring Ability	Limited; level debt	Flexible
Draws	As Needed	Funded at Closing
Federal/State Requirements	Yes; could increase cost	None
Prepayment	Typically anytime	Typically after 10 years
Issuance Costs	Lower	Higher
Planning Process	12+ months	~3-5+ months

Along with weighing financing options, **PRAG would also conduct a detailed review of the City's existing water/sewer bond resolution in an effort to identify areas that can be modernized or strengthened.** PRAG conducted a similar review recently for the City of West Melbourne as discussed in the case study found below.

### CASE STUDY: CITY OF WEST MELBOURNE, FLORIDA



In 2023, PRAG was engaged by the City of West Melbourne to provide capital planning advisory services and debt implementation services. The City's existing water purchase agreement with the City of Melbourne is set to expire on December 31, 2026. Given the City's growth, a strategy was developed to achieve an independent water supply source centered around the construction of a new water treatment plant ("WTP") to accommodate both existing residents and future development. In the initial planning stage, PRAG advised the City of its potential financing sources including the Florida Rural Water Association ("FRWA") Loan Program, the Florida Department of Environmental Protection SRF Loan Program, a bank loan, publicly offered bonds, or a combination of SRF and bonds. PRAG performed its due diligence on the FRWA program which revealed the program only offers interim/construction financing for water infrastructure projects while the other programs offer long-term/permanent financing alternatives. PRAG's initial recommendation based on a review of the City's objectives

to finance over a long period of time (greater than 20 years) pointed toward SRF loans and publicly offered bonds through the FMLC which provided the City certain procurement efficiencies. PRAG memorialized its recommendations in a memo to the City staff, presenting the pros and cons of SRF loans and bonds. Using the estimates provided by the City's outside engineers, PRAG also provided estimated annual debt service based on each borrowing type, taking into account cost contingencies related to SRF requirements, and market conditions at the time of our analysis. **Ultimately, the City decided to borrow through the FMLC bond program rather than further pursuing an SRF financing. PRAG worked closely with the FMLC, the City and the working group for over a year to manage the entire transaction process and complete all necessary approvals, documentation, ratings, and the structuring, sale and closing of the bonds.**

PRAG evaluated various structuring alternatives for the bonds, including 20-, 25- and 30-year terms, taking into consideration the resulting debt service levels, while working closely with the City's rate consultant to achieve a structure with little to no impact on near-term rates. **In addition, PRAG performed a thorough review of the City's existing debt documents and provided recommendations to remove outdated language and requirements and update with modern requirements.**

PRAG developed and executed a customized rating agency strategy for obtaining the City's first utility public credit rating. Based on our evaluation of rating agency criteria, the specifics of this bond issue and the City's future CIP, PRAG recommended that the City obtain one rating from S&P. This strategy allowed the City to minimize initial ratings fees and future administrative time of ratings surveillance. PRAG worked with the City to provide detailed data and written responses to specific questions from S&P ahead of the conference call, which included the City Manager, Assistant City Manager and Finance Director. In addition, PRAG created a detailed rating agency presentation and prepared the City staff for the discussion with S&P. The City received a "AA-" rating as expected.

PRAG worked hand-in-hand with the underwriting team to develop a pricing strategy and timeline to maximize investor interest and meet the City's internal contract deadlines. The Series 2024D Bonds were priced on October 16, 2024, representing a week of heavy municipal supply and volatility given the upcoming presidential election. PRAG followed the pricing process alongside City staff during the order period, explaining the order flow and discussing the underwriter's proposal and the City's options following the order period. At the end of the order period, all serial bonds were undersubscribed, and the 2049 and 2054 term bonds were oversubscribed. Subsequently, the senior manager returned to the FMLC/City with a series of proposed structuring and yield adjustments that they would commit to. PRAG and the FMLC/City then requested additional yield reductions, and an agreement was made between the parties. Ultimately, the City achieved an all-in TIC of 4.11% on 30-year debt with an 19.4 year average life.

## STORMWATER UTILITY SYSTEM

**Overview.** The City, like the rest of Broward County, has experienced unprecedented flooding events like in April 2023 when one-third of the area's *annual* rainfall fell in one day. While that event was an anomaly, the City has been focused on addressing its general stormwater needs to minimize flooding during the typical South Florida rainy season. In 2023, the City's engineers completed an intensive two-year study that assisted the City in identifying \$980 million to \$1.9 billion in related infrastructure improvements over a 20-year period. During the FY25-29 period, the City's CIP lists \$130.84 million of stormwater improvement projects including the \$47 million Atlantic Shores Boulevard Drainage Improvement project, \$19 million in citywide stormwater improvements, \$21 million in stormwater management programs (SWMP) projects, and \$16 million in stormwater pump station upgrades.

**Outstanding Debt.** The City does not currently have any Stormwater Utility System debt.

**Credit Ratings.** N/A.

**Future Financing Plans/Recommendations.** PRAG would work with the City to identify funding sources to support the City's growing stormwater capital plan including grants, pay-go utilizing current user charges in place, and debt sources. We note that the stormwater utility enterprise fund has built a sizeable net position, finishing FY23 at \$21.7 million. The stormwater fund has operated in a structural position, increasing its net position by \$3.7 million during



FY23. While this is significant, especially given the City's utilization of net position to fund projects on a pay-go basis (e.g., \$9.52 million budgeted in FY24 and \$5.59 budgeted in FY25), given the size of the anticipated CIP, other financing sources will be required. If debt financing is desired to support the stormwater system's CIP, as your financial advisor, PRAG would first learn more about the City's stormwater utility system; our current understanding is the stormwater utility is a separate system and not a part of the water/sewer system bond resolution. Next, PRAG would explore with the City whether establishing bond covenants that leverage stormwater utility revenues, including certain user charges, would be appropriate or if utilizing a different credit would be more advantageous to the City. **In 2024, PRAG assisted the neighboring city of Dania Beach to finance a portion of its growing stormwater capital plan with bonds** backed by its CB&A, which included stormwater utility assessments, which were increased across 48,000+-equivalent dwelling units, to service the debt. The case study below describes our approach with respect to Dania Beach and its \$30 million in stormwater bonds.

### CASE STUDY: CITY OF DANIA BEACH, FLORIDA



**PRAG recently advised the City of Dania Beach in its successful October 2024 borrowing of \$30,000,000 for stormwater improvements.** The FMLC issued the revenue bonds and lent the proceeds to the City as part of a loan agreement. Addressing flood challenges is a top priority for the City and the City's Stormwater Master Plan offers long-term solutions posed by hurricanes, rising sea levels, and urban growth. Similar to the City of Hollywood, Dania Beach, also located in Broward County, has a fairly robust stormwater CIP, expected to fund \$41.6 million between FY24 and FY25. PRAG played a critical role in structuring the debt and presenting the credit to the rating agency.

Working with the FMLC's bond counsel, and upon a review of the City's stormwater rate ordinance, stormwater assessments were authorized but it was not clear that a specifically designated "debt service" stormwater assessment was established to solely secure debt. PRAG recommended the City secure the debt with its CB&A credit and structure the anti-dilution test to allow stormwater fund revenues derived from the assessments to be included as net non-ad valorem revenues available to pay debt service. Not only did this structure avoid the legal ambiguity surrounding the debt service component of the assessments, but it also provided the City with the lowest possible borrowing cost as the City's credit rating was anticipated to be stronger than a standalone stormwater assessment credit rating.

PRAG analyzed the City's financials and existing credit metrics and presented the same to staff. The City agreed to move forward with S&P for the credit rating upon PRAG's recommendation. PRAG then drafted a rating presentation for the S&P analysts tailored to the City's key credit strengths, highlighting the City's strategic location, rising property values, future economic development plans, robust financial management policies and practices, and resiliency measures. PRAG added value during the process by coordinating with the City Manager's office, Finance Department, Community Development Department, and Public Services Department and offering coaching sessions, assigning speaking roles for the presentation, and developing key talking points for each presentation slide. As part of the process, PRAG identified a likely question from the rating agencies regarding tax concentration. While the City's top taxpayer (FP&L) maintains a high concentration of the City's total tax base, PRAG researched the top taxpayer and determined that they recently made an estimated \$888 million reinvestment in its clean energy facility, demonstrating the company's long-term commitment to the growing Dania Beach community. PRAG's research turned what may have been viewed as a credit negative into a credit positive and the rating agency agreed. The Series 2024C Bonds were ultimately assigned a "AA+" rating by S&P, just one notch below the agency's highest "AAA" rating, and consistent with PRAG's initial credit rating analysis.

The FMLC Refunding and Improvement Revenue Bonds, Series 2024C (Dania Beach Series) funded over \$30 million in stormwater improvements and the payoff of the City's interim stormwater financing line of credit at a TIC of 3.90% over 30 years.



## H. Project Understanding, Proposed Approach, and Methodology:

2. Outline your firm's approach and the steps that it would take in developing a financing plan and debt management policy and the duties of the financial advisor at each step:

### DEBT POLICIES

In connection with developing a financial plan for the City, as your financial advisor PRAG would perform the following actions to assist in strengthening existing or developing new financial policies including a debt management policy, fund balance policy, and/or an investment policy.

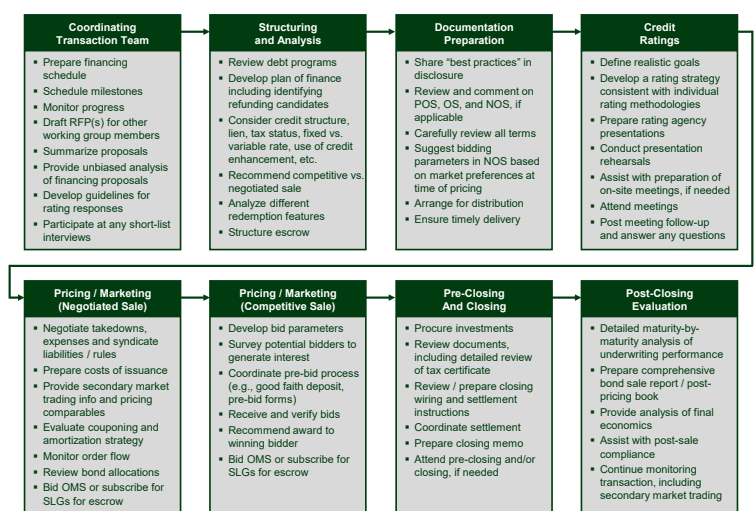
- Review the City's existing policies;
- Provide information to the City regarding similar policies for comparable entities;
- Review Florida statutes and GFOA/NACSLB policy guidelines and best practices;
- Confirm compliance with Florida statutes and GFOA/NACSLB guidelines and best practices and / or provide suggested revisions to bring the policy into compliance;
- Confirm the policy complies with and/or is complementary to the City's Charter and other policies;
- Identify and incorporate provisions regarding the City staff member(s) responsible for policy compliance;
- Provide additional suggested revisions as needed to update or modernize the policy;
- Provide initial draft of updated policy and discuss updates with City staff;
- Provide final draft of updated policy to City staff;
- Attend City Commission workshops or meetings as appropriate should policy updates/creation require formal governing body approval.

### IMPLEMENTATION

The graphic to the right presents PRAG's approach to developing and implementing a financing plan. Each of these processes generally occurs in the structuring and execution of any bond issue; however, the City's debt issues will have their own unique circumstances and goals that will drive the process on a case-by-case basis. Further below we describe our ongoing client management including approach to assisting the City with financial policies including debt management policies.

#### COORDINATING TRANSACTION TEAM

PRAG ensures the transaction team is available, informed, and moving towards a common goal. We prepare and distribute a financing term sheet, distribution list, and timetable incorporating sufficient lead time for completion of rate studies and revenue sufficiency analyses (as needed), bond document preparation and review, rating agency process, and marketing, in addition to any educational sessions or workshops for staff and/or City Commission. By building in additional time within reason, we are able to execute an organized and streamlined financing process. We will incorporate necessary City Commission approval dates along with the lead time required for agenda purposes. We will also target the optimal time to enter the market based on market tone, competing issues, and economic announcements.



loan provider) for each financing on a transaction-by-transaction basis or we can RFP for a negotiated underwriting team from which the City can choose underwriters on an as-needed basis. As financial advisor, PRAG will act as the City's fiduciary, and we have no arrangements, affiliates, or conflicts that will keep us from negotiating on the City's behalf.

### **STRUCTURING AND ANALYSIS**

PRAG will work closely with the City to perform a comprehensive review of various financing options, including interim financing, publicly offered debt, privately placed bank loans, and other capital sources, to assist the City in developing the best possible plan of finance for a given project(s). We will evaluate the various requirements associated with the different financing options. PRAG's analysis will focus not only on the timing and economics (i.e., lowest borrowing costs, mitigating impact to taxpayers/ratepayers) associated with each financing option but also the benefits and considerations of each alternative in the context of the City's overarching objectives.

PRAG views structuring and analysis as an ongoing element of the financing process. For each financing, PRAG will work closely with the City to develop alternative financing structures by varying assumptions (i.e., market conditions, timing, rate increases, credit rating, reserve levels, redemption features, tax status) and including analyses of potential outcomes, risks, and benefits to facilitate informed decision-making. PRAG works with our clients to address all aspects of any financing, taking into account their existing debt profile, bonding capacity, immediate needs of the financing, and future capital plans to determine the ongoing implications of the chosen financing strategy. The expertise and analytical perspective we bring to our clients enables us to advise them as they determine the most efficient source of funding for projects, consider opportunities to refund existing debt, and explore bank lending terms.

### **DOCUMENTATION PREPARATION**

PRAG carefully reviews all bond documents including resolutions, ordinances, indentures, offering documents, feasibility reports, bond purchase agreements, and closing documents. We ensure the initial drafts of documents are available with sufficient time for review. We make sure the documentation is consistent among the various agreements, reports, and disclosure documents. We also facilitate the review process. Finally, we ensure that the key pieces of the disclosure documents, such as resiliency efforts, cybersecurity, and impacts of COVID, if still applicable, are consistent throughout all disclosures.

### **CREDIT RATINGS**

PRAG's credit expertise and experience will benefit the City through our proactive strategies designed to manage client credit ratings. PRAG will assist the City in the development and execution of its credit strategies and rating agency communications both during a bond issue and during rating surveillance. We will provide analyses, draft presentations, assist in written responses to rating analyst questions, and participate in conference calls/meetings with the rating agencies. In addition, PRAG will assist with post-event rating management and communications, something that we have done recently for various clients following Hurricane Ian's landfall in September 2022 and Hurricanes Helene's and Milton's landfalls in 2024.

As financial advisor, PRAG stays abreast of changes in rating agency methodologies in order to further customize our rating agency strategies and supporting analysis for each financing and for each rating agency. We work with issuers to evaluate the impacts of these published metrics to make the case for obtaining ratings from certain agencies over others or justifying rating upgrades, both by focusing on the hard metrics and scores, as well as the "below the line" adjustments that can affect a rating.

As the City's financial advisor, PRAG will continue to educate ourselves on the City's credit strengths, challenges, and mitigating factors to create the foundation for our discussions with rating agencies during a bond issue, rating surveillance, and post credit events. We would provide supplementary analysis and back-up documentation to provide mitigating factors to any credit challenges and justify a particular rating level.

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## ONGOING FINANCIAL MANAGEMENT

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PRAG typically considers its role as an advisor to be an ongoing responsibility to our clients, rather than simply a task-driven role. In addition to advising on bond issuances, we evaluate each client's ongoing financial and capital needs and aid in capital planning, debt monitoring, debt affordability, **financial policy review and development, including debt management policies**, financial training sessions (i.e., "Bonds 101"), legislation analysis, economic redevelopment, and public-private partnerships. Some of these services are more likely to be relevant to the City than others; for each client, we customize the services we offer to ensure that we meet each client's needs. In Florida, PRAG has provided the following non-debt financial services, among others:

- Long-Term Capital Planning and Management/Financial Modeling/Budgeting
  - Stormwater Utility Long-term Planning (*Tampa*)
  - Water and Sewer Utility Long-term Planning (*Miami-Dade County, Manatee County, Hillsborough County*)
  - Commercial Paper Program (*Miami-Dade County, Hillsborough County*)
- Evaluation and Analysis of Innovative Financing Options
  - WIFIA Loan Evaluation/Advisory (*Peace River, Miami-Dade County*)
  - SRF Loan Portfolio Refunding (*Fort Myers*)
  - Tax Increment Extension Analysis (*Hillsborough County, Tampa*)
- Policy Review and Development
  - Debt Policy (*Jacksonville Transportation Authority, Pinellas County, Estero*)
  - Fund Balance Policy (*Fort Myers, Palm Bay, Estero*)
  - Investment Policy (*Manatee County, Fort Myers, Peace River, Estero*)
- RFP Development and Evaluation
  - Investment Advisor, Underwriters, Counsels (*Largo, Clearwater, Fort Myers, Pinellas Park, FMLC*)
  - Line of Credit (*Manatee County, Hillsborough County, Peace River*)
  - Bank Loan (*Sumter County, Tampa, Northern Palm Beach County Improvement District*)
- Education and Training
  - Public-Private Partnership Education Session (*Fort Myers*)
  - Bonds 101 (*Largo, Tampa, Palm Bay, Fort Myers*)

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**H. Project Understanding, Proposed Approach, and Methodology:**

3. *For each debt issue, the firm shall facilitate the sale and marketing of the City's debt. Outline the activities the firm would undertake to perform this function. Describe the firm's experience with these activities.*
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**PRICING/MARKETING**

As a full-service municipal advisory firm, PRAG provides a comprehensive range of services and advises clients on the sale and marketing of debt. PRAG always strives to provide meaningful suggestions and valuable ideas to our clients that are appropriate for the given issuer and situation. We do not subscribe to the "one size fits all" approach, nor do we recommend the latest and greatest idea to every client because we know that issuers have different needs, objectives, and risk tolerances. However, this does not mean we are not innovative in our thinking. On the contrary, our analysis is thorough, insightful, and converted into informative and comprehensible e-mails, memos, discussions and/or presentations to enable our clients to make strategic and data-informed decisions regarding new products or structuring alternatives, if, and only if, appropriate. **PRAG has extensive experience in structuring and marketing bond issues and presenting credits to credit rating agencies.**

As a transaction's pricing date approaches, PRAG will develop a preliminary scale of coupons, yields, call provisions, and takedowns, which are representative of the market for the City's bonds. In developing such a scale, our process involves analyzing the City's historical issues and reviewing their absolute and relative values in comparison to the appropriate market indices, typically, Municipal Market Data Municipal ("MMD") yield curves, and checking comparable issues in the current market and their absolute and relative trading values, as well as takedowns. The preliminary scale is used to run preliminary financing schedules ahead of the pricing, which aids in setting expectations for preliminary budget purposes and/or debt service coverage levels.

PRAG focuses on achieving the best pricing by being aware of investor preferences and by structuring an individual financing to appeal to a wide investor base. An efficiently priced bond transaction can save an issuer thousands, if not millions, of dollars, thus, we place a great deal of emphasis on securing optimal pricing results for our clients.

As described earlier in the Technical Ability discussion (**see our response to Question F.4.**), PRAG quarterbackes the sale and marketing of debt process on behalf of its clients and the activities vary depending on the method of sale. Under both methods, PRAG prepares a detailed timetable to ensure the tasks and responsibilities of the bond professionals are assigned and the bonds are sold and closed in the timeframe required by the City. Prior to marketing and pricing a negotiated transaction, PRAG will work with the financing team to develop the optimal bond structure, evaluate security features, obtain ratings, analyze credit enhancement, and review bond and disclosure documents in the context of the City's existing debt structure, financial resources, and future capital needs. We will also make ourselves available to prepare and deliver presentations to City staff and the City Commission. In addition, PRAG will assist the City in the solicitation of and negotiations with other vendors, such as investment bankers, paying agents/registrars, trustees, verification agents, printers, etc. PRAG will also work with the City and the underwriting syndicate to determine the value of holding a retail order period.

**PRAG's thorough process positions our clients to achieve a low cost of borrowing when pricing bonds. This process begins well before the actual sale date and involves working with the client to develop parameters that set the framework for pricing.** For instance, in the instance of a negotiated bond sale, PRAG develops a matrix of call option values, which shows the theoretical trade-off among various call provisions of bonds. We use a similar analytical tool to analyze the trade-off between different levels of discounts and yields and the impact of the shorter duration associated with premium bonds. A sample screenshot of this option-adjusted spread model follows below.

<b>Florida Municipal Loan Council</b> <b>Revenue Bonds, Series 2024D</b> <b>(City of West Melbourne Water and Sewer Series)</b>												
<b>Call Option Analysis</b>												
Delivery Date: 10/30/2024			Call Date: 10/1/2034									
			Oct MMD		Stated				Approx.	Option	Savings	
Maturity	Call Date	Coupon	10/11/2024	Spread	Yield (to Call)	Bond Price	Bond YTM	Yield Kick	Option Value	Adjusted Yield	vs. 5% Coupon	
10/1/2044	10/1/2034	5.250%	3.390%	0.330%	3.720%	112.591%	4.302%	0.582%	2.807%	1.495%	0.031%	
10/1/2044	10/1/2034	5.000%	3.390%	0.380%	3.770%	110.097%	4.244%	0.474%	2.718%	1.525%		
10/1/2044	10/1/2034	4.000%	3.390%	0.650%	4.040%	99.453%	4.040%	0.000%	2.346%	1.694%	-0.169%	
10/1/2049	10/1/2034	5.250%	3.620%	0.330%	3.950%	110.580%	4.537%	0.587%	3.390%	1.146%	0.026%	
10/1/2049	10/1/2034	5.000%	3.620%	0.380%	4.000%	108.118%	4.457%	0.457%	3.285%	1.172%		
10/1/2049	10/1/2034	4.000%	3.620%	0.650%	4.270%	95.880%	4.270%	0.000%	2.897%	1.373%	-0.201%	
10/1/2054	10/1/2034	5.250%	3.690%	0.330%	4.020%	109.976%	4.630%	0.610%	3.742%	0.888%	0.021%	
10/1/2054	10/1/2034	5.000%	3.690%	0.380%	4.070%	107.524%	4.538%	0.468%	3.628%	0.910%		
10/1/2054	10/1/2034	4.000%	3.690%	0.650%	4.340%	94.331%	4.340%	0.000%	3.239%	1.101%	-0.191%	

**Pre-Pricing.** As described earlier, PRAG follows a rigorous process to ensure that the pricing is executed efficiently and smoothly. To do so, we will gather market analysis of rates, spreads, and underwriter's discounts, the historical pricings and secondary trade activity of the City's existing bonds, and the forward economic calendar to understand if Fed, CPI, jobs, or other economic announcements are expected to impact pricing.

We keep our clients informed of financial, economic, and governmental trends, including tax law changes that could impact them. To do so, we subscribe to a variety of publications and information services which provide us with some of the raw information and data needed to perform various analyses and to foresee financial, legal, and market trends.

For competitive sales, PRAG works with our clients to determine the fundamental characteristics of the bond issue, obtain ratings, review bond and disclosure documents, and prepare and distribute the notice of sale ("NOS") and preliminary official statement ("POS"). We gather pre-pricing information as if we were preparing for a negotiated sale. Our focus is on establishing bid parameters that will give the bidders flexibility in structuring their bids and at the same time fulfill the County's goals within any legal and financial constraints. The ultimate goal is to provide the issuer the greatest likelihood of achieving the lowest cost of borrowing, while simultaneously maintaining as much flexibility as possible. Our advisors have relationships with the major investment banks who typically participate in competitive sales. We have found that with enough advance notice and consultation, underwriters are willing to accommodate the needs of our competitive issuers.

For negotiated sales, in the afternoon of pre-pricing day, PRAG will present the City with a pre-pricing market information book containing market information and comparable bond transactions. Subsequently, the underwriter will present their pricing view along with those of the underwriting syndicate, if applicable, allowing the City to see a range of indicative yields from various sources. PRAG, the City, and the underwriting syndicate will begin discussions regarding current market conditions, comparable transactions in the market, and potential pricing alternatives.

**Pricing Scale.** In a negotiated transaction, PRAG will review each manager's price views and the senior manager's initial scale. Based on the pre-pricing information, discussions with underwriters, and our assessment of the market, we will provide the City with our own pricing scale. We will utilize our call option model to confirm that the yields we are proposing are not greater on an option adjusted basis than the option adjusted yields on any proposed premium coupon bonds. Once the issue is in the market, we will work vigorously to negotiate fair market prices for the City's bonds based on current market conditions. We believe in being "firm but fair" in negotiations. **Underwriting firms know we are knowledgeable about pricing terms and that we aggressively advocate for the lowest possible rates on behalf of our clients.** In instances in which the underwriter presents levels that we believe are reasonable based on market conditions, we will recommend that the City accept those levels.



***Underwriter Spread Negotiations.*** PRAG will assist the City in negotiating the components of the underwriter spread (management fee, takedowns, and expenses), eliminating an at-times contentious discussion. We will use our knowledge of comparable Florida transactions to determine the appropriate level of underwriter's spread, making sure that the fees charged are neither too high nor too low so that that transaction prices successfully.

***Pricing Day.*** In a competitive bond sale, following the electronic distribution of the NOS and POS, PRAG personnel will contact various underwriting desks to make sure they have received the documentation for the upcoming issue, answer questions, and ask whether or not the underwriter intends to bid and with which syndicate, if any. If necessary, we will schedule meetings with underwriters and sales/traders of firms managing a syndicate. We have found that this marketing activity can result in one or two additional bids, ultimately positioning our clients to achieve more favorable pricing results in many instances. After an order period closes, PRAG reviews and verifies all bids submitted for compliance with bidding restrictions. PRAG has developed its own model to calculate TIC, which we use to confirm information provided by the bidding platform before our clients award the winning bid. A sample of this model is included in our Technical Ability discussion (**see our response to Question F.4.**). PRAG coordinates with the issuer and the lowest TIC conforming bidder to ensure the good faith deposit stipulated in the NOS is received and PRAG resizes the bonds as necessary in accordance with the parameters set forth in the NOS.

In a negotiated bond sale, during pricing, PRAG will take an integrated, data-driven approach to evaluate the pricing on the bonds to achieve the best possible result for the City. PRAG will monitor order flow (i.e., demand) of the City's transaction in addition to other transactions and market events occurring during pricing. PRAG provides our clients with the resources and recommendations to assist in fully evaluating and negotiating the final underwriting offers and any suggested re-pricing or structural adjustments. Our process focuses on the key elements in a changing stream of relevant data to provide our clients with multiple opportunities to negotiate their final pricing.

Once preliminary pricing levels have been agreed upon by the City and the underwriter, the underwriter will release a pricing wire announcing the sale and the preliminary interest rates and takedowns. After the release of the pricing wire, PRAG and City representatives will be able to monitor the status of the order period through the use of Ipreo's Municipal Bookrunning system, viewing orders in real time.

***Recommendations Based on Order Book.*** After a negotiated order period, PRAG will examine the "book" of orders and review pricing results with the City to evaluate the success of the pricing period.

Depending on the number of orders by maturity, particularly from "going away" institutional investors, PRAG will make recommendations to the City regarding adjustments in yields and/or changes to coupons. Other factors that are taken into consideration in making recommendations to adjust coupons and yields include: current market conditions, overall supply, buyer sentiment, and absolute and relative spreads to historical issues and appropriate market indices. Once this negotiation is complete and the underwriters receive the verbal award, PRAG will assist, if requested, with the allotment process to ensure the bonds are fairly distributed among the investors and/or underwriting group. PRAG has developed a proprietary model that tracks the order book, showing top investors by maturity, that serves as a useful tool during the negotiated pricing process. With this tool, we are able to understand the level of subscription by each maturity and the impact of the top 1, top 2, or top 3 investors "going away" at lower yields. A sample screenshot from PRAG's Electronic-Order-Entry (EOE) model is found below.



Summary of Orders (\$000)																			
		PV01>>		\$2,589	\$2,716	\$2,821	\$2,933	\$3,045	\$3,194	\$3,315	\$3,444	\$3,612	\$3,749	\$3,940	\$14,732	\$7,495	\$21,834		
		Series >>		2025B	2025B	2025B	2025B	2025B	2025B	2025B	2025B	2025B	2025B	2025B	2025A	2025A	2025A		
		Maturity >>		9/1/2035	9/1/2036	9/1/2037	9/1/2038	9/1/2039	9/1/2040	9/1/2041	9/1/2042	9/1/2043	9/1/2044	9/1/2045	9/1/2049	9/1/2050	9/1/2054		
		Coupon >>		5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.000%	5.250%	5.250%		
		Yield >>		3.360%	3.440%	3.490%	3.550%	3.620%	3.700%	3.820%	3.910%	4.010%	4.070%	4.130%	4.270%	4.580%	4.640%		
		Spread >>		+22	+25	+26	+29	+30	+30	+32	+32	+32	+32	+32	+35	+65	+65		
		Total		94,255	2,845	2,985	3,135	3,295	3,460	3,630	3,810	4,005	4,200	4,410	4,635	17,750	9,140	26,955	
Orders:		Principal (Maturity Value) >>		94,255	2,845	2,985	3,135	3,295	3,460	3,630	3,810	4,005	4,200	4,410	4,635	17,750	9,140	26,955	
		Type		2,605	150	600	600	100	100	100	0	0	0	0	225	200	5	525	
		Florida Retail >>		1,160	0	0	0	0	0	0	0	0	0	0	120	0	1,000	0	40
		National Retail >>		164,775	9,535	750	3,135	3,295	3,460	8,010	3,810	4,005	0	4,410	10,020	14,600	23,640	76,105	
		Institutional >>		55,290	0	1,000	1,000	1,000	3,500	3,500	3,500	4,500	4,500	4,500	5,500	11,000	3,000	8,750	
	Stock >>		223,790	9,685	2,350	4,735	4,395	7,060	11,610	7,310	8,505	4,500	9,030	15,745	26,800	26,645	85,420		
	Total >>																		
Subscription:		Florida Retail >>		0.03x	0.05x	0.20x	0.19x	0.03x	0.03x	0.03x	0.00x	0.00x	0.00x	0.00x	0.05x	0.01x	0.00x	0.02x	
		National Retail >>		0.04x	0.05x	0.20x	0.19x	0.03x	0.03x	0.03x	0.00x	0.00x	0.00x	0.03x	0.05x	0.07x	0.00x	0.02x	
		Institutional >>		1.79x	3.40x	0.45x	1.19x	1.03x	1.03x	2.23x	1.00x	1.00x	1.00x	1.03x	2.21x	0.88x	2.59x	2.84x	
		Stock >>		2.37x	3.40x	0.79x	1.51x	1.33x	2.04x	3.20x	1.92x	2.12x	1.07x	2.05x	3.40x	1.51x	2.92x	3.17x	
		Excluding top		1	2.40x	0.54x	0.51x	0.33x	1.04x	2.20x	0.92x	1.12x	1.07x	1.05x	2.40x	1.23x	1.92x	2.17x	
	Excluding top		2	1.40x	0.37x	0.35x	0.30x	1.01x	1.20x	0.92x	1.12x	1.07x	1.02x	1.40x	0.95x	1.09x	1.61x		
	Excluding top		3	0.40x	0.34x	0.32x	0.30x	1.01x	0.99x	0.92x	1.12x	1.07x	1.02x	1.24x	0.81x	0.55x	1.24x		
Orders		Investor		Orders by Inverse Size															
		MFS Investment Management		1	2,845	750	3,135	3,295	3,460	3,630	3,810	4,005	0	4,410	4,635	5,000	9,140	26,955	
		Parametric Portfolio Associates		2	2,845	500	500	100	100	750	0	0	0	120	4,635	5,000	7,500	15,500	
		Spring Lake Asset Management		3	2,845	100	100	0	0	0	0	0	0	0	750	2,500	5,000	10,000	
		Victory Capital Management		4	1,000	0	0	0	0	100	0	0	0	0	100	2,000	2,000	9,150	
		Asset Preservation Advisors, Inc.		5	150	0	0	0	0	0	0	0	0	0	100	1,000	5	7,000	
		Nuveen Asset Management, LLC		6	0	0	0	0	0	0	0	0	0	0	15	100	0	5,000	
		LMR Multi Strategy Master Fund		7	0	0	0	0	0	0	0	0	0	0	10	100	0	3,000	
		TRANSMARKET GROUP LLC		8	0	0	0	0	0	0	0	0	0	0	0	50	0	225	
		Breckinridge Capital Advisors, Inc.		9	0	0	0	0	0	0	0	0	0	0	0	25	0	100	
		Wellington Management Company		10	0	0	0	0	0	0	0	0	0	0	0	25	0	100	
		Blackrock Financial Management SMA		11	0	0	0	0	0	0	0	0	0	0	0	0	0	100	
		C.L. King & Associates		12	0	0	0	0	0	0	0	0	0	0	0	0	0	20	
		Hazoor Partners LLC		13	0	0	0	0	0	0	0	0	0	0	0	0	0	20	
		Individuals		14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		Northern Trust		15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

## PRE-CLOSING AND CLOSING

After any pricing, we move into the pre-closing process. It is PRAG's policy to coordinate the closing logistics and wire transfers. We prepare a detailed closing memo, which acts as both the funding guide for the day of closing as well as the final documentation of all cash transfers and costs of issuance payments. For refunding transactions, PRAG competitively selects the verification agent and, in conjunction with bond counsel, determines the scope of the verification agent's review. We review their reports and the resulting cash flow and yield certifications. We also review and comment on all closing documents, most importantly the tax certificate.

## POST-CLOSING EVALUATION

After a transaction has closed, we provide our clients with a summary of the sale which includes a narrative describing the results of the sale and market conditions, data on coupons, yields and takedowns, retail and institutional orders, an analysis of orders by category (i.e., net designated and member orders) and by underwriter, investor meetings, retentions, allotments, and a comparison of yields to various indices and similar issues. PRAG has extensive experience developing post-sale evaluation processes for underwriting syndicates. This analysis has been helpful to clients in evaluating the efficiency of the sale.

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**H. Project Understanding, Proposed Approach, and Methodology:**

4. *What role would your firm expect to play in refinancing municipal debt? Describe in detail your firm's experience in refinancing or in alternative transactions that reduce debt service cost of existing debt.*
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As part of its ongoing service to the City, PRAG would build upon the “debt map” created as part of our due diligence in submitting this RFQ response and continually monitor the City’s outstanding debt for refunding opportunities, including as we develop financing plans for “new money” issues. In addition, we will thoroughly review refunding opportunities provided via unsolicited proposals from investment banks to determine their worthiness for consideration. With the prohibition against tax-exempt advance refundings under the 2017 tax law, refundings are limited to either a tax-exempt current refunding or more structured financings such as a taxable refunding, a tax-exempt forward refunding, or some form of hedge, derivative, or option.

**Alternative Refinancing Transactions.** Tenders have become an increasingly popular method to retire both tax-exempt and taxable debt prior to their call date. PRAG has extensive experience with tender transactions both nationally and in the State of Florida. **In 2024, PRAG advised Miami-Dade County on the first successful tender transaction performed in the State of Florida which resulted in \$23 million in net present value savings to the county’s water and sewer department. PRAG also advised the State of Florida Division of Bond Finance (the “Division”) on its first tender in 2024.** The transaction generated approximately \$220 million in debt service savings. PRAG has also held discussions with the Division and provided cash defeasance analysis in connection with its debt reduction program.

**City Outstanding Debt and Refunding Opportunities.** PRAG performs a comprehensive evaluation of our clients’ outstanding debt portfolios on a regular basis to identify refunding opportunities and determine the appropriate timing, structure, and objectives for each refinancing. A listing of the City’s outstanding long-term debt based on our initial review is found in our response to **Question H.1**. Our initial analysis of the City’s refunding opportunities is as follows:

- City’s General Obligation Refunding Note, Series 2015 is currently callable however given its 2.92% interest rate and 2030 final maturity, a refunding does not generate savings in today’s market.
- The City’s Electric Franchise Fee Revenue Notes, Series 2022A and 2022B were prepayable with no penalty beginning May 1, 2024; however, these notes carry interest rates of 2.03% (2022A) and 1.90% (2022B) and mature on May 1, 2025 (2022A) and May 1, 2027 (2022B). We do not recommend the City pursue a refunding of its 2022 Electric Franchise Fee Revenue Notes.
- While some information pertaining to the City’s Capital Improvement notes were unavailable, we understand the City managed to borrow at rates that are below current market levels; therefore, even with the ability to prepay these bank loans, refunding these loans may not generate debt service savings at this time.
- The City’s outstanding general obligation bonds are not callable until 2029 (Series 2019) and 2032 (Series 2022).
- Similarly, the City’s water and sewer refunding bonds (Series 2020) are not callable until 2030. The City’s SRF Loans carry interest rates between 0.00% and 0.13% according to the City’s FY23 ACFR.
- **The only near-term refunding opportunity upon our initial review is the City’s Capital Improvement Revenue and Refunding Bonds, Series 2016A** which are callable on July 1, 2026. The 2016A Bonds were issued in March 2016 for the purpose of advance refunding various City outstanding debts, construction of various capital projects, and the acquisition of vehicles and equipment. They were structured with serial bonds maturing each July 1 from 2019 through 2031. The City may have the opportunity to refinance the bonds maturing July 1, 2027 through 2031 on a current, tax-exempt basis as early as April 2026 (within 90 days of the call date) which means the bond process may begin toward the end of this 2025 calendar year or at the beginning of 2026. The following table and discussion highlights the anticipated savings under various scenarios.

General Assumptions						
Current Market Conditions as of: 2/11/2025						
Delivery Date: 7/1/2026 (could be <90 days earlier)						
Final Maturity: 7/1/2031 (match 2016A)						
	A. Refund 2027-2031			B. Refund 2027-2030*		
Estimated Bond Statistics	-50 bps	Current Market	+50 bps	-50 bps	Current Market	+50 bps
True Interest Cost	2.53%	3.03%	3.40%	2.54%	3.04%	3.54%
Annual Average Gross Savings	\$179,600	\$123,000	\$65,150	\$203,125	\$157,938	\$111,375
Total Gross Savings	\$898,000	\$615,000	\$325,750	\$812,500	\$631,750	\$445,500
Net Present Value Savings	\$839,245	\$565,453	\$297,067	\$769,589	\$589,400	\$412,180
NPV Savings as % of Refunded Bonds	4.67%	3.14%	1.65%	5.48%	4.20%	2.94%
Estimated Sources	-50 bps	Current Market	+50 bps	-50 bps	Current Market	+50 bps
Par Amount	\$16,870,000	\$17,115,000	\$17,365,000	\$13,315,000	\$13,475,000	\$13,640,000
Premium	\$1,292,705	\$1,048,705	\$802,897	\$856,281	\$695,240	\$533,164
Total Sources	\$18,162,705	\$18,163,705	\$18,167,897	\$14,171,281	\$14,170,240	\$14,173,164
Estimated Uses	-50 bps	Current Market	+50 bps	-50 bps	Current Market	+50 bps
Refunding Deposit	\$17,990,000	\$17,990,000	\$17,990,000	\$14,035,000	\$14,035,000	\$14,035,000
Cost of Issuance	\$172,705	\$173,705	\$177,897	\$136,281	\$135,240	\$138,164
Total Uses	\$18,162,705	\$18,163,705	\$18,167,897	\$14,171,281	\$14,170,240	\$14,173,164
*2016A serial bond maturing 7/1/2031 has a 3.00% coupon; currently the refunding of the 2031 maturity does not generate savings						

Based on current market conditions, PRAG estimates that a refunding of the 2016A serial bonds maturing 2027-2031 would generate approximately \$565,500 in net present value savings to the City, or 3.1% of the refunded bonds. Digging a bit deeper, however, our analysis of the savings by maturity reveals that under current market conditions the refunding of the 2031 maturity would not be economical for the City. The 2031 maturity is \$3,995,000 of principal with a low, 3.00% coupon.

#### SAVINGS BY MATURITY

City of Hollywood, Florida  
Hypothetical 2026 Refunding 2016A  
Market conditions as of 2/12/2025

Bond	Maturity Date	Interest Rate	Par Amount	Nominal Savings	Nominal Savings Percent
Capital Improvement Revenue and Refunding Bonds, Series 2016A, 2016A:					
BOND	07/01/2027	5.000%	3,255,000.00	35,991.17	1.106%
	07/01/2028	5.000%	3,420,000.00	106,127.79	3.103%
	07/01/2029	5.000%	3,590,000.00	181,120.08	5.045%
	07/01/2030	5.000%	3,770,000.00	261,329.23	6.932%
	07/01/2031	3.000%	3,955,000.00	-19,065.46	-0.482%
			17,990,000.00	565,502.81	

When removing the 2031 bond maturity from the hypothetical 2026 refunding based on current market conditions, the level of present value savings increases to approximately \$589,500, or 4.2% of refunded bonds.

#### SAVINGS BY MATURITY

City of Hollywood, Florida  
Hypothetical 2026 Refunding 2016A  
Market conditions as of 2/12/2025  
Refund Maturities 2027-2030

Bond	Maturity Date	Interest Rate	Par Amount	Nominal Savings	Nominal Savings Percent
Capital Improvement Revenue and Refunding Bonds, Series 2016A, 2016A:					
BOND	07/01/2027	5.000%	3,255,000.00	36,248.57	1.114%
	07/01/2028	5.000%	3,420,000.00	107,038.31	3.130%
	07/01/2029	5.000%	3,590,000.00	182,643.24	5.088%
	07/01/2030	5.000%	3,770,000.00	263,528.11	6.990%
			14,035,000.00	589,458.23	

Interest rates have been notably volatile in recent months and it is difficult to pinpoint where rates will go in the next 14-17 months. To further inform our analysis, we provide a sensitivity for each 2016A refunding scenario showing the refunding based on current market conditions and 50 basis point move in interest rates lower or higher. While it is a management decision, some municipality debt policies include minimum NPV savings thresholds, such as 3% or 5%, to be met before any refunding transaction is considered. Even if rates jump by 50 basis points between now and the issuance of the refunding bonds, we estimate that refunding the 2027-2030 maturities may generate approximately 3% NPV savings (2.94%). Below is a summary of the preliminary refunding results, which all assume the bonds are issued on July 1, 2026.

When structuring the refunding bonds, one consideration to be mindful of is the ability to fund the refunding escrow account by purchasing securities that earn interest from the closing date of the refunding bonds to the call date of the refunded bonds. State and Local Government Series Securities (SLGS) are often utilized. We note that the City's Investment Policy does include SLGS as being a permitted authorized investment in section XII.A. Since 1995, the SLGS window has closed sixteen times, most recently in 2023. The SLGS window closes when the U.S. Treasury Department no longer accepts new subscriptions to help the Treasury navigate the statutory debt limit. Other options, like bidding for securities on the open market, or gross funding the escrow, are available when the SLGS window closes. As your financial advisor, PRAG would keep you abreast of developments on the availability of SLGS and other pertinent market information during a potential refinancing transaction.

## **APPENDIX A:**

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### **FLORIDA FINANCIAL ADVISORY EXPERIENCE LIST**

PRAG's Florida Financial Advisory Experience Lis														
Date of Issue	Senior Manager /					Financial Advisor	Relevant BB Index (%)	T.I.C. (%)	Gross Spread (\$/bond)	Average Takedown (\$/bond)	Other Components (\$/bond)			
	Issuer Name	Issue Name	Series	Issue Size	Method of Sale									
01/27/20	City of Clearwater	Water and Sewer Rev Ref Bonds	Series 2020	20,430,000	Negotiated	Raymond James	Bryant Miller Olive	PRAG	3.100	1.667	3.465	2.526	0.940	
01/30/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2019	47,448,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	2.970	-	-	-	-	
03/05/20	City of Treasure Island	Non-Ad Valorem Rev Note	Series 2020	8,000,000	Bank Loan	Truist Bank	Bryant Miller Olive	PRAG	2.810	2.171	-	-	-	
03/25/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	23,700,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	3.220	-	-	-	-	
03/31/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2019	21,500,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	2.770	-	-	-	-	
04/30/20	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2020	32,000,000	Negotiated	RBC Capital Markets	Bryant Miller Olive	PRAG	2.860	-	-	-	-	
04/30/20	Hillsborough County ID/	Health System Rev Bonds	Series 2020B	75,000,000	Negotiated	Morgan Stanley	Hawkins Delafield & Wood	PRAG	2.860	-	-	-	-	
04/30/20	Hillsborough County ID/	Health System Rev Bonds	Series 2020C	75,000,000	Negotiated	JP Morgan	Hawkins Delafield & Wood	PRAG	2.860	-	-	-	-	
04/30/20	Hillsborough County ID/	Health System Rev Bonds	Series 2020D	77,215,000	Negotiated	Morgan Stanley	Hawkins Delafield & Wood	PRAG	2.860	-	-	-	-	
05/29/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	32,000,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.580	-	-	-	-	
06/03/20	City of Fort Myers	Sub Utility System Ref Rev Bonds	Series 2020	36,435,000	Negotiated	Bank of America	Bryant Miller Olive	PRAG	2.580	0.994	3.329	2.791	0.537	
06/03/20	City of Fort Myers	Utility System Ref Rev Bonds	Series 2020	40,270,000	Negotiated	Bank of America	Bryant Miller Olive	PRAG	2.580	0.936	3.452	2.919	0.534	
06/04/20	City of Tampa	Rev and Rev Ref Bonds	Series 2020A	81,320,000	Negotiated	Raymond James	Bryant Miller Olive	PRAG	2.790	3.925	2.116	2.000	0.116	
06/04/20	City of Tampa	Taxable Rev Ref Bonds	Series 2020B	57,050,000	Negotiated	Raymond James	Bryant Miller Olive	PRAG	2.790	3.680	2.116	2.000	0.116	
06/12/20	City of Tampa	Taxable Non-Ad Valorem Rev Ref Notr	Series 2020A	13,236,000	Bank Loan	Capital One Bank	Nabors, Giblin & Nickersor	PRAG	2.610	2.650	-	-	-	
06/15/20	City of Tampa	Taxable Non-Ad Valorem Rev Ref Notr	Series 2020B	45,302,900	Bank Loan	Synovus Bank	Nabors, Giblin & Nickersor	PRAG	2.610	2.500	-	-	-	
06/19/20	Florida Municipal Loan Counc	Cap Imp Rev Note	Series 2020	15,054,000	Bank Loan	Sterling National Bank	Bryant Miller Olive	PRAG	2.630	2.340	-	-	-	
06/25/20	City of Tampa	Cap Imp Cigarette Tax Allocation Bonds	Series 2020A	119,978,935	Negotiated	Bank of America	Bryant Miller Olive	PRAG	2.610	4.014	3.950	3.750	0.200	
06/25/20	City of Tampa	Hospital Rev Bonds	Series 2020B	260,700,000	Negotiated	Bank of America	Bryant Miller Olive	PRAG	2.610	3.542	3.950	3.750	0.200	
07/01/20	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2020	13,000,000	Negotiated	RBC Capital Markets	Locke Lord	PRAG	2.630	-	-	-	-	
07/14/20	Brevard County HFA	Multifamily Housing Rev Bond	Series 2020	16,755,000	Private Placement	RBC Capital Markets	Nabors, Giblin & Nickersor	PRAG	2.610	-	-	-	-	
07/21/20	Florida Municipal Loan Counc	Ref Rev Note	Series 2020	1,097,103	Bank Loan	Synovus Bank	Bryant Miller Olive	PRAG	2.540	2.729	-	-	-	
07/22/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	29,700,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.540	-	-	-	-	
07/31/20	HFA of Volusia County	Multifamily Housing Rev Notr	Series 2020A	20,750,000	Private Placement	Colliers Securities	Bryant Miller Olive	PRAG	2.510	-	-	-	-	
07/31/20	HFA of Volusia County	Sub Multifamily Housing Rev Notr	Series 2020B	4,332,000	Private Placement	Colliers Securities	Bryant Miller Olive	PRAG	2.510	-	-	-	-	
08/10/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	45,500,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	2.440	-	-	-	-	
08/11/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	20,000,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.440	-	-	-	-	
08/11/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	36,000,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.440	-	-	-	-	
09/01/20	Florida Municipal Loan Counc	Ref Rev Note	Series 2020	5,620,357	Bank Loan	Truist Bank	Bryant Miller Olive	PRAG	2.620	2.730	-	-	-	
09/02/20	Broward County	Bond Anticipation Note	Series 2020A	227,200,000	Bank Loan	JP Morgan	Squire Patton Boggs	PRAG	2.620	1.683	-	-	-	
09/02/20	Broward County	Bond Anticipation Note	Series 2020A	52,000,000	Bank Loan	Wells Fargo	Squire Patton Boggs	PRAG	2.620	1.170	-	-	-	
09/23/20	Broward County	Half-Cent Sales Tax Rev Ref Bonds	Series 2020	98,245,000	Negotiated	JP Morgan	Locke Lord	PRAG	2.640	1.896	3.393	3.000	0.393	
09/25/20	Brevard County HFA	Multifamily Housing Rev Notr	Series 2020A	10,400,000	Private Placement	RBC Capital Markets	Nabors, Giblin & Nickersor	PRAG	2.710	-	-	-	-	
09/25/20	Brevard County HFA	Sub Multifamily Housing Rev Notr	Series 2020B	2,360,000	Private Placement	RBC Capital Markets	Nabors, Giblin & Nickersor	PRAG	2.710	-	-	-	-	
09/25/20	Florida Municipal Loan Counc	Cap Imp Rev Note	Series 2020	2,551,281	Bank Loan	CenterState Bank	Bryant Miller Olive	PRAG	2.710	2.078	-	-	-	
09/25/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	13,000,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.710	-	-	-	-	
10/01/20	City of Tampa	Sales Tax Ref and Imp Rev Bonds	Series 2020	18,640,000	Competitive	JP Morgan	Nabors, Giblin & Nickersor	PRAG	2.720	0.379	1.312	-	-	
10/15/20	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2020	15,150,000	Negotiated	RBC Capital Markets	Bryant Miller Olive	PRAG	2.770	-	-	-	-	
10/27/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	49,000,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.790	-	-	-	-	
10/28/20	Jacksonville Transportation Autl	Senior Lien LOGT Rev Bonds	Series 2020	35,360,000	Negotiated	Bank of America	Nelson Mullins Riley & Scarborough	PRAG	2.770	1.931	3.607	2.750	0.857	
10/29/20	Hillsborough County ID/	Hospital Rev Bonds	Series 2020A	601,665,000	Negotiated	JP Morgan	Squire Patton Boggs	PRAG	2.790	3.840	5.290	5.250	0.040	
11/12/20	HFA of Polk County	Multifamily Mortgage Rev Note	Series 2020A	18,000,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.700	-	-	-	-	
11/17/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020	26,000,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.700	-	-	-	-	
12/16/20	Florida Municipal Loan Counc	Ref Rev Note	Series 2020	3,677,126	Bank Loan	Truist Bank	Bryant Miller Olive	PRAG	2.580	1.210	-	-	-	
12/17/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020A	11,500,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.570	-	-	-	-	
12/17/20	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2020B	2,900,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.570	-	-	-	-	
12/21/20	Hillsborough County	Solid Waste and Res Recovery Rev Note	Series 2020	22,000,000	Line of Credit	Bank of America	Bryant Miller Olive	PRAG	2.570	0.090	-	-	-	
01/20/21	Pinellas County	Sewer Rec Ref Note	Series 2021B	5,292,000	Bank Loan	JP Morgan	Bryant Miller Olive	PRAG	2.580	2.000	-	-	-	
01/20/21	Pinellas County	Taxable Sewer Rev Ref Note	Series 2021A	44,400,000	Bank Loan	TD Bank	Bryant Miller Olive	PRAG	2.580	1.440	-	-	-	
01/22/21	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2021	43,000,000	Negotiated	RBC Capital Markets	Bryant Miller Olive	PRAG	2.580	-	-	-	-	
01/29/21	HFA of Miami-Dade County	Multifamily Housing Rev Notr	Series 2021A	10,710,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.510	-	-	-	-	
01/29/21	HFA of Miami-Dade County	Multifamily Housing Rev Notr	Series 2021B	3,360,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.510	-	-	-	-	
02/04/21	City of Palm Bay	General Obligation Bonds	Series 2021	50,000,000	Competitive	JP Morgan	Nabors, Giblin & Nickersor	PRAG	2.210	1.510	3.591	-	-	
02/04/21	Florida Dept of Children and Families	Ref Certificates of Participation	Series 2021A	12,945,000	Competitive	JP Morgan	Nabors, Giblin & Nickersor	PRAG	2.560	0.275	-	-	-	
02/04/21	Florida Dept of Children and Families	Ref Certificates of Participation	Series 2021B	28,520,000	Competitive	Morgan Stanley	Nabors, Giblin & Nickersor	PRAG	2.560	0.528	-	-	-	
02/17/21	Florida Municipal Loan Counc	Cap Imp Rev Note	Series 2021A	7,921,446	Bank Loan	Sterling National Bank	Bryant Miller Olive	PRAG	2.470	2.219	-	-	-	
03/15/21	HFA of St. Johns County	Multifamily Mortgage Rev Note	Series 2021	16,000,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.710	-	-	-	-	
04/12/21	Hillsborough County	Wastewtr Impact Fee Special Asmt Rev Bonds	Series 2021	58,040,000	Negotiated	Citigroup	Bryant Miller Olive	PRAG	2.710	1.655	3.872	3.250	0.622	
04/14/21	Manatee County Port Auth	Taxable Rev Ref Bonds	Series 2021	35,055,000	Negotiated	PNC	Greenberg Traurig	PRAG	2.760	2.673	3.144	1.990	1.155	
04/20/21	Miami-Dade County	Water and Sewer System Rev Bonds	Series 2021	605,600,000	Negotiated	Bank of America	Squire Patton Boggs	PRAG	2.660	2.737	3.603	3.427	0.176	
04/22/21	Brevard County HFA	Multifamily Housing Rev Bond	Series 2021	8,000,000	Negotiated	RBC Capital Markets	Nabors, Giblin & Nickersor	PRAG	2.620	-	-	-	-	
05/25/21	Hillsborough County	Cap Imp Non-Ad Valorem Rev Bonds	Series 2021	189,290,000	Competitive	Bank of America	Bryant Miller Olive	PRAG	2.610	2.179	7.096	-	-	
05/27/21	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2021	25,355,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	2.620	-	-	-	-	
05/27/21	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2021	13,320,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.560	-	-	-	-	
05/27/21	HFA of Miami-Dade County	Sub Multifamily Housing Rev Notr	Series 2021	12,145,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	2.620	-	-	-	-	
06/11/21	HFA of Miami-Dade County	Multifamily Housing Rev Notr	Series 2021A	12,350,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.430	-	-	-	-	
06/11/21	HFA of Miami-Dade County	Multifamily Housing Rev Notr	Series 2021B	2,400,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.430	-	-	-	-	
06/18/21	Manatee County	Rev Imp Note	Series 2021	40,000,000	Line of Credit	PNC	Greenberg Traurig	PRAG	2.450	-	-	-	-	
06/18/21	Manatee County	Rev Imp Note	Series 2021	40,000,000	Line of Credit	PNC	Greenberg Traurig	PRAG	2.450	-	-	-	-	
07/08/21	Miami-Dade County	Sub Water and Sewer System Rev Bonds	Series 2021	236,135,000	Negotiated	RBC Capital Markets	Squire Patton Boggs	PRAG	2.530	2.865	3.662	3.408	0.254	
07/09/21	HFA of Miami-Dade County	Multifamily Housing Rev Notr	Series 2021	31,495,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	2.400	-	-	-	-	
07/19/21	Hillsborough County	Utility Ref Rev Bonds	Series 2021B	19,780,000	Competitive	Morgan Stanley	Bryant Miller Olive	PRAG	2.530	2.157	4.420	-	-	
07/19/21	Hillsborough County	Utility Rev Bonds	Series 2021A	155,155,000	Competitive	Robert W. Baird	Bryant Miller Olive	PRAG	2.530	2.261	12.283	-	-	
07/20/21	Florida Municipal Loan Counc	Cap Imp and Rev Ref Note	Series 2021B	5,750,526	Bank Loan	Regions Bank	Bryant Miller Olive	PRAG	2.400	1.920	-	-	-	
07/22/21	Brevard County HFA	Multifamily Housing Rev Bond	Series 2021	32,340,000	Negotiated	RBC Capital Markets	Nabors, Giblin & Nickersor	PRAG	2.620	-	-	-	-	
08/04/21	Florida Municipal Loan Counc	Ref Rev Bonds	Series 2021A	8,815,000	Negotiated	Raymond James	Bryant Miller Olive	PRAG	2.400	1.761				



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10/20/21	City of Palmetto	Special Obligation Rev Note	Series 2021	5,636,000	Bank Loan	Sterling National Bank	Nabors, Giblin & Nickerson	PRAG	2.640	1.210	-	-	-
10/21/21	HFA of St. Johns County	Multifamily Mortgage Rev Bonds	Series 2021A	4,350,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	2.640	-	-	-	-
10/21/21	HFA of St. Johns County	Multifamily Mortgage Rev Bonds	Series 2021B	10,650,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	2.640	-	-	-	-
11/03/21	HFA of Miami-Dade County	Multifamily Mortgage Rev Bonds	Series 2021	34,800,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.610	-	-	-	-
11/19/21	HFA of Miami-Dade County	Multifamily Housing Rev Note	Series 2021	27,250,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.490	-	-	-	-
11/19/21	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2021	23,267,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	2.490	-	-	-	-
11/23/21	Manatee County	Public Utilities Rev Imp Note	Series 2021	50,000,000	Line of Credit	Bank of America	Greenberg Traurig	PRAG	2.490	-	-	-	-
12/16/21	City of Tampa	Non-Ad Valorem Imp Rev Bonds	Series 2021C	118,010,000	Negotiated	Bank of America	Nabors, Giblin & Nickerson	PRAG	2.470	2.247	7.030	-	-
12/16/21	City of Tampa	Non-Ad Valorem Ref and Imp Rev Bonds	Series 2021B	30,980,000	Negotiated	Bank of America	Nabors, Giblin & Nickerson	PRAG	2.470	2.477	11.530	-	-
12/17/21	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2021	13,500,000	Negotiated	RBC Capital Markets	Bryant Miller Olive	PRAG	2.410	-	-	-	-
12/21/21	Broward County	Tourist Development Tax Rev Bonds	Series 2021	487,425,000	Negotiated	Morgan Stanley	Squire Patton Boggs	PRAG	2.410	2.732	3.701	3.489	0.212
01/20/22	City of Largo	Cap Imp Rev Bonds	Series 2022A	47,655,000	Negotiated	Raymond James	Bryant Miller Olive	PRAG	2.030	2.600	2.452	2.000	0.452
01/20/22	City of Largo	Taxable Cap Imp Rev Bonds	Series 2022B	4,035,000	Negotiated	Raymond James	Bryant Miller Olive	PRAG	2.030	1.343	2.452	2.000	0.452
01/31/22	University Place CDC	Special Asmt Ref Note	Series 2022	2,575,000	Bank Loan	BankUnited	Bryant Miller Olive	PRAG	2.240	2.520	-	-	-
02/01/22	Venetian CDD	Cap Imp Rev Ref Note	Series 2022	14,109,460	Bank Loan	SouthState Bank	Greenberg Traurig	PRAG	2.240	2.400	-	-	-
02/15/22	Broward County	Water and Sewer Utility Rev Bonds	Series 2022A	199,265,000	Negotiated	Siebert Williams Shank	Nabors, Giblin & Nickerson	PRAG	2.230	3.081	2.277	2.000	0.277
03/28/22	Hillsborough County	Sub Utility Rev Note	Series 2022	37,500,000	Line of Credit	Truist Bank	Bryant Miller Olive	PRAG	2.950	1.785	-	-	-
04/04/22	Hillsborough County ID/	Hospital Rev Ref Bonds	Series 2022B	17,330,000	Bank Loan	Bank of America	Bryant Miller Olive	PRAG	3.010	2.010	-	-	-
04/12/22	HFA of Clay County	Multifamily Housing Rev Note	Series 2022	24,000,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	3.150	-	-	-	-
04/12/22	HFA of Clay County	Sub Multifamily Housing Rev Note	Series 2022	2,837,500	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	3.150	-	-	-	-
04/19/22	Broward County	Convention Center Hotel First Tier Rev Bonds	Series 2022	389,495,000	Negotiated	Citigroup	Squire Patton Boggs	PRAG	2.950	3.963	4.224	4.000	0.224
04/21/22	City of Fort Myers	Cap Imp Rev Note	Series 2022A	34,294,000	Bank Loan	Bank of America	Bryant Miller Olive	PRAG	3.470	2.490	-	-	-
04/21/22	City of Fort Myers	Cap Imp Rev Note	Series 2022B	11,291,000	Bank Loan	Bank of America	Bryant Miller Olive	PRAG	3.470	2.819	-	-	-
05/13/22	Florida Municipal Loan Counc	Cap Imp Rev Note	Series 2022	4,300,000	Bank Loan	Webster Bank	Bryant Miller Olive	PRAG	3.650	3.508	-	-	-
05/16/22	Hillsborough County ID/	Forward Delivery Health System Rev Bonds	Series 2022A	188,625,000	Negotiated	DNT Asset Trust	Hawkins Delafield & Wood	PRAG	3.010	1.210	-	-	-
05/17/22	HFA of Miami-Dade County	Multifamily Housing Rev Note	Series 2022	16,000,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	3.650	-	-	-	-
05/26/22	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2022	14,250,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	3.440	-	-	-	-
05/26/22	HFA of Miami-Dade County	Multifamily Housing Rev Note	Series 2022	9,250,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	3.440	-	-	-	-
06/01/22	City of Palmetto	Educational Facilities Ref Rev Bonds	Series 2022	30,970,000	Negotiated	RBC Capital Markets	Nabors, Giblin & Nickerson	PRAG	3.750	5.450	8.500	-	-
06/01/22	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2022	17,455,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	3.750	-	-	-	-
06/01/22	HFA of Miami-Dade County	Sub Multifamily Housing Rev Note	Series 2022	4,370,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	3.750	-	-	-	-
06/06/22	Hillsborough County ID/	Cap Imp Cigarette Tax Allocation Ref Bonds	Series 2022A	76,125,000	Bank Loan	Bank of America	Bryant Miller Olive	PRAG	3.310	2.316	-	-	-
06/23/22	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2022	47,000,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	3.820	-	-	-	-
07/14/22	City of Clearwater	Non-Ad Valorem Rev Bonds	Series 2022	30,000,000	Competitive	Raymond James	Bryant Miller Olive	PRAG	3.820	4.089	-	-	-
08/30/22	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2022	44,000,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	3.870	-	-	-	-
09/07/22	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2022	101,000,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	3.920	-	-	-	-
09/14/22	Manatee County	Rev Imp and Ref Bonds	Series 2022	219,335,000	Negotiated	Wells Fargo	Greenberg Traurig	PRAG	3.870	4.088	2.206	2.000	0.206
09/16/22	Trailer Estates Park and Recreation Dist	Taxable Special Asmt Bond	Series 2022	1,500,000	Bank Loan	Regions Bank	Nabors, Giblin & Nickerson	PRAG	4.090	4.111	-	-	-
09/22/22	City of Fort Myers	Cap Imp Rev Note	Series 2022C	30,000,000	Line of Credit	Bank of America	Bryant Miller Olive	PRAG	4.170	3.019	-	-	-
09/30/22	HFA of Miami-Dade County	Multifamily Mortgage Rev Bonds	Series 2022A	7,400,000	Negotiated	RBC Capital Markets	Bryant Miller Olive	PRAG	4.300	-	-	-	-
09/30/22	HFA of Miami-Dade County	Multifamily Mortgage Rev Bonds	Series 2022B	13,600,000	Negotiated	RBC Capital Markets	Bryant Miller Olive	PRAG	4.300	-	-	-	-
10/07/22	Peace River Manasota Regl Wtr Supp Auth	Revolving Credit Bond	Series 2022	100,000,000	Line of Credit	PNC	Nabors, Giblin & Nickerson	PRAG	4.140	-	-	-	-
10/18/22	Broward County	Water and Sewer Rev Ref Bond	Series 2022B	79,872,000	Bank Loan	Bank of America	Nabors, Giblin & Nickerson	PRAG	4.120	3.480	-	-	-
11/17/22	Florida Municipal Loan Counc	Redevelopment Rev Note	Series 2022	11,000,000	Bank Loan	Truist Bank	Bryant Miller Olive	PRAG	4.030	4.062	-	-	-
01/24/23	Columbia County	Cap Imp Rev Note	Series 2023	5,665,165	Bank Loan	First Federal Bank of Florida	Nabors, Giblin & Nickerson	PRAG	3.610	3.951	-	-	-
02/03/23	HFA of Miami-Dade County	Multifamily Housing Rev Note	Series 2023	750,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	3.670	-	-	-	-
02/03/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023	11,427,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	3.670	-	-	-	-
02/24/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023A	22,000,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	4.030	-	-	-	-
02/24/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023B	19,850,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	4.030	-	-	-	-
02/24/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023C	2,250,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	4.030	-	-	-	-
02/24/23	HFA of Miami-Dade County	Sub Multifamily Mortgage Rev Note	Series 2023D	1,575,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	4.030	-	-	-	-
02/24/23	HFA of Miami-Dade County	Sub Multifamily Mortgage Rev Note	Series 2023E	1,575,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	4.030	-	-	-	-
03/01/23	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2023	4,500,000	Negotiated	The Sturges Company	Locke Lord	PRAG	3.610	-	-	-	-
03/09/23	HFA of Miami-Dade County	Multifamily Housing Rev Note	Series 2023	37,000,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	4.010	-	-	-	-
03/23/23	HFA of Miami-Dade County	Multifamily Housing Rev Note	Series 2023	18,000,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	3.850	-	-	-	-
03/24/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023	25,500,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	3.850	-	-	-	-
04/05/23	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2023	41,480,000	Negotiated	RBC Capital Markets	Locke Lord	PRAG	3.850	-	-	-	-
04/13/23	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2023	41,395,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	3.780	-	-	-	-
04/28/23	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2023	32,500,000	Negotiated	RBC Capital Markets	Locke Lord	PRAG	3.850	-	-	-	-
05/11/23	Florida Municipal Loan Counc	Cap Imp Rev Note	Series 2023A	5,852,377	Bank Loan	TD Bank	Bryant Miller Olive	PRAG	3.810	3.920	-	-	-
05/25/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Bonds	Series 2023A	10,375,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	3.840	-	-	-	-
05/25/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Bonds	Series 2023B	21,655,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	3.840	-	-	-	-
05/25/23	Manatee County	Public Utilities Rev Imp and Ref Bonds	Series 2023	191,885,000	Negotiated	Bank of America	Greenberg Traurig	PRAG	3.810	4.310	2.772	2.506	0.265
05/31/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023A	35,448,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	4.020	-	-	-	-
05/31/23	HFA of Miami-Dade County	Sub Multifamily Mortgage Rev Note	Series 2023B	6,000,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	4.020	-	-	-	-
06/09/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023	71,250,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	3.950	-	-	-	-
08/09/23	Hillsborough County	General Obligation Bonds	Series 2023	53,390,000	Competitive	Bank of America	Bryant Miller Olive	PRAG	3.470	4.239	-	-	-
08/24/23	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2023	31,400,000	Negotiated	RBC Capital Markets	Bryant Miller Olive	PRAG	4.030	-	-	-	-
09/07/23	City of Palm Bay	General Obligation Bonds	Series 2023	50,000,000	Competitive	JP Morgan	Nabors, Giblin & Nickerson	PRAG	3.750	4.175	0.771	-	-
09/14/23	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2023B	13,625,000	Negotiated	RBC Capital Markets	Locke Lord	PRAG	4.130	-	-	-	-
09/14/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023A	16,371,000	Negotiated	RBC Capital Markets	Locke Lord	PRAG	4.130	-	-	-	-
09/27/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023A	40,216,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	4.180	-	-	-	-
09/27/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023B	30,784,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	4.180	-	-	-	-
10/19/23	City of Fort Myers	Utility System Ref and Rev Bonds	Series 2023	139,035,000	Negotiated	Raymond James	Bryant Miller Olive	PRAG	4.370	4.803	3.549	3.241	0.308
11/08/23	Manatee County	Limited General Obligation Bonds	Series 2023	35,000,000	Competitive	Raymond James	Greenberg Traurig	PRAG	4.090	4.388	-	-	-
11/09/23	Florida Municipal Loan Counc	Cap Imp Rev Note	Series 2023	3,500,000	Bank Loan	Webster Bank	Bryant Miller Olive	PRAG	4.210	5.081	-	-	-
11/14/23	HFA of Polk County	Multifamily Mortgage Rev Note	Series 2023	30,000,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	4.210	-	-	-	-
11/16/23	City of Tampa	Special Asmt Rev Bonds	Series 2023	34,935,000	Negotiated	Jefferies	Nabors, Giblin & Nickerson	PRAG	4.470	4.757	3.900	2.911	0.989
11/21/23	Hillsborough County	Special Asmt Rev Note	Series 2023	1,782,802	Bank Loan	Flagstar Public Funding Corp	Bryant Miller Olive	PRAG	4.110	5.404	-	-	-
11/29/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023A	14,100,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	4.020	-	-	-	-
11/29/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2023B	3,050,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	4.020	-	-	-	-
12/12/23	Manatee County	Rev Imp Bonds	Series 2023	175,000,000	Negotiated	Bank of America	Greenberg Traurig	PRAG	3.770	4.310	2.772	2.506	0.265
12/15/23	HFA of Miami-Dade County	Multifamily Housing Rev Note	Series 2023	32,500,000	Private Placement	Stifel	Foley & Lardner	PRAG	3.740	-	-	-	-
12/20/23	HFA of Miami-Dade County	Multifamily Mortgage Rev Bonds	Series 2023	48,000,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	3.740	-	-	-	-
12/21/23	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2023	51,000,000	Negotiated	RBC Capital Markets	Locke Lord	PRAG	3.740	-	-	-	-
12/28/23	HFA of St. Johns County	Multifamily Housing Rev Bond	Series 2023A	8,045,000	Negotiated	Colliers Securities	Butler Snow	PRAG	3.770	-	-	-	-

PRAG's Florida Financial Advisory Experience Lis													
Date of Issue	Issuer Name	Issue Name	Series	Issue Size	Method of Sale	Senior Manager / Placement Agent / Bank Loan Provider	Bond Counsel	Financial Advisor	Relevant BB Index (%)	T.I.C. (%)	Gross Spread (\$/bond)	Average Takedown (\$/bond)	Other Components (\$/bond)
12/28/23	HFA of St. Johns County	Multifamily Housing Rev Bond	Series 2023B	11,455,000	Negotiated	Colliers Securities	Butler Snow	PRAG	3.770	-	-	-	-
12/28/23	HFA of St. Johns County	Multifamily Housing Rev Bond	Series 2023C	2,000,000	Negotiated	Colliers Securities	Butler Snow	PRAG	3.770	-	-	-	-
01/24/24	Florida Municipal Loan Counc	Rev Bonds	Series 2024	13,375,000	Negotiated	Raymond James	Bryant Miller Olive	PRAG	3.670	3.583	3.965	2.501	1.463
01/26/24	Sumter County	Non-Ad Valorem Rev Note	Series 2024	40,081,640	Bank Loan	Webster Bank	Bryant Miller Olive	PRAG	3.710	4.361	-	-	-
02/08/24	Florida Municipal Loan Counc	Cap Imp Rev Note	Series 2024	3,843,324	Bank Loan	Webster Bank	Bryant Miller Olive	PRAG	3.770	4.609	-	-	-
03/13/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024	20,000,000	Negotiated	RBC Capital Markets	Locke Lord	PRAG	3.820	-	-	-	-
05/23/24	Florida Municipal Loan Counc	Rev Bonds	Series 2024B	17,515,000	Competitive	Raymond James	Bryant Miller Olive	PRAG	4.360	3.742	8.500	-	-
05/29/24	Miami-Dade County	Water and Sewer System Rev Bonds	Series 2024A	320,560,000	Negotiated	Goldman Sachs	Squire Patton Boggs	PRAG	4.220	4.594	3.756	3.500	0.256
05/29/24	Miami-Dade County	Water and Sewer System Rev Ref Bonds	Series 2024B	213,860,000	Negotiated	Goldman Sachs	Squire Patton Boggs	PRAG	4.220	3.464	3.532	3.277	0.256
06/11/24	City of Tampa	Non-Ad Valorem Rev Note	Series 2024	120,500,000	Bank Loan	TD Bank	Nabors, Giblin & Nickersor	PRAG	4.260	4.401	-	-	-
06/18/24	HFA of Miami-Dade County	Multifamily Mortgage Rev Note	Series 2024	33,500,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	4.230	-	-	-	-
06/18/24	Manatee County	Rev Imp Note	Series 2024	18,659,800	Bank Loan	TD Bank	Greenberg Traurig	PRAG	4.230	4.156	-	-	-
06/26/24	HFA of Miami-Dade County	Multifamily Housing Rev Not	Series 2024	18,000,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	4.230	-	-	-	-
08/07/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024A	30,977,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	4.230	-	-	-	-
08/07/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024B	16,023,000	Private Placement	RBC Capital Markets	Bryant Miller Olive	PRAG	4.230	-	-	-	-
08/14/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024	16,031,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	4.140	-	-	-	-
08/15/24	Northern Palm Beach County Imp Dis	Water Control and Imp Ref Bonds	Series 2024	45,600,000	Negotiated	Piper Sandler	Nabors, Giblin & Nickersor	PRAG	4.230	4.042	8.454	7.250	1.204
09/05/24	Hillsborough County ID/	Health System Rev Bonds	Series 2024C	1,307,485,000	Negotiated	Morgan Stanley	Hawkins Delafield & Wood	PRAG	4.170	4.074	4.120	3.810	0.310
09/26/24	Hillsborough County ID/	Health System Rev Bonds	Series 2024D	100,000,000	Negotiated	JP Morgan	Hawkins Delafield & Wood	PRAG	4.100	3.019	-	-	-
09/26/24	Hillsborough County ID/	Health System Rev Bonds	Series 2024E	126,045,000	Negotiated	RBC Capital Markets	Hawkins Delafield & Wood	PRAG	4.100	3.019	3.326	-	-
09/26/24	Hillsborough County ID/	Health System Rev Bonds	Series 2024F	50,000,000	Negotiated	JP Morgan	Hawkins Delafield & Wood	PRAG	4.100	3.019	-	-	-
09/26/24	Hillsborough County ID/	Health System Rev Bonds	Series 2024G	49,820,000	Negotiated	RBC Capital Markets	Hawkins Delafield & Wood	PRAG	4.100	3.019	-	-	-
10/01/24	Peace River Manasota Regl Wtr Supp Autl	Utility System Ref Rev Bonds	Series 2024A	49,200,000	Negotiated	Raymond James	Nabors, Giblin & Nickersor	PRAG	4.170	2.999	3.027	2.000	1.027
10/01/24	Peace River Manasota Regl Wtr Supp Autl	Utility System Rev Bonds	Series 2024B	40,035,000	Negotiated	Raymond James	Nabors, Giblin & Nickersor	PRAG	4.170	4.087	3.046	2.000	1.046
10/03/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024	30,000,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	4.030	-	-	-	-
10/10/24	Florida Municipal Loan Counc	Ref and Imp Rev Bonds	Series 2024C	30,000,000	Competitive	Raymond James	Bryant Miller Olive	PRAG	4.100	3.905	10.423	-	-
10/11/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024	60,000,000	Negotiated	RBC Capital Markets	Foley & Lardner	PRAG	4.030	-	-	-	-
10/22/24	Jacksonville Transportation Autl	Senior Lien LOGT Ref Rev Bonds	Series 2024	28,875,000	Negotiated	Jefferies	Nelson Mullins Riley & Scarboroughl	PRAG	4.030	3.067	4.827	3.292	1.536
10/24/24	Manatee County	Rev Imp Note	Series 2024B	140,000,000	Line of Credit	Wells Fargo	Greenberg Traurig	PRAG	4.470	-	-	-	-
10/30/24	Florida Municipal Loan Counc	Rev Bonds	Series 2024D	54,055,000	Negotiated	RBC Capital Markets	Bryant Miller Olive	PRAG	4.210	4.120	3.523	2.786	0.737
10/31/24	Central Florida Tourism Oversight Dis	Ad Valorem Tax Bonds	Series 2024	99,300,000	Negotiated	Bank of America	Greenberg Traurig	PRAG	4.210	3.716	2.115	1.953	0.162
10/31/24	Emerald Coast Utilities Autl	Utility System Rev Ref Bonds	Series 2024	27,375,000	Negotiated	RBC Capital Markets	Nabors, Giblin & Nickersor	PRAG	4.210	3.294	3.930	3.000	0.930
10/31/24	Florida Municipal Loan Counc	Cap Imp Rev Bonds	Series 2024	16,000,000	Negotiated	MBS Capital Markets	Bryant Miller Olive	PRAG	4.210	5.474	-	-	-
10/31/24	HFA of Miami-Dade County	Multifamily Housing Rev Completion Not	Series 2024	4,000,000	Private Placement	RBC Capital Markets	Locke Lord	PRAG	4.450	-	-	-	-
11/06/24	Brevard County HFA	Multifamily Housing Rev Bond	Series 2024	11,675,000	Negotiated	RBC Capital Markets	Nabors, Giblin & Nickersor	PRAG	4.470	-	-	-	-
11/21/24	Manatee County	Public Utilities Rev Lease Agreemen	Series 2024	82,145,000	Capital Lease	Bank of America	Greenberg Traurig	PRAG	4.410	-	-	-	-
12/10/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024	44,640,000	Negotiated	Stifel	Foley & Lardner	PRAG	4.410	-	-	-	-
12/19/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024A	17,528,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	4.390	-	-	-	-
12/19/24	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2024B	12,100,000	Private Placement	RBC Capital Markets	Foley & Lardner	PRAG	4.390	-	-	-	-
01/16/25	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2025A	66,430,000	Negotiated	KeyBanc Capital Markets	Troutman Pepper Locke	PRAG	4.350	-	-	-	-
01/16/25	HFA of Miami-Dade County	Multifamily Housing Rev Bond	Series 2025B	21,570,000	Negotiated	KeyBanc Capital Markets	Troutman Pepper Locke	PRAG	4.350	-	-	-	-
01/21/25	City of Tampa	Solid Waste System Rev Note	Series 2025	130,000,000	Line of Credit	Bank of America	Nabors, Giblin & Nickersor	PRAG	4.570	-	-	-	-
02/12/25	Hillsborough Count	Solid Waste and Res Recovery Rev Bonds	Series 2025A	36,020,000	Negotiated	Bank of America	Bryant Miller Olive	PRAG	4.480	4.936	3.144	2.687	0.457
02/12/25	Hillsborough Count	Solid Waste and Res Recovery Ref Rev Bonds	Series 2025B	58,140,000	Negotiated	Bank of America	Bryant Miller Olive	PRAG	4.480	4.326	2.630	2.153	0.477
05/07/25	Jacksonville Transportation Autl	Senior Lien LOGTx Ref Rev Bonds	Series 2025	23,840,000	Negotiated	Jefferies	Nelson Mullins Riley & Scarboroughl	PRAG	4.030	3.339	3.845	3.227	0.618
217 Financings				12,243,945,483									

Source: PRAG's Internal Database (as of 2/11/25)

## **APPENDIX B:**

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### **SAMPLE WORK PRODUCTS**

**PUBLIC RESOURCES ADVISORY GROUP**

**MEMORANDUM TO:** Tim Rhode, *City Manager, City of West Melbourne*  
Tom Bradford, *Assistant City Manager, City of West Melbourne*  
Candice Blake, *Director of Finance, City of West Melbourne*

**FROM:** Public Resources Advisory Group, Inc.

**SUBJECT:** Discussion and Evaluation of Financing Options for Water Treatment Plant

**DATE:** November 8, 2023

**EXECUTIVE SUMMARY**

The City of West Melbourne (the “City” or “West Melbourne”) engaged the services of Public Resources Advisory Group, Inc. (“PRAG”) as an independent registered municipal advisor to assist the City in financing a new water treatment plant that will provide the City with an independent water supply (the “Project”). In accordance with our engagement, PRAG has researched and evaluated the following options as potential sources of financing for the Project:

- Florida Rural Water Association (FRWA) Loan Program
- Florida Department of Environmental Protection (FDEP) State Revolving Fund (SRF) Loan Program
- Florida Municipal Loan Council (FMLC) Bank Loan Program
- Florida Municipal Loan Council (FMLC) Bond Issue Program

The FRWA Loan Program provides interim/ construction financing for water infrastructure projects while the other programs offer long-term/ permanent financing alternatives. The source(s) of long-term financing selected by the City will ultimately depend on the scope of the project, timing of need, desired structuring terms/flexibility and specific City objectives (i.e., balancing low-cost financing with project timing, costs and on-going requirements and internal cash management strategies).

Based on PRAG’s preliminary research and analysis, we recommend that the City further evaluate the FDEP SRF Loan Program and/or FMLC Bond Issue Program as sources of long-term financing for the Project. The key advantages and considerations of these two options are summarized below.

**SRF Loans**

- Below market interest rates; no credit ratings or disclosures; ability to draw down funds as needed (+)
- Limited term and structuring ability; Reimbursement loan; long, nuanced process; Federal and State requirements (-)

**Publicly Offered Bonds**

- Longer term; maximum structuring and repayment flexibility; no Federal or State requirements (+)
- Higher interest rates and costs of issuance; credit ratings; primary & continuing disclosure requirements (-)

Presented herein is an overview of each program, key advantages and considerations and PRAG’s preliminary analysis and recommendations.

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**PUBLIC RESOURCES ADVISORY GROUP**

**BACKGROUND**

The City of West Melbourne (the “City” or “West Melbourne”) engaged the services of Public Resources Advisory Group, Inc. (“PRAG”) to assist the City in researching and evaluating financing options for the construction of the City’s water treatment plant project (the “Project”) that include certain state financing programs and a bank loan or bond issue through the Florida Municipal Loan Council (FMLC) program offered by the Florida League of Cities. The construction cost of the Project is currently estimated at \$60 million. Based on the City’s FY 2023 Water and Sewer Revenue Sufficiency Analysis – Final Report from Stantec, dated September 13, 2023, the City expects to fund \$51.5 million of Project costs with senior lien debt secured by the City’s net water and sewer revenues and connection fees. The Project is expected to be fully constructed and operational by January 1, 2027, the same day the City’s water purchase agreement with the City of Melbourne expires.

The City has one water and sewer debt issue outstanding: its Water and Sewer Refunding Revenue Bond, Series 2014 (the “Series 2014 Loan”). The Series 2014 Loan is outstanding in the principal amount of \$918,900 at a fixed interest rate of 2.30%, a final maturity of 10/1/2026 and is prepayable at par on any Interest Payment Date. As long as the Series 2014 Loan is outstanding, the covenants and provisions of the City’s existing Bond Resolution would apply to new debt issued by the City to fund the Project.

PRAG has evaluated the following as potential funding sources for the Project: (1) Florida Rural Water Association (FRWA) Loan Program; (2) Florida Department of Environmental Protection (FDEP) State Revolving Fund (SRF) Loan Program, (3) FMLC Bank Loan Program and (4) FMLC Bond Issue Program.

**FRWA LOAN PROGRAM**

**Program Overview:** The FRWA Loan Program was created to assist communities in obtaining interim financing for water infrastructure projects which have received a permanent loan commitment from the United States Department of Agriculture-Rural Development (USDA-RD) or from FDEP via the SRF Loan Program. The loans under the FRWA program are short-term, fixed rate loans and all funds are drawn at once at closing. FRWA loan proceeds are utilized for the construction period only and are paid off with USDA-RD or FDEP SRF funds when the project is complete or funded. Once the project is on the FDEP’s priority funding list, FDEP will provide FRWA with a take-out letter, which commits that SRF funding will be available to retire the FRWA short-term loan and provide permanent financing for the Project.

**Key Advantages and Considerations:**

***Advantages***

- Source of fixed rate interim financing
- Replaces internal funding and cash-flow management strategies required to fund project costs prior to reimbursement from FDEP from the SRF Loan Program
- FRWA relationship with FDEP allows for flexibility and seamless take-out of the interim loan with a pre-identified source of long-term funding (i.e., the FDEP SRF Loan Program)

***Considerations***

- No ability to draw down funds as needed; all funds are taken up-front with interest accruing from day one
- Other sources of interim financing may be available at a lower cost or more favorable terms

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**Recommendation:** The City should consider the FRWA Loan Program only if the City requires a source of interim financing for the Project and expects to use the FDEP SRF Loan Program as a source of long-term funding for the Project. If the City plans to use internal funds to pay the costs of the Project prior to reimbursement from FDEP from the SRF Loan Program, then interim financing is not needed. In addition, if the City needs interim financing, we suggest the City evaluate the FRWA Loan Program and other potential sources of short-term funding (i.e., bank line of credit, bank short-term note).

**FDEP SRF LOAN PROGRAM**

**Program Overview:** The FDEP administers the SRF loan programs to provide financial assistance for water quality and infrastructure projects to local governments in Florida. The SRF loan programs provide low-interest rate loans, on a reimbursement basis, with defined repayment terms. The City's Project would fall under the Drinking Water State Revolving Fund (DWSRF) program, which funds eligible projects, such as the construction or rehabilitation of water treatment facilities, distribution systems, and other infrastructure to ensure safe and reliable drinking water. Each quarter of each State Fiscal Year, beginning in August, the FDEP establishes the priority projects to be funded with SRF loans. Communities seeking SRF funds are required to submit a detailed facilities plan and formally apply for the loans with FDEP. The FDEP has certain requirements concerning the procurement of labor and materials for the construction of SRF-funded projects as described later in the analysis.

**Key Advantages and Considerations:***Advantages*

- Below market-rate permanent financing
- Long loan term available (i.e., 20 years)
- No credit ratings or credit spread on interest rate
- Loan repayment begins after construction completion
- Ability to draw down funds as needed; avoid accruing interest on undrawn amounts
- Low costs of issuance
- No requirement for matching funds
- Loans are typically prepayable anytime at par with no prepayment notice requirements

*Considerations*

- Limited structuring flexibility (level debt service, semi-annual payments, 20-year term)
- No ability to extend term to better match the useful life of the asset
- Limited funding available; Requests are funded in priority order until funds are exhausted
- Segment caps (caps on loan amount for a certain project in a certain year) may be set annually and could impact timing and amounts of SRF Loan Program funding available in a given year
- Specific project, procurement and planning requirements may to increased project costs
- Specialized consultants may be helpful in providing assistance with the process
- Lengthy process with required steps, documentation and approvals; estimated 12+ months
- Funding provided on a reimbursement basis; requires careful cash flow management
- DEP requires rights to approve any future water and sewer debt

**Preliminary Analysis:** PRAG has performed a preliminary analysis for the City to fund the Project with an SRF loan. FDEP requires that an estimate for contingencies (10% of construction costs) and technical services (5% of construction costs) be included in the loan amount. In addition, FDEP charges a 2% loan

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service fee. The fee can be paid from loan proceeds, but typically must be paid from the first available repayments following the final amendment to the loan agreement.

For purposes of our analysis, PRAG assumed that the City would incur project costs increases of 10% to incorporate and comply with certain SRF requirements, such as Davis-Bacon, American Iron and Steel or Build America, Buy America, resulting in a total project cost of \$56.65 million. Ultimate project costs and any increases related to these SRF requirements would be determined by Hazen & Sawyer as the City's engineers on the Project. PRAG's analysis also assumes a 2.45% interest rate, calculated based on the interest rate formula provided by FDEP for the DWSRF program and a 20-year, semi-annual repayment schedule with level debt service. A summary of PRAG's initial analysis is presented below.

FDEP SRF Loan: Summary of Preliminary Results	
Total Loan Amount	\$65,147,500
Interest Rate	2.45%
Amortization (yrs.)	20
First Payment Date	12/15/2026
Final Payment Date	6/15/2046
Annual Debt Service	\$4,270,930
Total Debt Service	\$84,114,387

Note that the preliminary results represent estimated debt service based on the assumptions presented and exclude the impacts of capitalized interest in the early years' debt service. The City would begin accruing interest on the loan from initial disbursement until six months prior to the first semi-annual loan payment. Ultimately, FDEP would provide the City with a final repayment schedule, via an amendment to the loan agreement, once the Project construction is complete and desired funds are fully drawn.

**Recommendation:** Given the low interest rate on SRF loans relative to current market rates, PRAG recommends that the City further evaluate the SRF loan program as a potential source of financing for all or a portion of the Project. If the City decides to only use SRF loans to fund the Project, the City should keep in mind the segment caps (currently \$47.5 million for the DWSRF program) and ability of the City to fund project costs internally prior to requesting reimbursement from FDEP. The City can begin the process to determine eligibility under the SRF loan program now and should carefully monitor the requirements and timing associated with this process to ensure it works with the City's Project timeline and cash needs. The City can only proceed with incurring project costs and other project implementation activities, including obtaining any necessary permits, initiating construction, and complying with applicable regulations only after a loan agreement is signed.

See attached presentation titled "*Summary of Long-Term Debt Funding Options for Capital Projects*," pages 8-17 for more details on the FDEP SRF Loan Program's process, terms and compliance requirements.

### **FMLC BANK LOAN PROGRAM**

**Program Overview:** The FMLC's Bank Loan Program assists municipal issuers with obtaining long-term financing. The FMLC, as Administrator, handles all the administration, hiring of financing and legal team professionals, continuing disclosure, investment of proceeds, and arbitrage rebate calculations. The

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program includes assistance with a competitive Request for Proposals (RFP) process for soliciting banks that are interested in providing financing for new projects and/or refinancings.

**Key Advantages and Considerations:**

*Advantages*

- FMLC acts as a procurement vehicle for the hiring of financing and legal team professionals
- Mid to long loan terms available at 15-20 years
- No primary offering documents and ongoing disclosure is typically limited to Annual Reports and Budgets
- Prepayment provisions range from make whole call to par call anytime without penalty
- No credit ratings or bond insurance required
- Shorter process than SRF loans and public bond issues; typically 2-3 months
- Lower costs of issuance than bond issues
- No specific Federal/ State project, procurement, planning or tracking requirements

*Considerations*

- Small universe of banks are currently willing to offer a 20-year, fixed rate loans
- For terms longer than 10-15 years, banks may require a “put” option during the term of the loan which subjects the City to future interest rate and market risk
- Generally more limited structuring flexibility than a public bond issue
- Market based interest rates
- Loan pricing based on different benchmark rates depending on the lender
- Typically higher interest rates compared to those of publicly offered bonds of the same tenor but with lower issuance costs
- With fixed rate bank loans - no ability to draw down; all funds are taken up-front with interest accruing from day one

**Recommendation:** Given the size of the Project, current market rates and a small universe of lenders willing to finance similar projects at a fixed rate for more than 15 years, PRAG does not recommend a bank loan for this Project. Nonetheless, if the City is considering interim financing, PRAG suggests further evaluation of short-term loan options under the FMLC Bank Loan Program.

**FMLC BOND ISSUE PROGRAM**

**Program Overview:** The FMLC’s Bond Issue Program assists municipal issuers with obtaining long-term financing. The FMLC, as Administrator, handles all the administration, hiring of financing and legal team professionals, continuing disclosure, investment of proceeds, and arbitrage rebate calculations. The FMLC also acts as the conduit issuer for the bonds. The program includes assistance with the entire bond issuance process, including structuring, documentation, ratings, pricing and closing activities.

**Key Advantages and Considerations:**

*Advantages*

- FMLC acts as a procurement vehicle for the hiring of financing and legal team professionals
- Longer term available (30 years or longer in certain cases)
- Asset/ liability match; the term of the debt is matched with the useful life of the asset
- Maximize structuring flexibility considering existing debt, utility rates and future financings

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- Ability to capitalize interest during construction period
- Shorter process than SRF loans; typically 3-6 months
- Unlimited funding availability with a large and diverse investor base
- No specific Federal/ State project, procurement, planning or tracking requirements

### Considerations

- Market based interest rates that include a credit spread
- No ability to draw down; all funds are taken up-front with interest accrued from day one
- Credit ratings and possibly credit enhancement required
- Typically non-callable for 10 years from issuance
- Primary offering document, engineers report and feasibility study required
- Continuing disclosure required for the life of the bonds
- Regular credit rating surveillance process with rating agencies (typically every 1-2 years)
- Higher costs of issuance than bank loans; FMLC Bond Issue Program includes annual fee covering program administration, continuing disclosure and arbitrage rebate calculation services

**Preliminary Analysis:** PRAG has performed a preliminary analysis for the City to fund the Project with a negotiated bond issue through the FMLC Bond Issue Program. For purposes of our analysis, PRAG assumed market conditions as of October 30, 2023, an estimated Aa3 credit rating (see rating scorecard in Appendix A), \$51.5 million project, a debt service reserve fund equal to maximum annual debt service and 20-year or 30-year term scenarios. A summary of PRAG's initial analysis is presented below.

FMLC Bond Issue: Summary of Preliminary Results		
	20-Year Final Maturity	30-Year Final Maturity
Total Par Amount	\$53,980,000	\$53,685,000
Interest Rate (True Interest Cost)	4.50%	4.93%
Closing Date	10/1/2024	10/1/2024
First Interest Payment Date	4/1/2025	4/1/2025
First Principal Payment Date	10/1/2027	10/1/2027
Final Payment Date	10/1/2044	10/1/2054
Max. Annual Debt Service	\$4,620,000	\$3,696,788
Total Debt Service	\$89,050,060	\$109,014,738

Note that the preliminary results represent estimated debt service based on the assumptions presented. Final par, rates, payment dates and debt service would be determined on the pricing date of the bonds.

**Recommendation:** Given the ability to maximize structuring flexibility and the final maturity, PRAG recommends that the City further consider a bond issue under the FMLC Bond Issue Program as a source of financing for all or a portion of the Project. The main advantage of a bond issue is the ability to extend the debt beyond 20 years, allowing for lower annual debt service payments and a minimized impact on ratepayers. In addition, given the long useful life of the Project, the costs are spread out among both current and future ratepayers, all of whom will benefit from the use of the Project.

See attached presentation titled "Summary of Long-Term Debt Funding Options for Capital Projects," pages 3-7 for more details on process and terms for a publicly offered bond issue.

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## Appendix A: Moody's Rating Scorecard

Moody's US Municipal Utility Revenue Methodology  
Rating Methodology Dated April 13, 2022  
West Melbourne, Florida

THIS GRID IS FOR ILLUSTRATIVE AND PLANNING PURPOSES ONLY AND DOES NOT GUARANTEE A PARTICULAR RATING RESULT



		Aaa	Aa	A	Baa	Ba	B and Below	Weighting	Estimated Sub-Rating (1)	Estimate based on FY2022 and 2023 Stanlec Report
1. System Characteristics - 30%										
a) Asset Condition (10%)	Net fixed assets divided by most recent year's depreciation, expressed in years	>75 years	75 years ≥ n > 25 years	25 years ≥ n > 12 years	12 years ≥ n > 9 years	9 Years ≥ n > 6 Years	≤ 6 Years	10.0%	Aa2	39.3
b) System Size (Most recent year's O&M expenditures) (7.5%)	Water and/or Sewer; Solid Waste	O&M > \$65M	\$65M ≥ O&M > \$30M	\$30M ≥ O&M > \$10M	\$10M ≥ O&M > \$3M	\$3M ≥ O&M > \$1M	O&M ≤ \$1M	7.5%	A3	\$15,260,571
c) Service Area Wealth (12.5%)	Median family income of the service area, expressed as a percentage of the US Median.	> 150% of US median	150% ≥ US median > 90%	90% ≥ US median > 75%	75% ≥ US median > 50%	50% ≥ US median > 40%	≤ 40% of US median	12.5%	Aa2	109%
2. Financial Strength - 40%										
a) Annual Debt Service Coverage (15%)	Most recent year's net revenues divided by most recent year's debt service, expressed as a multiple	> 2.00x	2.00x ≥ n > 1.70x	1.70x ≥ n > 1.25x	1.25x ≥ n > 1.00x	1.00x ≥ n > 0.70x	≤ 0.70x	15.0%	A2	1.52 estimate with connection fees (Stanlec report)
b) Days Cash on Hand (15%)	Unrestricted cash and liquid investments times 365 divided by operating and maintenance expenses, expressed in days	> 250 Days	250 Days ≥ n > 150 Days	150 Days ≥ n > 35 Days	35 Days ≥ n > 15 Days	15 Days ≥ n > 7 Days	≤ 7 Days	15.0%	Aa3	180 (6 mo. per Stanlec report)
c) Debt to Operating Revenues (10%)	Net debt divided by most recent year's operating revenues, expressed as a multiple	< 2.00x	2.00x < n ≤ 4.00x	4.00x < n ≤ 7.00x	7.00x < n ≤ 8.00x	8.00x < n ≤ 9.00x	≥ 9.00x	10.0%	Aa2	Existing debt plus \$51.5M for new plant
3. Financial Metrics - 20%										
a) Rate Management (10%)		Excellent rate-setting record; no material political, practical, or regulatory limits on rate increases	Strong rate-setting record; little political, practical, or regulatory limits on rate increases	Average rate-setting record; some political, practical, or regulatory limits on rate increases	Adequate rate-setting record; political, practical, or regulatory impediments place material limits on rate increases	Below average rate-setting record; political, practical, or regulatory impediments place substantial limits on rate increases	Record of insufficiently adjusting rates; political, practical, or regulatory obstacles prevent implementation of necessary rate increases	10.0%	Aa2	Assumed
b) Regulatory compliance and capital planning (10%)		Fully compliant OR proactively addressing compliance issues; Maintains sophisticated and manageable Capital Improvement Plan that addresses more than a 10-year period	Actively addressing minor compliance issues; Maintains comprehensive and manageable 10-year Capital Improvement Plan	Moderate violations with adopted plan to address issues; Maintains manageable 5-year Capital Improvement Plan	Significant compliance violations with limited solutions adopted; Maintains single year Capital Improvement Plan	Not fully addressing compliance issues; Limited or weak capital planning	Not addressing compliance issues; No capital planning	10.0%	A1	Assumed A1 for initial analysis; need to review
4. Legal Provisions - 10%										
a) Rate Covenant (5%)	Covenant governing net revenues (operating revenues minus operating expenditures net of depreciation) divided by annual debt service, expressed as a multiple	> 1.30x	≥ n 1.30x > 1.20x	≥ n 1.20x > 1.10x	≥ n 1.10x > 1.00x	≤ 1.00x		5.0%	A3	1.10x (without connection fees); 1.25x with conn. Fees
b) Debt Service Reserve Requirement (5%)	Debt service reserve requirement	DSRF funded at MADS	DSRF funded at lesser of standard 3-prong test	DSRF funded at less than 3-prong test OR springing DSRF	NO explicit DSRF; OR funded with speculative grade surety			5.0%	Aa1	
WEIGHTED NUMERICAL ESTIMATE BEFORE NOTCHING (Aaa = 0.5 to 1.5; Aa =1.5 to 2.5; A = 2.5 to 3.5; Baa = 3.5 to 4.5; Ba = 4.5 to 5.5; B and Below = 5.5 to 6.5)									2.42	
RATING ESTIMATE BEFORE NOTCHING									Aa3	

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# Rating Strategy and Financial Policy Considerations



*March 6, 2024*

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## National Firm, Local Knowledge

- Established in 1985; headquarters in New York City
- Municipal Advisor registered with the MSRB and SEC
- Florida office located in St. Petersburg; offices in NY, PA and CA
- Local knowledge with national experience

## Focused on General Government Advisory

- #1 Ranked General Purpose Municipal Advisor (*Refinitiv* - 2023)
- Full range of independent financial advisory services
- Fiduciary duty to the Village; not a broker-dealer

## Recent History with the Village of Estero

- PRAG advised the Village on its \$20 million Taxable Revenue Note, Series 2019.
- Recently engaged to assist the Village in developing and implementing a financing plan for the Village's Capital Improvement Program.
- PRAG has analyzed the Village's financial position, advised the Village in developing a reimbursement resolution, and is in the process of developing the final plan of finance.



# Potential CIP Funding Sources

- The Capital Improvement Program (CIP) may be funded with various sources:
  - Cash
  - Grants
  - Other State or Federal Sources (e.g. American Rescue Plan Act funds)
  - Assessments
  - Debt Proceeds (Bonds, Bank Loans)
- Given the size of the CIP, municipal bonds may provide a viable funding source to fund a portion of the CIP and still allow the Village to maintain strong cash reserves necessary for emergencies and other unforeseen events.
- Bonds for large financings are generally more cost-efficient than bank loans in today's municipal debt market. They can also go longer (up to 30 years).
- Municipal bonds allow projects to be financed over a period of time that matches the useful life of the assets being constructed or acquired; this serves to lower annual costs.
- When issuing municipal bonds, **a credit rating can help reduce borrowing costs.**

# General Ratings Overview

- The majority of municipal bonds are issued with investment grade ratings provided by a rating agency.
- Ratings are based on the security pledged for payment of debt service on the bond.
- A higher rating indicates a greater credit-worthiness of a bond and lower likelihood of a payment default.
- Because **better ratings translate to a lower cost of financing** for the issuer, the rating strategy and process is critical to the bond issuance process.

S&P	Moody's	Fitch	Rating Description
AAA	Aaa	AAA	Prime
AA+	Aa1	AA+	High Grade
AA	Aa2	AA	
AA-	Aa3	AA-	
A+	A1	A+	Upper Medium Grade
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	Lower Grade
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	
BB+	Ba1	BB+	Non Investment Grade Speculative
BB	Ba2	BB	
BB-	Ba3	BB-	
B+	B1	B+	Highly Speculative
B	B2	B	
B-	B3	B-	
CCC+	Caa1	CCC+	Substantial Risks
CCC	Caa2	CCC	Extremely Speculative

# Highest Rated Florida Municipalities

- PRAG has identified 10 cities, towns or villages in Florida that have obtained the highest possible rating (AAA) from at least one major rating agency.
- Notably two municipalities, the City of Coral Gables and the Town of Palm Beach have triple-A ratings from two agencies and one, the City of Boca Raton, has a triple-A from three agencies.
- The newest rating agency, KBRA (formerly Kroll) does not maintain a triple-A rating on any municipality in Florida but also rates significantly fewer municipalities in the State.

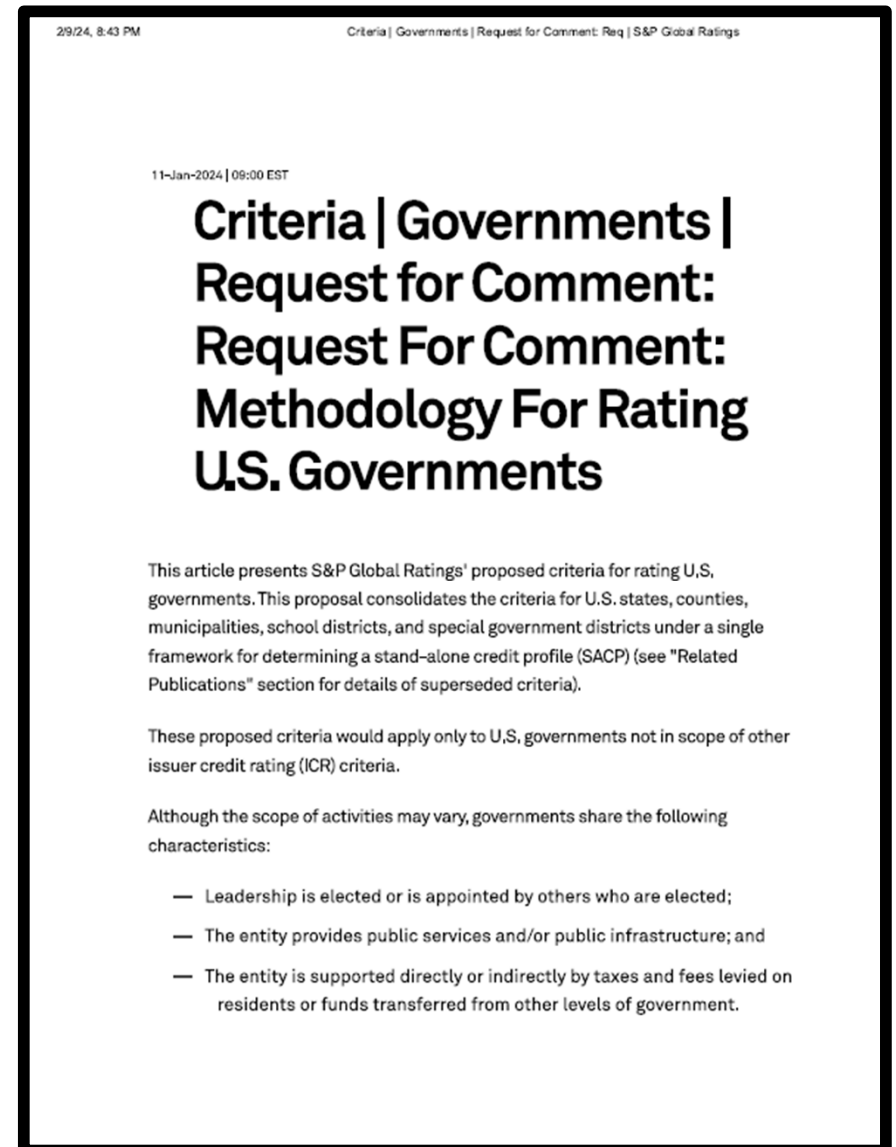
S&P	Moody's	Fitch	KBRA
Boca Raton, City of	Boca Raton, City of	Boca Raton, City of	None
Coral Gables, City of	Coral Gables, City of		
Coral Springs, City of	Palm Beach, Town of		
Davie, Town of	Wellington, Village of		
Fort Lauderdale, City of			
Palm Beach, Town of			
Palmetto Bay, Village of			
Pinecrest, Village of			
Tampa, City of			

*General Obligation or Issuer Credit Rating based on EMMA search as of February 2, 2024*

*Does not include utility ratings*

# Methodology

- Given the significant difference in the number of AAA ratings provided by S&P compared to the other agencies, PRAG believes it is appropriate for the Village to prioritize S&P's criteria when evaluating the Village's potential rating.
- S&P is in the process of revising its City and State Methodology (comment period ends March 11<sup>th</sup>).
- We expect S&P's new criteria will be in effect in mid-2024.
- PRAG has analyzed the potential rating outcome under both the current and proposed methodology.



*Dated: January 11, 2024*

# S&P Proposed Framework

- S&P will score its Institutional Framework + Individual Credit Profile both on a 1 to 6 scale
- Combined, the “Anchor” score is determined; the strongest “Anchor” is 1.1 (aaa)
- Modifiers may improve or worsen the “Anchor” by one rating level (*none are expected*)
- S&P’s holistic analysis is then applied to determine the **Issuer Credit Rating**
  - Forward-looking view on issuer’s credit; strengths/weakness not in criteria
  - Peer ratings analysis

		--Individual credit profile--										
--Institutional framework assessment--		1	1.5	2	2.5	3	3.5	4	4.5	5	5.5	6
	1	aaa	aaa	aa+	aa	aa-	a+	a	a-	bbb	bb+	bb-
	2	aaa	aa+	aa	aa-	a+	a	a-	bbb+	bbb-	bb	b+
	3	aa+	aa	aa-	a+	a	a-	bbb	bbb-	bb+	bb-	b
	4	aa-	a+	a	a-	bbb+	bbb	bb+	bb	bb-	b	b-
	5	a	a-	bbb+	bbb	bbb-	bb+	bb-	b+	b	b-	b-
	6	bbb+	bbb	bbb-	bb+	bb	bb-	b+	b	b-	b-	b-

# S&P Proposed Framework (continued)

- S&P's Proposed Individual Credit Profile (ICP) scorecard is below
- Each ICP factor will be scored on scales from 1 to 4-6 and each are weighted 20%

	Economy 20%	Financial Performance 20%	Reserves and Liquidity 20%	Management 20%	Debt and Liabilities 20%
Step 1: Establish initial assessment	<p>GCP% of U.S. (50%)</p> <p>County PCPI% of U.S. (50%)</p>	<p>Three-year average operating result (%)</p>	<p>Available reserves (%) of revenues</p>	<p>Budgeting practices (35%)</p> <p>Long-term planning (35%)</p> <p>Policies (30%)</p>	<p>Current cost for debt service and liabilities (50%)</p> <p>Net direct debt per capita (25%)</p> <p>Net pension liabilities per capita (25%)</p>
Step 2: Apply qualitative adjustments	<p>Local Economic Profile</p> <p>Economic volatility and concentration</p> <p>Economic growth prospects</p>	<p>Under or overstated operating results</p> <p>Performance volatility</p> <p>Projections suggest different assessment</p>	<p>Under or overstated reserves</p> <p>Projects suggest different assessment</p> <p>Liquidity and contingent liability risks</p>	<p>Transparency and reporting</p> <p>Governance structure</p> <p>Risk management, credit culture, and oversight</p>	<p>Under or overstated current costs</p> <p>Under or overstated long-term liabilities</p> <p>Projections suggest different assessment</p>

GCP = Gross County Product  
PCPI = Per capita personal income

S&P Request for Comment: Methodology for Rating U.S. Governments January 11, 2024



# Rating Factors

- The Village has little to no *short-term ability* to influence certain rating factors such as Institutional Framework, the Economy and Financial Performance (which uses a three-year average of operating results).
- **Institutional Framework** - stands apart from the ICP scorecard; mostly **qualitative** scoring. State constitutions and laws broadly dictate the terms under which U.S. governments operate; therefore, S&P assesses the Institutional Framework by state & government type.
- The Institutional Framework subfactors are:
  - **Predictability (25%)** – ability of government to forecast its revenues and expenditures
  - **Revenue/expenditure balance and system support (50%)** – the ability of a government to finance services it provides, and degree of ongoing and exceptional support from a higher-level government
  - **Transparency and accountability (25%)** – comparability of a government's relevant financial information

# S&P Proposed Economy Assessment

- Initial assessment is driven by County-level per capita gross domestic product (50%) and Per Capita Personal Income (50%) subfactors.

Economy: Initial Assessment		Local Government Assessment					
Metric	Sub-Weight	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
GCP per capita as a % of U.S. GDP per capita	50%	>110	110-95	95-85	85-75	75-65	<65
County PCPI as a % of U.S. PCPI	50%	>100	100-90	90-80	80-75	75-70	<70
<b>Economy (20%)</b>							
Gross County Product per Capita		\$54,263					
U.S. GDP per Capita		\$65,799					
Percentage		82.5%					
County Per Capita Personal Income		\$63,568					
U.S. Per Capita Personal Income		\$65,476					
Percentage		97.1%					

- Two-point adjustment** *expected* due to the Village's strong effective buying income (i.e. Median Household Income) vs. the U.S. & County
  - 134% as a percentage of the U.S. MHI
  - 145% as a percentage of the County MHI
- Initial Economy Assessment **estimated** "3" could be improved by "2" = "1"

# S&P Proposed Financial Performance Assess.

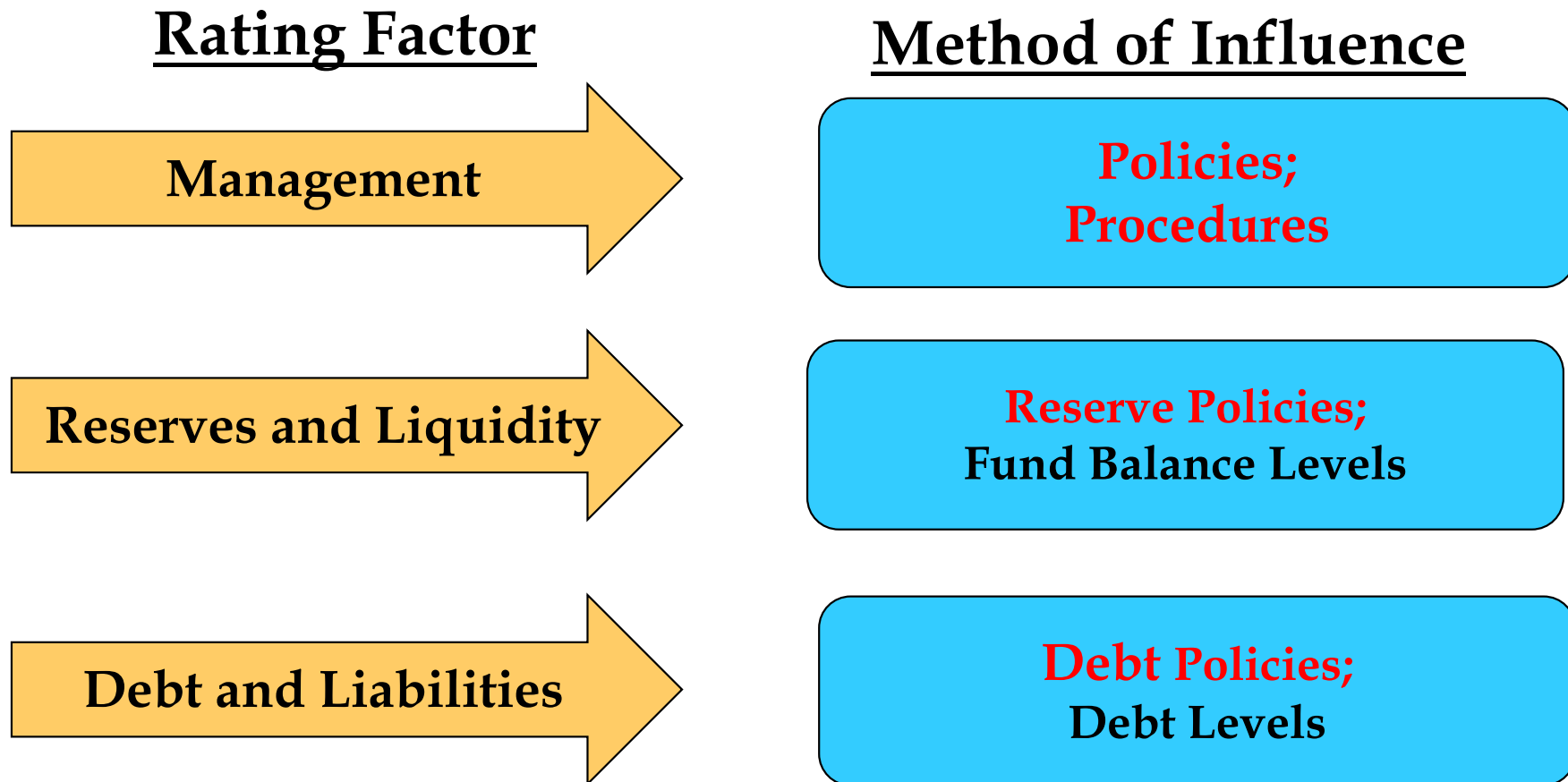
- Initial assessment is based on the average annual operating result of the three most recent years.

Financial Performance: Initial Assessment		Local Government Assessment			
<u>Metric</u>	<u>Sub-Weight</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Operating Result (%)	100%	>3	3-0	0-(3)	<(3)
<b>Financial Performance (20%)</b>					
<u>General Fund</u>		<u>FY23 (Unaudited)</u>	<u>FY22 (Audited)</u>	<u>FY21 (Audited)</u>	
Revenues		\$ 21,406,380	\$ 20,435,217	\$ 13,982,874	
Expenditures		13,217,926	4,992,536	5,021,921	
Excess/(Deficit)		\$ 8,188,454	\$ 15,442,681	\$ 8,960,953	
Less: Transfers Out		(3,620,030)	(19,778,472)	(4,925,024)	
Net Operating Result		\$ 4,568,424	\$ (4,335,791)	\$ 4,035,929	
Net Operating Result as % of Revenues		21.3%	-21.2%	28.9%	
Three-Year Average Operating Result (%)		9.7%			

- The Village has little control over certain aspects of its financial performance and given the three-year lookback, little control over this scoring factor in the proposed Individual Credit Profile
- The Village has experienced notably strong financial performance in recent years (note: large transfer out in 2022 due to debt payoff)

# Controllable Rating Factors

- There are certain rating factors that the Village *can* make a more immediate impact on as illustrated below:



# S&P Proposed Management Assessment

- **Budgeting Practices (35%)**:
  - Budgets are **forward-looking** with **robust monitoring**
  - Budgets utilize comprehensive planning tools that are **forward-looking** and **realistic**
  - Budget performance is shared with stakeholders and adjustments are made regularly to address for changes throughout the year
- **Long-Term Planning (35%)**:
  - Robust culture of long-term planning; multiyear financial and capital plans are based on realistic assumptions that support long-term structural balance
  - Plans are regularly updated and demonstrate clear project funding
- **Policies (30%)**:
  - Robust, well-defined policies with thorough reporting
  - **Investment, Debt Management, and Reserve and Liquidity policies** exist and are well-defined
  - Strong reporting and monitoring mechanisms exist and are functioning
- The final assessment considers adjustments for transparency/reporting, governance structure (e.g. “political gridlock”), and risk management, credit culture, and oversight

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Note: Statements above do not necessarily reflect the Village’s management characteristics; rather they are shown to illustrate what S&P considers the strongest characteristics (“1”) in their proposed Management Assessment criteria

# S&P Proposed Reserves & Liquidity Assessment

- Initial assessment based on the Available Reserves as a Percentage of Revenues
- Establishment of a **strong Fund Balance policy** with minimum levels and internal controls positively impacts an issuer's ability to maintain very strong unrestricted reserves
- Estimates below are based on unaudited FY23 financials and reserve positions are **subject to change** as cash is utilized to fund capital improvement projects

Reserves and Liquidity: Initial Assessment		Local Government Assessment				
Metric	Sub-Weight	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Available Reserves as % of Revenues	100%	>15%	15%-8%	8%-4%	4%-1%	<1%
Reserves and Liquidity (20%)						
		FY23 (Unaudited)				
Available Reserves		\$ 52,441,017				
Total Governmental Revenues		\$ 32,029,586				
Reserves as % of Revenues		<u>163.7%</u>				

- Moody's requires a higher Fund Balance ratio to reach prime-grade sub-scores in their indicative rating scoring – this subcategory accounts for 20% weight of their indicative score
  - Moody's – Aaa: +35%; Aa: 25-35%; A: 15-25%
- S&P identifies three areas for adjustment to the Reserves and Liquidity initial assessment:
  - Are reserves over or understated and would they align with a different assessment?
  - Would prospective changes to reserves result in a better or worse assessment?
  - Would liquidity pressures worsen the initial assessment?



# S&P Proposed Debt & Liabilities Assessment

- Initial assessment based on the subfactors listed below.
- **A strong Debt Management Policy** will memorialize best practices and positively impact the Village's ability to maintain manageable debt levels.
- The Village currently has no bonds or loans outstanding.
- The Village's Pension and OPEB costs are currently minimal.
- **Current Cost for Debt Service and Liabilities (50%)**
  - Annual Debt Service, Pension and Other Post-Employment Benefits expenditures divided by Total Governmental Revenue
- **Net Direct Debt per Capita (25%)**
  - Gross direct debt less self-supporting debt divided by population
- **Net Pension Liability per Capita (25%)**
  - NPL is calculated by subtracting the fund's plan fiduciary net position from the total pension liability as reported in the local government's financial statements (GASB)

FUTURE DEBT  
PLANS WILL  
DRIVE THESE  
CALCULATIONS

Debt and Liabilities: Initial Assessment		Local Government Assessment					
Metric	Sub-Weight	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Current Cost for Debt Service & Liab. % of Revenues	50%	<8	8-14	14-20	20-25	25-30	>30
Net Direct Debt per Capita	25%	<500	500-1500	1500-2500	2500-3500	3500-4500	>4500
Net Pension Liabilities per Capita	25%	<500	500-1500	1500-2500	2500-3500	3500-4500	>4500

# Confidential Indicative Rating Process

S&P offers a Rating Evaluation Service that allows an issuer to present multiple alternatives and receive a confidential rating for each alternative.

## Benefits

- Acts as a strategic management tool the Village can use to make informed decisions surrounding the funding of capital projects.
- Allows the Village to present structures with differing amounts of debt and reserves to determine the expected rating for each structure.
- Fairly inexpensive way to get **precise guidance** from the rating agency **to maximize the Village's rating and safeguard the Village from over-borrowing.**

## Costs

- Approx. \$20,000 to \$25,000 for the base analysis and approx. \$5,000 for each alternative.
- If the Village issues debt rated by S&P within six months of the evaluation, S&P will credit a portion of the evaluation fee to the full rating fee (approx. between \$10,000 to \$15,000 credit).

# Major Tasks Tentative Timeline

## Rating Evaluation Service (Approx. 3-4 weeks)

- Submission of initial package including historical financial statements, recent operating/capital budget, and financial policies
- Engagement letter executed by Village staff
- Rating agency analyst review of Village's credit
- Receipt of rating agency analyst questions
- Presentation to rating agency analysts and response to questions and/or other requests
- Rating Evaluation Committee
- Receipt of confidential indicative rating(s)

<b>January</b>	<b>Village Council Adoption of Reimbursement Resolution</b>
<b>February</b>	Develop Financial Policies
<b>March</b>	<b>Village Council Approval of Financial Policies (2 readings)</b> Determine Rating Evaluation Service Alternatives
<b>April</b>	Draft FY2023 Audit Available Develop Rating Presentation S&P Rating Evaluation Service Application Rating Presentation
<b>May</b>	<b>Receive Rating Evaluation Service Results</b> Determine CIP Funding Plan Begin Debt Issuance Process (if applicable)
<b>June</b>	FY2023 Audit Finalized Debt Documentation
<b>July-Aug.</b>	City Council Approval Post Offering Documents Debt Sale Closing / Funding

## **RESOLUTION NO. 2022-4**

Exhibit A



CITY OF FORT MYERS, FLORIDA

### **FUND BALANCE POLICY September 26, 2011 Updated and Amended: January 31, 2022**

#### **I. Purpose**

In accordance with sound financial planning principles and recommended best practices of the Government Finance Officers Association (GFOA), it is essential that governments maintain adequate levels of fund balance for the financial health of the city, to maintain high bond ratings and to ensure the city's ability to serve its citizens, and meet emergency needs and unforeseen circumstances. Accordingly, some of the funds will have fund balance reserve targets which are not requirements but are considered goals of the city. The General Fund "Group of Funds" fund balance target shall be considered appropriate in the amount of 20% of the current year's operating appropriations for the General Fund "Group of Funds". The budgetary fund balance of the General Fund, Cemetery Trust Fund, Land Acquisition Fund, Off Duty Pay Fund, Beautification Fund, Submerged Land Lease Fund and Southwest Florida Enterprise Center Fund are included within the General Fund "Group of Funds" fund balance for purpose of determining if the target has been achieved.

#### **II. Definitions**

In compliance with governmental accounting standards, the following terminology will be used in reporting the City's fund balances:

Fund Balance - As defined by the Governmental Accounting, Auditing and Financial Reporting of the Government Finance Officers Association, fund balance is "The difference between assets and liabilities reported in a governmental fund."

Nonspendable Fund Balance – amounts that are not in spendable form or are required (legally or contractually) to be maintained intact. Not in spendable form includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as the long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – amounts constrained to specific purposes either (a) by external providers, such as creditors (through debt

## **RESOLUTION NO. 2022-4**

covenants), grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation. Enabling legislation that creates a revenue stream must also stipulate the purposes for which that revenue can be used. Restrictions may only be changed by parties external to the City.

### **Unrestricted Fund Balance:**

Committed Fund Balance – amounts constrained to specific purposes by formal action (resolution) of the City Council, the City’s highest level of decision-making authority. These amounts are not subject to legal enforceability by external parties, as in restricted fund balance; however, these amounts cannot be used for any other purpose unless the City Council removes or changes the limitation by taking the same form of action (resolution) it employed to previously impose the limitation.

Assigned Fund Balance – amounts the City intends to use for specific purposes but are neither restricted nor committed. Intent can be expressed by the City Council, City Manager, Financial Services Director or other subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes. Included in this category is any fund balance carry-forward used to balance the subsequent year’s budget.

Unassigned Fund Balance - The residual portion of fund balance for the General Fund that is in excess of non-spendable, restricted, committed and assigned fund balance. Unassigned residual deficits may apply to other governmental funds to the extent that fund balances are insufficient to satisfy restricted and committed balances.

### **III. Fund Balance Reserve Targets – Governmental Funds**

**The General Fund reserve target is 20% of the current year budgeted appropriations in that fund (excluding any internal transfers to other funds within the General Fund “Group of Funds”).** For purposes of determining if the target has been met, the budgetary fund balance of the General Fund “Group of Funds”, as consolidated in the Annual Comprehensive Financial Report, is compared with the annual appropriation. The General Fund “Group of Funds” includes General Fund (002), Cemetery Trust Fund (003), Land Acquisition Fund (102), Off Duty Pay (103), Beautification Fund (107), Submerged Land Lease (119) and Southwest Florida Enterprise Center (134), as well as any additional funds that would be included in the future General Fund for financial reporting purposes per GASB Statement 54.

**Other governmental funds of the City do not have specified fund balance targets.** Recommended levels of committed and/or assigned fund balance will be determined on a case-by-case basis, based on the needs of each fund, and as recommended by the City Manager and Financial Services Director, or designee, and approved by City Council. Debt Service funds reserves shall include deposits as required by the bond covenants for each outstanding bond issue. The City shall make every effort to transfer only specific amounts, at specific times, as required under the bond covenants for each bond issue.

## **RESOLUTION NO. 2022-4**

### **IV. Reserve Policy – Enterprise Funds**

The Utility Operating Fund, Solid Waste Fund and Stormwater Fund will strive to maintain unrestricted net assets equal to 25% of the budgeted annual operating expenses for the current year to provide approximately a 90-day reserve for operating expenses.

The various other enterprise and internal service funds of the City have vastly differing objectives, cash flows and revenue patterns. As a result, no one level of reserves is appropriate for every fund. In addition, some of the enterprise funds receive an annual subsidy from the General Fund. In those cases, there is no established reserve target for the subsidized fund. If the fund becomes self-supporting, consideration will be given to establishing a reserve target. Therefore, the appropriate level of net assets in all enterprise and internal service funds, other than the Utility Operating Fund, Solid Waste Fund and Stormwater Fund, will be determined on a case-by-case basis due to the specific needs of the fund. The City Manager, Financial Services Director, or other designee shall determine the level.

### **V. Stabilization Funds**

Stabilization funds are a type of reserve fund maintained to offset economic downturns, natural disasters, and other unforeseen events. Government stabilization funds should be reported in the Annual Comprehensive Financial Report as committed fund balances in the appropriate fund and the level of funding shall be reviewed annually by City Council. Additions to or reductions from a stabilization fund shall be approved by City Council as part of the budget process or the supplemental appropriation process. Establishing the proper balances in stabilization funds shall take into account risk exposure related to self-insurance and property insurance deductibles in the event of major storm damage to city assets. Transfers from stabilization funds will not be allowed if they would cause the fund to be in a deficit position.

In the event that the City has the financial capacity to establish an Emergency Contingency Fund, such fund shall be a permanent Fund with an annual balance of 2% - 4% of budgeted General Fund revenues. Funds held in the Emergency Contingency Fund may be used to cover costs associated with emergencies occurring within city limits. The City Manager will determine qualified uses of the funds held in the Emergency Contingency Fund on a case-by-case basis. Permitted uses of the Emergency Contingency Fund have been established by City Council with Resolution 2022-4 adopted by City Council on January 31, 2022. The City Manager will promptly notify City Council any time Emergency Contingency Fund monies are to be used.

The Emergency Contingency Fund will be funded pursuant to Section VII of this policy and will be maintained pursuant to Section VIII of this policy. City Council may increase or decrease the target balance of the Emergency Contingency Fund by formal action.



## **RESOLUTION NO. 2022-4**

### **VI. Spending Order of Fund Balances**

In determining the classification of total spendable fund balance remaining at the end of the fiscal year when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, expenditures will be applied first to restricted fund balance and then to unrestricted fund balance.

Within unrestricted fund balance, the order in which the expenditures will be applied, when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used, is as follows: Committed, Assigned, Unassigned.

### **VII. Minimum Reserve Requirement**

In the event funds are not available to establish the balances required under this policy, the unrestricted fund balance target shall be achieved by adding a designated amount to the budget to cover the deficiency over a period not to exceed three (3) years.

### **VIII. Replenishment of Minimum Reserve Deficits**

If it is anticipated at the completion of any fiscal year that the projected or estimated amount of unrestricted fund balance will be less than the minimum requirement, then the City Manager shall prepare and submit in conjunction with the proposed budget a plan for the expenditure reductions and/or revenue increases necessary to restore the minimum requirements in the subsequent budget year or other appropriate period as stipulated in the minimum reserve requirement section.

### **IX. Budgeting**

#### **Appropriation of Unrestricted Fund Balance**

The actual amount of unrestricted fund balance (total of committed fund balance, assigned fund balance and unassigned fund balance) is not known until the completion of the annual audit, which takes place between four to six months after the end of the fiscal year being audited. However, an estimate of unrestricted fund balance (also called estimated beginning fund balance) must be made during the annual budget adoption process (July through September), which is prior to September 30<sup>th</sup>, the end of the fiscal year.

### **X. Annual Review**

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process, and revisions to the levels of fund balance shall be determined during the process.

Funds which exceed their established fund balance target by 10% or more for two consecutive years will be reviewed by the City Manager and Financial Services Director, or designee. If appropriate and permitted by law, the amount over the target will be transferred to the General Fund, or other fund of the City, with the approval by City Council.

Funds which fall below their established fund balance target by 10% or more for two consecutive years will be reviewed by administration. If it is

**RESOLUTION NO. 2022-4**

determined that the fund balance target level is still appropriate, a corrective action plan to restore the fund to the appropriate level will be submitted to City Council for approval.

**XI. Additional Requirements and Responsibilities**

It will be the responsibility of the Financial Services Department to execute the Policy and keep the policy current.

**XII. Effective Date**

The Policy shall take effect immediately upon its adoption and will be applied with the preparation of the City's September 30, 2022, Annual Comprehensive Financial Report and adoption of the City's Fiscal Year 2023 Budget.

**APPENDIX C:**

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**AUTHORIZED SIGNATORY DOCUMENTATION**

**PROOF OF AUTHORITY**

In December 5, 2019, the Board of Directors of Public Resources Advisory Group, Inc., a New York State Corporation, authorized Wendell G. Gaertner who signs as follows:

Wendell G. Gaertner



In his position as Senior Managing Director of the Corporation to sign documents on behalf of the corporation. All documents signed by Wendell G. Gaertner shall be considered legal and binding on the corporation.

Thomas Huestis  
Secretary and Treasurer



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Dated: September 15, 2020

Corporate Seal



**INDEPENDENT FINANCIAL ADVISORS**