



City of Fort Lauderdale, FL

Financial Advisor
RFP No. 12184-695

October 10, 2018

TABLE OF CONTENTS

SECTION		PAGE
4.2.2	Executive Summary	1
4.2.3	Experience and Qualifications	11
4.2.4	Approach to Scope of Work	23
4.2.5	References	39
4.2.6	Minority/Women (M/WBE) Participation	42
4.2.7	Sub-contractors	42
4.2.8	Required Forms <ul style="list-style-type: none">▪ Appendices	
2.16	Minimum Qualifications	

October 10, 2018

Maureen Lewis, MBA, CPPB
Procurement Specialist II
Finance
(954) 828-5239
maureenl@fortlauderdale.gov

Dear Ms. Lewis,

Public Resources Advisory Group, Inc. ("PRAG") is pleased to submit this proposal to serve as municipal advisor to the City of Fort Lauderdale (the "City"). Our ability to provide a team of experienced senior advisors, along with our skills in quantitative analysis qualify us for this engagement. PRAG will commit senior, experienced personnel with quantitative, credit and market skills to provide you with the knowledge and expertise to address the City's capital funding needs.

We believe that our strengths described below demonstrate our unique qualifications to serve as the City's financial advisor. We understand the scope of work set forth by the City and commit to perform the work in a timely manner.

PRAG is a New York Sub-Chapter S corporation registered as a municipal advisor with the Municipal Securities Rulemaking Board ("MSRB") and the Securities and Exchange Commission ("SEC"). As an independent municipal financial advisor, our only business is advising state and local governments, their agencies and authorities and non-profits. PRAG does not engage in any form of underwriting, trading, marketing, or investing in any securities, nor does it have any affiliate that engages in these lines of business. PRAG was formed in 1985 and historically ranks among the top three municipal advisors nationally.

We believe the following areas would represent our greatest strengths as the City's financial advisor.

SENIOR LEVEL SERVICE. PRAG takes a pro-active approach to all engagements, with senior members of the firm always available to respond to issues raised and to provide high quality advice in a timely manner. In addition to our Florida based staff, all other members of the firm will be available to the City as needed. PRAG's business model focuses on serving clients with an ongoing need for advisory services. This model allows the firm to assign fewer clients to each professional, allowing greater time and attention to be paid to each client. The leadership of PRAG's engagement with the City, Wendell Gaertner and Marianne Edmonds, represents one of the most experienced advisory teams in Florida and brings over 60 years of combined experience in municipal finance. In addition, PRAG has recently added two senior advisors to our Florida team, providing the City with a team of experienced senior advisors.

DIRECT AND APPLICABLE EXPERIENCE. PRAG advises major issuers throughout the country and the State, and ranked as the #2 financial advisor nationally by volume for 2017 by *The Bond Buyer*. PRAG was also ranked as the #1 financial advisor for competitive sales, general purpose financings and taxable financings for the same period. As presented in our proposal, PRAG has reviewed in depth the City's outstanding debt and plan of finance and we have experience in all of the credits and financial structures facing the City. Notably, earlier this year the PRAG advised the City of Tampa on their inaugural stormwater utility financing.



QUANTITATIVE AND ANALYTICAL EXPERTISE. Data and analysis are critical to understanding and evaluating the muni market. PRAG is known as a quantitative financial advisory firm. We use data and analytics to inform our advice. By developing financing structures and reviewing alternative plans of finance using sophisticated financial and analytic software, our quantitative skills will ensure that the City has optimal structuring of its debt issues, consistent with all financial and legal constraints.

CREDIT EXPERTISE. One of PRAG's significant strengths is its knowledge of credit. We have assisted many of our Florida clients in obtaining either rating upgrades or ratings on new debt structures as we describe further in this proposal.

MARKET ACCESS AND INFORMATION. PRAG's professional staff is aware of and has access to the latest economic data and capital market activity from real-time information sources including multiple underwriting desks. Because we are an independent advisor with a significant presence in the market we have direct access to all of the major underwriting deals for market information, color and analysis during the bond pricing process. PRAG is not restricted to obtaining pricing information from a single underwriting desk.

RECORD OF INTEGRITY. PRAG is not currently – nor has it ever been – subject to any pending or completed regulatory or judicial action that would directly affect the services required by this engagement.

PRAG has been consistent in its business practices since its founding and we expect to follow this same vision for the foreseeable future. Over the past three decades we have remained focused on providing independent and in-depth financial and bond-related investment advice to state and local governments, authorities and agencies. Providing strategic and transactional advice to municipal debt issuers has been and will remain our core business. Our focus on serving our clients with senior-level service forces us to be selective in the opportunities we pursue. PRAG has added senior staff in Florida and we have the capacity to serve the City. We are not aware of any conflicts which would arise from our representation of the City. We have no subsidiaries or affiliates and we do not provide underwriting or broker-dealer services.

We hope that you find this proposal responsive to your request and demonstrative of our ability to serve the City. We have provided the specific information you have requested along with additional information on how PRAG's structure, experience and resources can add specific value to the City. If you have questions, please call me at 727-822-3339 or email me at medmonds@pragadvisors.com. Thank you in advance for your consideration.

Sincerely,

Marianne Edmonds

A handwritten signature in blue ink that reads "Marianne Edmonds". The signature is written in a cursive, flowing style.

Senior Managing Director

4.2.2 Executive Summary

Each offeror must submit an executive summary that identifies the business entity, its background, main office(s), and office location that will service this contract. Identify the officers, principals, supervisory staff and key individuals who will be directly involved with the work and their office locations. The executive summary should also summarize the key elements of the proposal.

The Executive Summary below summarizes PRAG's firm structure and business model, financial advisory experience and qualifications, and approach to service. As we believe will be evident in our response, PRAG is qualified to serve as financial advisor to the City of Fort Lauderdale (the "City"). Beyond simply being qualified, we will bring to this engagement a **quality of personnel, advisory expertise, and commitment to service** that we believe will best position the City to manage its existing debt portfolio and address its near and long-term financing needs. Our advisors are highly experienced and possess strong analytical skills. We manage active relationships for sophisticated issuers nationwide, and in doing so are constantly abreast of credit developments and market conditions which will be relevant to the City. We deliver our services within the context of an unblemished regulatory record, which we strive to maintain. PRAG is pleased to submit our response, and we would be privileged to serve as the City's financial advisor.

OVERVIEW OF FIRM STRUCTURE & BUSINESS MODEL

PRAG is unique in the municipal bond industry – we are a **national independent** municipal advisory firm whose **only business** is providing in-depth financial and bond-related investment advice to state and local governments, authorities, agencies, and non-profits. As an independent advisory firm, we do not have affiliates that underwrite bonds, make loans, or manage investment portfolios. **Providing debt related advice is all we do.**

Founded in 1985 as one of the first independent general financial advisory firms in the country, PRAG is an employee-owned financial and investment advisory firm headquartered in New York City, with regional offices in California (Oakland and Los Angeles), Pennsylvania (Media) and Florida (St. Petersburg). The firm's main office is New York; the St. Petersburg office will be the primary service location for the City.

We are registered as a municipal advisor with the MSRB (MSRB ID K0133) and the SEC (Municipal Advisor Registration Number 867-00146). PRAG is also registered as an investment advisor under the Investment Advisers Act of 1940 in the states of California, Florida, New York, Pennsylvania and the District of Columbia. Since our founding, PRAG's core business has been providing strategic and transactional advice to issuers nationwide. PRAG advises some of the largest and most active issuers of municipal bonds in the country. Last year PRAG advised four of the five largest issuers in the municipal bond market. Our service to large and active issuers puts us in the center of the municipal market in

Public Resources Advisory Group			
- 32 Registered Municipal Advisors -			
- Five Offices -			
- Major Client Relationships -			
New York Office	California Offices (2)	Pennsylvania Office	Florida Office
15 Municipal Advisors	7 Municipal Advisors	5 Municipal Advisors	5 Municipal Advisors
Representative Clients	Representative Clients	Representative Clients	Representative Clients
New York City	City of Los Angeles	State of Illinois	Broward County
New York State	County of Los Angeles	State of Minnesota	Escambia County
NYC Transitional Finance Authority	Los Angeles Power and Light	State of South Carolina	State of Florida
MIA	State of California Public Utilities Commission of the County of San Francisco	State of Vermont	FL League of Cities
State of Maryland		State of West Virginia	Hillsborough County
Baltimore County			Manatee County
Piedmont Municipal Power Agency			Miami-Dade County
State of Virginia			Pinellas County
			City of Tampa
1 st Half 2018 New Issue Volume = \$18.7 Billion (13.7% Market Share)			
2017 New Issue Volume = \$52.4 Billion (15.2% Market Share)			

Office Addresses	
New York, NY	St. Petersburg, FL
39 Broadway, Ste 1210 New York, NY 10006	150 2nd Avenue North, Ste 400 St. Petersburg, FL 33701

terms of innovative structures, market trends and pricing, and this detailed level of information about the market is a resource for all of our clients, but especially for issuers like the City with large debt portfolios and a large issuance pipeline.

PRAG takes a pro-active approach to all engagements: our senior advisors are always available to respond to issues raised and to provide timely, high quality advice. PRAG's business model focuses on serving clients with an ongoing need for advisory services. This model allows the firm to assign fewer clients to each professional, allowing greater time and attention to be paid to each client.

OVERVIEW OF FINANCIAL ADVISORY EXPERIENCE & QUALIFICATIONS

The most important resources PRAG brings to the City include our experienced advisors; our ongoing market exposure gained from serving a client base of large, active, and sophisticated issuers; and our unblemished record of integrity.

Even though PRAG is among the most active municipal advisors in the Country, we operate as a small firm with a relatively small number of experienced advisors actively engaged with each other and our clients. PRAG's professionals are drawn from diverse backgrounds, including issuers, advisors, investment bankers, credit analysts and underwriters of tax-exempt debt, allowing us to commit a team to the City with a high degree of credit expertise, deep knowledge of the public capital markets, proven quantitative skills and an appreciation of the unique challenges municipal governments face.

PRAG's Florida team offers the City over a century of combined public finance experience. Detailed resumes of the team that will serve the City are included later in our proposal.

PRAG offers the City significant market experience concentrated in a small group with regular direct and personal interactions. Recognized as a national leader in the municipal advisory industry, in 2017 PRAG was ranked:

- #2 Financial Advisor – All Issues*
- #1 Financial Advisor – Competitive Sales*
- #2 Financial Advisor – Negotiated Sales*
- #1 Financial Advisor – General Purpose Financings*
- #1 Financial Advisor – Taxable Financings*
- #2 Financial Advisor – Transportation*
- #2 Financial Advisor – Southeast*

Source: 2017 Year in Statistics, The Bond Buyer

Throughout this proposal we detail our experience that most directly relates to the City. As an example of our long-term strategic planning expertise, we will present our experience planning a 20-year, \$12 billion plan of finance for Miami-Dade County's Water and Sewer Department. We will also detail in a number of case studies our focus on structuring, our experience with the rating agencies and how our presence in the market allows us a unique strategy for pricing. Finally, we will discuss our multi-year experience developing and implementing a new credit structure for the City of Tampa's stormwater utility, culminating in Tampa's inaugural \$84.56 million stormwater bond issuer earlier this year. As described in the various case studies, we offer a wide spectrum of services to our clients and are committed to assisting our clients manage their debt and financing needs. We are confident in the significant value we bring to our clients. We strongly encourage the City to contact the references we have provided in our response.

Central to our culture and the service we provide is our emphasis on integrity. The firm is not presently, and has not during the past three years, been subject of any investigation or disciplinary action taken by the SEC, MSRB, or other regulatory bodies. PRAG does not underwrite, trade or sell securities nor do we have subsidiaries that provide investment management or broker-dealer services. Our only business is to assist our clients in structuring and implementing economically feasible projects and securing capital at the lowest cost possible.

OVERVIEW OF OUR APPROACH

This proposal details our approach to providing municipal advisory services in general and our specific approach for the City. Integral to our approach is our reliance on senior staff delivering personal service. The team we have assigned to serve the City of Fort Lauderdale has significant Florida public finance experience. Marianne Edmonds, Manager of the Florida office and Project Supervisor for this engagement, has over 32 years of public finance experience. Wendell Gaertner, the City's designated advisor and primary contact, has over 27 years public finance experience. Both have spent their entire public finance careers in Florida. Over the past three years, PRAG has advised on over \$3.0 billion in municipal debt for Florida issuers. Each of these transactions were led by either Marianne Edmonds or Wendell Gaertner.

Our approach is analytical. We use data and analytics to inform our advice. We use broad market insight to develop financing structures and we review alternative plans of finance using sophisticated financial software. Our deliberate process will ensure that the City's debt issues are structured for optimal pricing results and compliance with all financial and legal constraints.

We are targeted in the clients we seek. We do not respond to every RFP. We believe, however, that our structure, resources, experience and approach is a good fit for the City's needs. In preparing our response to this RFP, we have undertaken a detailed review of the City's outstanding bond issues and upcoming financing plans. We have developed an understanding of the City's current position both to inform our responses to the RFP questions, and as a way to communicate to the City the level of commitment we will bring to this engagement. We would be delighted to add the City to our advisory clientele, and to enter in to the same kind of long-standing relationship we have enjoyed with so many of our Florida and national clients.

PRAG'S TEAM FOR FORT LAUDERDALE

The team which will serve the City of Fort Lauderdale is described below. While we envision most of the services will be provided directly by our Florida team, we have the ability to add personnel from across the firm to provide special expertise or additional support as needed. The personnel assigned to work directly with the City and their areas of responsibility are outlined below.

- As **Project Supervisor**, Marianne Edmonds, Senior Managing Director, and authorized agent, will supervise all the work prepared for the City and attend meetings as requested. Ms. Edmonds is located in the St. Petersburg office.
- As **Project Manager and Dedicated Advisor**, Wendell Gaertner, Senior Managing Director, will handle the day-to-day tasks of this engagement including serving as a liaison with other project team members. He will be the primary contact for the City and will attend the majority of meetings with the City. Mr. Gaertner is located in the St. Petersburg office.
- Together, Ms. Edmonds and Mr. Gaertner will be responsible for managing the relationship with the City of Fort Lauderdale.

- Natalie Sidor, Managing Director, will aid with day-to-day tasks of this engagement including liaison with other project team members. She will be the back-up contact for the City and will attend meetings with the City. Ms. Sidor is located in the St. Petersburg office.
- Molly Clark, Managing Director, will provide technical and transactional support in all phases of the engagement. Ms. Clark is located in the St. Petersburg office.
- Mickey Johnston, Vice President, will provide quantitative and analytical support in all phases of the engagement. Mr. Johnston is located in the St. Petersburg office.
- Daniel Forman, Managing Director, will assist in providing support and expertise during the pricing process. He will also coordinate additional support as required from our New York office. Mr. Forman is located in the New York office.
- Ms. Clark, Mr. Johnston, and Mr. Forman will be available to provide computer financial analysis services.

Most of our Florida team members have extensive investment banking experience with prior firms, which provides us with a unique understanding of how underwriters market and sell bonds and how the City could best position itself during the bond sale process. This familiarity with “both sides” of the public finance business will prove especially valuable to the City whenever it is marketing bonds.

Detailed resumes and contact information for each team member are presented beginning on page 5.



Marianne Edmonds

Senior Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3509
medmonds@pragadvisors.com

Length of time with the firm

- 13 years

Length of career in public finance

- 36 years

Professional Involvement

- Florida Government Finance Officers Association
- Leadership Florida (1994 – ongoing)
- Florida Prepaid College Board, *Vice Chair* (2007-2010)
- Municipal Securities Rulemaking Board, *Member* (2012-2015)
- Florida Women in Public Finance, *Founding President* (2015-2017)
- The National Association of Municipal Advisors, *Board Member* (2017-2019)

Representative Clients Served

- State of Florida
- Pinellas County
- Escambia County
- City of Tampa
- Florida League of Cities
- Miami-Dade County Housing Finance Authority

Education, Licenses & Certifications

- MBA, The Wharton School of the University of Pennsylvania
- BA, Northwestern University
- Series 50 (Municipal Advisor Representative)

Project Supervisor

Marianne Edmonds is a Senior Managing Director and a shareholder with PRAG. As an independent municipal advisor since the early 1990's, she is one of the most experienced municipal advisors in Florida. Marianne will serve as Project Supervisor for the City.

Marianne offers a comprehensive knowledge of Florida and national public finance. A former educator, she is particularly respected for both her ability to understand and communicate financial issues, as well as her integrity as a financial advisor.

During her tenure in public finance Marianne has developed and implemented financing plans for general governmental capital projects, utility systems, resource recovery plants, housing, and sports facilities, among others, and has worked with a variety of financing structures including long term debt, short term debt including commercial paper, leases and bank loans. She is familiar with the security sources available to Florida local governments, including ad valorem revenues, non-ad valorem revenues, system revenues, user fees, sales taxes, public-private partnerships and the covenant to budget and appropriate from legally available revenues.

Marianne currently manages PRAG's engagements throughout Florida, including the City of Tampa, Pinellas County, the Florida Municipal Loan Council, the Florida League of Cities, and the Housing Finance Authorities of Brevard, Clay, Polk and Miami-Dade Counties.

Marianne served as one of the Municipal Advisor Representatives on the Municipal Securities Rulemaking Board, the self-regulatory organization for the municipal bond market. She previously served as Vice Chairman of the Florida Prepaid College Board and its Investment Committee. Ms. Edmonds is a member of Leadership Florida and served as President of the Florida Chapter of Women in Public Finance.

She earned a B.A. degree in mathematics from Northwestern University and an M.B.A. with specialization in public management and finance from The Wharton School of the University of Pennsylvania.

She holds a Series 50, Municipal Advisor Representative License.



Wendell Gaertner
Senior Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3509
wgaertner@pragadvisors.com

Length of time with the firm
— 5 years

Length of career in public finance
— 29 years

Professional Involvement

- Florida Government Finance Officers Association
- Urban Land Institute, Tampa Bay
- North American Public Private Partnership Deal of the Year, *Project Finance Magazine* (2005)
- North American Real Estate Deal of the Year, *Project Finance Magazine* (2009)

Representative Clients Served

- Hillsborough County
- Manatee County
- Broward County
- Miami-Dade County
- Jacksonville Transportation Authority
- Heritage Bay Community Development District

Education, Licenses & Certifications

- MBA, Stetson University
- BS (General Honors), University of Miami
- Series 50 (Municipal Advisor Representative)

Project Manager

Wendell Gaertner is a Senior Managing Director and Shareholder of PRAG. He joined the firm in 2013 bringing 30 years of experience in public finance at the local, regional, state and federal level.

With a background in commercial banking, investment banking and financial advisory, Wendell 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, he brings a deep practical understanding of bond sales and pricing to his clients.

Wendell focuses on general government, utility and special district financing. His Florida clients include Hillsborough, Manatee, Miami-Dade (water and sewer), and Broward Counties. He supports the firm's work throughout the State and manages the firm's community development district advisory practice.

In addition to providing transactional advice for debt issuances, Wendell has also provided strategic financial advisory services including development of long-term financial models, creation of interim funding strategies, evaluation of public-private partnership opportunities and Value for Money analyses.

He has advised Florida clients on financial structures and strategies in connection with economic development projects, real estate projects, transportation and affordable housing.

Recognized as a leader in complicated, innovative financings, he was lead banker on financings selected by Project Finance Magazine as "North American Public Private Partnership Deal of the Year" for the \$1.6 billion privatization of military housing in Hawaii, and "North American Real Estate Deal of the Year" for the first-ever privatization of the Army's on-post hotel assets. He has been a regular speaker at Bond Buyer conferences and has also spoken at conferences for Standard & Poor's, the Florida Council for Public Private Partnerships and other organizations.

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

Wendell received a B.S. in Chemistry with General Honors from the University of Miami in Coral Gables and an MBA from Stetson University. He currently holds a Series 50, Municipal Advisor Representative License.



Natalie Sidor
Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3509
nsidor@pragadvisors.com

Length of time with the firm

— 1 year

Length of career in public finance

— 15 years

Professional Involvement

- Florida Government Finance Officers Association
- Florida Women in Public Finance, *Founding Member (2016), President-Elect (2018)*
- The University of Tampa Board of Fellows (2013-present)
- Raymond James Public Finance Banker of the Year (2012)
- Tampa Bay Business Woman of the Year Finalist (2011)

Representative Clients Served*

- Miami Beach
 - Homestead
 - West Palm Beach
 - Palm Beach County
 - Monroe County Schools
- * Represents investment banking clients from prior firm

Education, Licenses & Certifications

- MBA, The Wharton School of the University of Pennsylvania
- BS, University of Tampa
- Series 50 (Municipal Advisor Representative)

Natalie Sidor joined PRAG in 2018 as a Managing Director bringing over 15 years of corporate and public finance experience. At PRAG Natalie provides client and transactional support to general government, special district and housing finance authority clients.

Formerly with Raymond James and Associates, Inc., Natalie provided investment banking and advisory services to clients throughout the Southeast. While at Raymond James Natalie was responsible for evaluating, developing and executing financing solutions based on client objectives and market dynamics.

During her time with Raymond James, Natalie was involved in the execution of \$4.5 billion of lead-managed municipal financings for state and local governments, primarily in Florida. She has served as senior manager or placement agent for Florida municipalities, including Fort Myers, Miami Beach, Sarasota, Clearwater, Charlotte County, Hernando County, Sumter County, Tampa Bay Water and the Emerald Coast Utilities Authority, to name a few.

In addition to her extensive public finance experience, Natalie also has experience in real estate development and corporate finance. After receiving her M.B.A., Natalie was Finance and Investments Manager for The Sembler Company, a real estate development company. Natalie 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.

Natalie is a founding member of the Florida Chapter of Women in Public Finance and currently serves as President-Elect.

Natalie received a B.S. degree from the University of Tampa with a double major in finance and economics. Also, Natalie earned an MBA from The Wharton School of the University of Pennsylvania.

Natalie holds a Series 50, Municipal Advisor Representative License.



Molly Clark

Managing Director

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701
Tel 727-822-3339
Fax 727-822-3509
mclark@pragadvisors.com

Length of time with the firm

— 1 year

Length of career in public finance

— 17 years

Professional Involvement

- Florida Government Finance Officers Association
- Florida Women in Public Finance
*Founding Member (2016);
Communications Chair (2016-present);
Board Member (2018-present)*

Education, Licenses & Certifications

- BA, Carleton College
- Series 50 (Municipal Advisor Representative)

Molly Clark joined PRAG in 2018 as a Managing Director bringing over 17 years of public finance experience. Molly serves PRAG's general government clients including cities, counties and special districts providing both analytical and transactional support.

Formerly with Wells Fargo Securities, Molly provided investment banking to clients throughout the State of Florida. She was involved in planning, structuring, and executing tax-exempt and taxable bond financings through the capital and bank markets.

At Wells Fargo, Molly served as a liaison between municipal issuers and both the investor community and the bank's commercial banking relationship managers. She was involved in debt structuring, bond modeling, and planning, strategy and document sessions. She developed rating agency presentations, internet road shows presentations, and other marketing materials for bond offerings.

Prior to joining Wells Fargo Molly served as an investment banker at RBC Capital Markets and as a corporate trust analyst at Northern Trust Bank.

Molly is a founding member of the Florida Chapter of Women in Public Finance and currently serves on the Board as Communications Chair. Molly received a B.A. degree in economics cum laude from Carleton College. Molly holds a Series 50, Municipal Advisor Representative License.



Mickey Johnston

Vice President

150 Second Avenue North, Suite 400
St. Petersburg, FL 33701

Tel 727-822-3339
Fax 727-822-3509
mjohnston@pragadvisors.com

Length of time with the firm

— 1 year

Length of career in public finance

— 11 years

Professional Involvement

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

Education, Licenses & Certifications

- BBA, James Madison University
- Series 50 (Municipal Advisor Representative)

Michael "Mickey" Johnston joined PRAG in 2018 after spending over ten years advising municipalities, redevelopment agencies, authorities, and school districts across the State of New Jersey where he managed the financial analysis group for Lerch, Vinci & Higgins, a municipal accounting firm.

Mickey provides PRAG clients with debt modeling and financial analysis as well as transactional support. He models debt structures in both DBC and Excel and creates custom financial models as appropriate.

He also provides day-to-day oversight of Miami-Dade County Water and Sewer Department's \$400 million commercial paper program.

Mickey's previous experience includes assisting municipal clients on a variety of business matters including negotiation and implementation of payment-in-lieu-of-tax (PILOT) agreements, labor negotiations, water privatization contract negotiations, budget planning, and capital analysis.

In addition to his work in public finance, Mickey also gained valuable experience as a Manager of Financial Analysis at The Blackstone Group, one of the world's leading investment firms, in New York City.

Mickey earned his B.B.A. in Finance from James Madison University. He holds a Series 50, Municipal Advisor Representative License.



Daniel Forman

Managing Director

39 Broadway, Suite 1210
New York, NY 10006

Tel 212-380-5283
Fax 212-566-7816
dforman@pragadvisors.com

Length of time with the firm

— 6 years

Length of career in public finance

— 6 years

Education, Licenses & Certifications

- MS, Baruch College
- BA, Swarthmore College
- Series 50 (Municipal Advisor Representative)
- Series 65 (Investment Adviser Representative)

Mr. Forman specializes in quantitative analysis for PRAG clients. His responsibilities include debt structuring and optimization, cash flow modeling, and derivatives analysis. For example, Mr. Forman assisted the New York State Thruway Authority on cash flow modeling for the New NY Bridge project. He served as the quantitative analyst for the Authority's 2018 Series L Refunding Series as well as the Authority's 2013 and 2016 Junior Indebtedness Obligations issuance. He also covers the Metropolitan Transportation Authority and the Hudson Yards Infrastructure Corporation (HYIC). For the 2017 HYIC transaction, Mr. Forman conducted extensive cash flow analysis to determine the optimal refunding structure. After considerable analysis, this \$2.1 billion debt restructuring was ultimately accomplished through the implementation of a subordinate indenture. In addition to quantitative work, he provides analyses and day-to-day coverage for the states of New Hampshire, South Carolina, and Maryland. Mr. Forman also participated in the Harrisburg, PA debt restructuring and was the structuring analyst for PRAG's rate reduction securitizations in Ohio and West Virginia. Mr. Forman will provide quantitative and pricing support as needed.

Prior to joining PRAG, Mr. Forman worked at State Street Bank as a financial engineer constructing derivative pricing models and at the Federal Reserve Bank of New York as a research associate conducting macroeconomic and monetary policy research. Mr. Forman holds an M.S. in Financial Engineering from Baruch College and a B.A. in Physics and Economics from Swarthmore College. Mr. Forman is a registered Investment Adviser Representative (Series 65) and a licensed Municipal Advisor (Series 50).

4.2.3 Experience and Qualifications

Indicate the firm's number of years of experience in providing the professional services as it relates to the work contemplated. Provide details of past projects for agencies of similar size and scope, including information on your firm's ability to meet time and budget requirements. Indicate the firm's initiatives towards its own sustainable business practices that demonstrate a commitment to conservation. Indicate business structure, i.e.: Corp., Partnership, LLC. Firm should be registered as a legal entity in the State of Florida; Minority or Women owned Business (if applicable); Company address, phone number, fax number, e-mail address, web site, contact person(s), etc. Relative size of the firm, including management, technical and support staff; licenses and any other pertinent information shall be submitted.

PRAG IS ONE OF THE MOST EXPERIENCED ADVISORS IN THE INDUSTRY.

Founded in 1985, PRAG has been providing independent municipal advisory services for 33 years. Our volume and rankings for the past five years are shown in the table to the right, and the firm has consistently ranked as one of the top 3 municipal advisors nationwide for over two decades. PRAG serves as financial advisor to numerous issuers of size and scope similar to the City of Fort Lauderdale: a representative listing of and case studies for comparable Florida clients are shown below.

PRAG Financial Advisory Rankings (2013 - 2018Q2)			
Year	Total Long Term Municipal Issuance	National Rank by Volume	Market Share by Volume
1 st Half 2018	\$18.7 billion	2	13.70%
2017	\$52.4 billion	2	15.20%
2016	\$33.5 billion	3	9.50%
2015	\$30.9 billion	3	9.90%
2014	\$27.9 billion	2	10.80%
2013	\$30.9 billion	2	10.20%

Source: Thomson Reuters US municipal new issue "At7" short term notes, private placements and deals not meeting T+5 policy rule are excluded. Shared credit for co-financial advisors.

PRAG has extensive experience advising on the structuring and issuance of financings of various sizes, structures, credits, and levels of complexity. Our firm's experience includes, but is not limited, to the following:

- General Obligation Bonds
- Water and Wastewater Revenue Bonds
- Stormwater Revenue Bonds
- Parking Revenue Bonds
- Special Tax Bonds
- Non-Ad Valorem Revenue Bonds
- Lease Revenue Bonds/Certificates of Participation
- Transportation Bonds (Toll Roads, Transit, Airports and Seaports)
- Special Assessment Bonds
- Tax Increment Bonds
- Affordable Housing Bonds
- Short-Term Products (Notes, Variable Rate Bonds, Commercial Paper)
- Public-Private Partnership Transactions (P3s)

National Advisory Experience. Based on Thomson Reuters data, PRAG historically ranks in the top three by volume among all financial advisors. In 2017, we advised on \$52.4 billion, representing 15.2% market share, making us the second most active municipal advisor in the country based on new issue

volume. In addition to our market share, we are proud of our client retention: we have advised many of our national clients for more than twenty years.

Florida Advisory Experience. PRAG's Florida practice includes six (6) full-time personnel, including two Senior Managing Directors, two Managing Directors, a Vice President, and an Executive Assistant, bringing over a century of combined experience to our Florida clients. A sampling of our long-term Florida clients is shown below:

Long-Term Florida Clients	
Name	Length of Service
Housing Finance Authority of Miami-Dade County	21 years - <i>(since 1997)</i>
State of Florida Division of Bond Finance	19 years - <i>(since 1999)</i>
Broward County	19 years - <i>(since 1999)</i>
City of Tampa	13 years - <i>(since 2005)</i>
Tampa Sports Authority	12 years - <i>(since 2006)</i>
Miami-Dade County	12 years - <i>(since 2006)</i>
Pinellas County	10 years - <i>(since 2008)</i>

PRAG HAS THE STAFF AND RESOURCES TO MEET THE CITY'S TIME AND BUDGET REQUIREMENTS.

PRAG has expanded its Florida presence by hiring two experienced Managing Directors in the St. Petersburg office, providing the City with access to additional senior level, local Florida resources. We currently employ five municipal advisors in our St. Petersburg office, and are fully equipped to add the City to our existing Florida clientele.

To adhere to our clients' time and budget requirements, PRAG develops a unique timeline for each of our financing transactions and continually monitors the entire working group's adherence to the timeline. We incorporate the necessary governmental approval dates along with the lead time required for agenda purposes. We include expedited, yet reasonable time for document preparation, review, and the rating agency process. We also incorporate the optimal time to enter the market based on market tone, competing issues, and economic announcements.

We also create a term sheet for each issue that is distributed along with a timeline and distribution list. The term sheet provides a short overview of the financing including the purpose, size, security, payment dates, legal covenants, parity debt, estimated coverage and other pertinent factors. The term sheet allows all parties to agree upon the important characteristics of the financing, makes drafting legal documents more efficient and highlights any issues that might impact the timeline. Bond attorneys have told us that they value the term sheets we create as it allows them to focus on outstanding issues and draft their documents more efficiently.

PRAG can assist with the selection, evaluation and management of all members of the financing team, as best suits the City and its procurement process. Our involvement in this task varies significantly by client. For some clients, such as Hillsborough County, PRAG develops and distributes RFPs for negotiated underwritings, escrow agents, printers, and verification agents. Other clients, such as Miami-Dade County, select their own underwriters but use PRAG to select trustees, printers, and verification

agents. Typically, the issuer selects their own legal counsel but we have the relationships, capacity, and resources to manage whatever selection process the City desires. We act as a fiduciary to our clients and have no arrangements, affiliates or conflicts that would keep us from negotiating the best deal for our clients.

PRAG IS EMPLOYEE OWNED AND MANAGED.

PRAG is a New York Sub-Chapter S corporation wholly-owned and managed by its employees and registered as a municipal advisor with the MSRB (MSRB ID K0133) and the SEC (Municipal Advisor Registration Number 867-00146). In practice PRAG is a partnership of experienced senior advisors collaborating through a network of five (5) offices, focused on serving

clients with a combination of market knowledge, analytical driven decision-making and strong written and oral communication skills. The firm has 39 employees of whom 28 are municipal advisors registered with the SEC and MSRB. In addition, four former and retired PRAG employees remain registered municipal advisors and are available to work with our team on special projects. Each municipal advisor is a Series 50 licensed Municipal Advisor Representative.

PRAG is also registered as an investment advisor under the Investment Advisers Act of 1940 in the states of California, Florida, New York, Pennsylvania and the District of Columbia. Please see evidence of PRAG's active status with the State of Florida Division of Corporations (Sunbiz) herein and refer to Appendix A for our State of Florida Business License.

Mr. Steven C. Peyser serves as President of PRAG and is located in our New York office. Mr. Peyser is assisted in his management duties by two other members of the firm's Executive Committee, Edmund Soong, Executive Vice President, and Thomas Huestis, Senior Managing Director. Marianne Edmonds, Manager of the Florida office reports directly to Mr. Peyser. The firm's other 11 Senior Managing Directors and/or Partners report through their regional manager to Mr. Peyser. All firm employees have direct access to Mr. Peyser, Mr. Soong, Mr. Huestis or any other firm partner. Complete contact information for Ms. Edmonds, who will serve as Project Supervisor for the City, is provided here.

The screenshot shows the Sunbiz.org website interface. At the top is the Sunbiz.org logo and the text 'DIVISION of CORPORATIONS an official State of Florida website'. Below this is a breadcrumb trail: 'Department of State / Division of Corporations / Search Records / Search By Entity Name /'. The main content area has a yellow header with 'Next List' and an 'Entity Name Search' box with a 'Search' button. Below the header is a table titled 'Entity Name List'.

Corporate Name	Document Number	Status
PUBLIC RESOURCES ADVISORY GROUP, INC.	P23950	Active

Complete Contact Info

Marianne Edmonds
 150 2nd Avenue North, Ste 400
 St. Petersburg, FL 33701
 Tel: (727) 822-3339
 Fax: (727) 822-3502
medmonds@pragadvisors.com
www.pragadvisors.com

PRAG IS COMMITTED TO CONSERVATION AND ITS IMPACTS ON OUR CLIENTS.

Our firm demonstrates a commitment to conservation. The relationship with the City of Fort Lauderdale will be serviced by our St. Petersburg and New York offices. These offices are located in downtown centers, which enables employees to frequently schedule meetings or lunches within walking distance of their office, rather than exclusively traveling by car. We recycle paper and other recyclable products used in our offices and make efforts to limit paper use where possible. We use recycled paper and print

double-sided as much as possible. A member of our St. Petersburg team was previously active in a wetlands conservation group and a public policy network aimed at informing the public of climate change studies and addressing other national and global challenges.

Specific to the municipal bond industry, Wendell Gaertner spoke at the Southeast Florida Regional Climate Change Compact Regional Climate Action Plan Workshop #9 *"Reducing Climate Risk and Creating Economic Opportunity."* Mr. Gaertner participated in a panel entitled *"Economics of a Changing Climate"*. Mr. Gaertner's topic was the status of climate change risk analysis and disclosure in the municipal market.

The primary points of his presentation included:

- The bond market is not yet attuned to long-range climate concerns and does not adequately support the necessary long-range view of investments.
- In practice, 30-year municipal bonds are really viewed on a five-year horizon.
- Bond ratings fluctuate following a major weather event.
- Under current municipal bond analytics, there is an incentive to hold onto cash rather than to spend on risk reduction, since liquidity is valued as a strength for catastrophes.
- Rating agencies recently began to employ new standard criteria for their evaluations, though thus far, those criteria have little to do with changing climate conditions. The new criteria include:
 - Liquidity for short-term losses.
 - Strength of tax base to support long-term stability.
 - Municipal plans, though this last item is presently lacking a robust long-range horizon.

4.2.3 Experience and Qualifications (*Continued*)

Provide a description of your proposed personnel's relevant experience over the last three years. Include a case study, if available, that illustrates your experience with relevant services where the proposed personnel have served as financial advisor for:

- **Long-term Strategic Financial Planning**
- **Tax-Exempt Financing**
- **Taxable Financing**
- **Advance and Current Refunding**
- **Synthetic Advance Refundings and Other Related Financing**

PRAG'S TEAM HAS RECENT, DIRECT EXPERIENCE RELEVANT TO THE CITY.

As described in the following case studies, our proposed team for the City of Fort Lauderdale has substantial experience relevant to serving as the City's financial advisor. Over the past three years, PRAG has advised on over \$3.0 billion in municipal debt for Florida issuers.

DEMONSTRATING OUR ABILITY TO DESIGN AND IMPLEMENT 20+ YEAR FINANCIAL PLANS

Case Study - Long-Term Strategic Financial Planning

Miami-Dade County. PRAG serves as financial advisor to Miami-Dade County's Water & Sewer Department. The Department has long term capital improvement program in excess of \$12 billion in

connection with Consent Decrees, system reconfiguration and deferred maintenance. This capital program is expected to last over 20 years and PRAG manages the financial modeling for future debt issue over the twenty-year period.

A core component of our work with Miami-Dade County's Water and Sewer Department has been the development of a robust custom pro forma that brings operations, capital needs, and financing together in a single financial model. With this model, the County can plan its future financings based on expected work schedules, determine the ability to meet rate covenants and additional bonds tests, evaluate the impact of various rate increases, and see the potential impact on the major financial tests monitored by the rating agencies. We also use the model to show compliance with the State Revolving Loans additional debt issuance requirements.

Miami-Dade County's water and sewer bonds are issued under an ordinance from 1980 which has multiple additional bonds tests including a historical test, a prospective test performed by the Consulting Engineers, a subordinate bonds test and a separate test for State Revolving Fund Loans. The model tracks compliance with each of these tests as well as presents anticipated financial results such as coverage, debt levels, liquidity, and reserve funding.

We have presented the main output page of the model below. Although we only presented output through 2025, the model actually tracks issuance and repayment over a 50-year time horizon. The model currently contains 82 Excel worksheets and has a file size of 4.2 Gigabytes. It allows financing by senior revenue bonds, subordinate debt (including SRF loans), and non-traditional financing such as federal WIFIA loans.

CAPITAL PLAN		2018	2019	2020	2021	2022	2023	2024	2025
TARGET RETAIL WATER REVENUE INCREASE			6.00%	6.00%	8.00%	8.00%	7.00%	8.00%	3.00%
TARGET RETAIL WASTEWATER REVENUE INCREASE			6.00%	6.00%	8.00%	8.00%	7.00%	8.00%	3.00%
OPERATING REVENUES									
Operating Income Section	REVENUES - 100% OF EXPECTED REVENUE FOR ABT TEST	2018	2019	2020	2021	2022	2023	2024	2025
	TOTAL OPERATING REVENUES	736,286,308	785,450,531	829,618,145	889,641,247	954,252,007	1,016,063,426	1,090,328,493	1,125,544,664
Cash Flow Section	OPERATING EXPENSES								
	TOTAL OPERATING EXPENSES	(445,194,000)	(461,081,000)	(477,324,982)	(494,514,987)	(512,361,637)	(530,683,159)	(549,912,212)	(566,474,453)
Borrowing & Financing	RESERVE EARNINGS	1,668,700	2,235,072	2,801,445	3,367,817	3,899,666	5,032,410	5,100,747	5,100,747
	NET OPERATING REVENUES ⁽¹⁾	292,761,008	326,604,603	355,094,607	398,494,077	445,790,036	490,412,678	545,517,027	564,170,958
Coverage Requirements	EXISTING SENIOR DEBT SERVICE - BOND YEAR FOR ABT TEST	(153,524,155)	(132,738,331)	(132,757,469)	(132,787,863)	(132,784,931)	(132,759,831)	(131,155,044)	(130,973,869)
	NEW SENIOR DEBT SERVICE - BOND YEAR FOR ABT TEST	(11,998,912)	(64,946,787)	(90,690,087)	(116,435,187)	(142,096,173)	(173,263,673)	(199,704,903)	(199,825,700)
	TOTAL SENIOR DEBT SERVICE	(165,523,067)	(197,685,118)	(223,447,556)	(249,223,049)	(274,881,105)	(306,023,505)	(330,859,947)	(330,799,569)
	AVAILABLE CASH	127,237,941	128,919,485	131,646,152	149,271,028	170,908,932	184,389,173	214,657,080	233,371,389
	R&R DEPOSIT (SPENT ANNUALLY)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)
	FIRE HYDRANT FUND	(2,192,000)	(2,214,000)	(2,236,000)	(2,259,000)	(2,281,000)	(2,304,000)	(2,327,000)	(2,350,000)
	REQUIRED O&M RESERVE CONTRIBUTION	(6,247,000)	(2,647,833)	(2,707,330)	(2,865,001)	(2,974,442)	(3,053,587)	(3,204,842)	(2,760,373)
	NON-OPERATING WASH LOAN	5,000,000							
	SWAP PAYMENTS	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000
	BUDGETED RESERVE FUND TRANSFER FROM(TO)								
	AVAILABLE CASH FOR SUBORDINATE DEBT	52,298,941	52,557,652	55,202,822	72,647,028	94,153,490	107,531,586	137,625,198	156,760,705
	EXISTING SUBORDINATE DEBT SERVICE - BOND YEAR ⁽²⁾	(15,145,170)	(14,333,332)	(13,521,495)	(13,497,163)	(12,954,105)	(9,852,758)	(9,567,271)	(9,159,125)
	NEW NON-SRF SUB. DEBT SERVICE - BOND YEAR FOR ABT TEST	-	-	-	-	-	-	-	-
	COMMERCIAL PAPER LINE OF CREDIT FEES	(1,823,479)	(1,823,479)	(1,828,475)	(1,823,479)	(1,823,479)	(1,823,479)	-	-
	INTEREST ON COMMERCIAL PAPER (WITH DEALER FEES)	(5,461,200)	(5,621,640)	(5,509,959)	(5,932,951)	(6,802,484)	(5,143,771)	-	-
	NEW WIFA/SRF DEBT SERVICE (\$160 million at 3% for 30 years)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)
	TOTAL SUBORDINATE DEBT SERVICE	(22,429,849)	(29,941,533)	(29,023,010)	(29,416,675)	(29,743,150)	(24,983,090)	(17,730,352)	(17,322,206)
	AVAILABLE FOR DEPOSIT TO GENERAL RESERVE/PAY-GO	29,869,092	22,616,119	26,179,811	43,230,353	64,410,340	82,548,497	119,894,845	139,438,499
	LONG TERM FINANCING (SENIOR)								
	Retire Commercial Paper	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	800,000,000	48,261,000	-
	DSRF Deposit	15,300,000	25,744,200	25,744,200	25,744,200	24,174,925	51,488,400	3,106,200	-
	Cost of Issuance	3,048,000	3,325,800	3,325,800	3,325,800	3,315,075	6,651,600	402,800	-
	Capitalized Interest	-	-	-	-	-	-	-	-
	TOTAL SENIOR BORROWING	418,348,000	429,070,000	429,070,000	429,070,000	427,490,000	858,140,000	51,770,000	-
	COVERAGE REQUIREMENTS:	2018	2019	2020	2021	2022	2023	2024	2025
	ANNUAL COVERAGE - SENIOR	1.77x	1.65x	1.59x	1.60x	1.62x	1.60x	1.65x	1.71x
	Annual Coverage - Senior and Sub	1.56x	1.43x	1.41x	1.43x	1.46x	1.48x	1.56x	1.62x
	AGGREGATE SENIOR MADS	177,322,494	203,066,694	228,810,894	254,555,094	278,730,019	330,218,419	333,324,619	333,324,619
	RATE COVENANT TEST, SENIOR (1.25X MIN)	1.77	1.65	1.59	1.60	1.62	1.60	1.65	1.71
	RATE COVENANT TEST, SUBORDINATE (1.00X MIN)	5.15	4.13	4.35	4.89	5.62	6.41	11.97	13.33
	208(c) ABT, SENIOR (1.10X MIN)	1.65	1.61	1.55	1.57	1.60	1.49	1.64	1.69
	208(c) ABT, SUBORDINATE (1.00X MIN)	5.15	4.13	4.35	4.89	5.62	6.41	11.97	13.33
	STATE REVOLVING, SUBORDINATE (1.15X MIN)	5.67	4.31	4.54	5.07	5.75	7.38	12.11	13.47
	208(b) ABT, SENIOR (1.10X MIN)	1.17	1.17	1.16	1.22	1.28	1.22	1.37	1.42
	208(b) ABT, SUBORDINATE (1.00X MIN)	1.34	1.16	1.28	1.87	2.64	2.89	7.05	8.15
	NUMBER OF ISSUES	1	1	1	1	1	2	1	-
	ESTIMATED KEY RATING RATIOS								
	Debt Service Coverage								
	Senior Debt Service Coverage	1.77	1.65	1.59	1.60	1.62	1.60	1.65	1.71
	All Debt Service Coverage	1.62	1.54	1.50	1.52	1.55	1.55	1.60	1.66
	Current - 1.8x Aa Range = 2.0x to 1.70x								
	Debt to Operating Revenue								
	Debt - Senior	2,817,655,000	3,155,750,000	3,505,700,000	3,860,050,000	4,208,950,000	4,984,415,000	4,949,205,000	4,859,390,000
	Less: Senior Debt Service Reserve Fund	(186,690,000)	(212,434,200)	(238,178,400)	(263,922,600)	(288,097,525)	(339,585,925)	(342,692,125)	(293,122,125)
	Net Debt - Senior	2,630,965,000	2,943,315,800	3,267,521,600	3,596,127,400	3,920,852,475	4,644,829,075	4,606,512,875	4,566,267,875
	Debt - Subordinate	124,375,000	113,685,000	103,685,000	93,685,000	83,685,000	73,685,000	63,685,000	53,685,000
	Less: Subordinate Debt Service Reserve Fund	-	-	-	-	-	-	-	-
	Net Debt - Subordinate	124,375,000	113,685,000	103,685,000	93,685,000	83,685,000	73,685,000	63,685,000	53,685,000
	Operating Revenue	736,286,308	785,450,531	829,618,145	889,641,247	954,252,007	1,016,063,426	1,090,328,493	1,125,544,664
	Senior Debt to Operating Revenue	3.57	3.75	3.94	4.04	4.11	4.57	4.22	4.06
	All Debt to Operating Revenue	3.74	3.89	4.06	4.15	4.20	4.64	4.28	4.10
	Current - 3.4x Aa Range = 2.0x to 4.0x								

DEMONSTRATING OUR ABILITY TO STRUCTURE A NEW STORMWATER CREDIT

Case Study - Tax-Exempt New Money Financing - Inaugural Stormwater Utility Financing

City of Tampa: PRAG has served the City of Tampa since 2005 and has completed a significant number of bond issues and bank loan financings over that period. Most recently, PRAG advised the City on its \$84.56 million stormwater revenue bonds which were issued in April 2018. We were involved in structuring and modeling the financial plan for several years before its implementation.

Tampa 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 actually 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.

Marianne Edmonds and Wendell Gaertner 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 will require ten years to implement, and PRAG developed a custom financial model to integrate the assessment collections, the necessary financings, and the capital requirements. 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, the Council, and the public, and was implemented by the City.

Below is a screen shot of one of the many variations of the model PRAG developed to assist the City with planning for the stormwater financings.

City of Tampa														3-6-16. Scenario B. 30 Year Debt. Total Project Requirements = \$251,285,000													
Stormwater Improvement Assessment														BALANCED													
\$20 Million CIT Bond Funded Contribution														Annual Improvement Assessment Required is \$44.99 to \$89.55													
To Use Model:														This model does not take into account any tax implications of the extended construction fund spenddown													
1) Project Fund Requirement are linked to the prior worksheet provided by the City														Years of Assessment Increases 5													
2) Confirm all debt and interest rates assumptions shown in beige, including assumed SWFWMF grants														Annual Assessment Increases 16.5%													
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																											
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														29,485,000 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 SWFWMF Funding														33,549,375 6,125,000 5,000,000 4,811,625 4,812,500 2,300,875 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 - % SWFWMF 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														29,473,375 23,360,000 -6,700,000 12,813,375 117,968 201,280 384,746 0 0 0 0 0 0													
Project Fund Draws / (Repayment)														29,473,375 23,360,000 -6,700,000 12,813,375 117,968 201,280 384,746 0 0 0 0 0 0													
Interest Draws														117,968 201,280 384,746 0 0 0 0 0 0 0 0 0 0													
Bank Loan Payoff														(30,177,369) 0 0 0 0 0 0 0 0 0 0 0 0													
Bank Loan Interest Rate														1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00%													
Bank Loan Interest														117,968 85,745 304,791 0 0 0 0 0 0 0 0 0 0													
Bank Loan Balance														23,477,968 16,979,248 0 0 0 0 0 0 0 0 0 0 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 0													
Deposit to Project Fund														144,942,209 69,625,457													
Deposit to DSRF														0 0													
Costs of Issuance														2,666,196 1,060,046													
Par Amount														177,785,774 70,685,504													
Annual Debt Service														7,073,492 5,015,310													
Equivalent Stormwater Units														165,000 0													
Overhead and Collection %														10.0% 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														3/1/2017 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 8,645,380 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 14,775,203													
Less: Collections and Overhead														(742,411) (864,538) (1,006,754) (1,172,366) (1,365,120) (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 7,780,842 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 12,068,803 12,068,803 12,068,803 12,068,803 12,068,803 12,068,803													
Deposit to Project Fund														0 0 3,144,956 207,349 1,987,298 3,477,798 2,205,830 1,208,880 1,208,880 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 13,297,683 13,297,683													
Debt Service Coverage														1.89 1.10 1.28 1.49 1.28 1.10 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 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 1,208,880													
From Bank Draws														23,360,000 -6,700,000 12,813,375 0 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 0													
From Assessment Cash Flow														19,276,511 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 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 8,181,000													
Pre-Earnings Balance														0 0 78,461,708 56,690,020 32,530,618 -246,348 47,333,768 32,990,170 26,623,142 20,102,661 13,484,372 6,766,809 -51,518													
Investment Rate														0.25% 0.50% 0.55% 1.00% 1.25% 1.50% 1.50% 1.50% 1.50% 1.50% 1.50% 1.50% 1.50%													
Earnings														4,044,529 0 333,462 677,426 561,863 246,348 355,003 605,092 451,638 353,831 254,556 153,793 51,518													
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 0													
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% 0.0%													

The first series of bonds issued in April 2018 were rated Aa2 by Moody's. The City designated the bonds as "green bonds" after considering the use of third-party vendors to provide the designation. After consulting with the senior manager and reviewing market information, the City concluded self-designation was the most efficient path. The City expects to issue the second, and final, series of bonds in 2021.

PRAG HAS EXTENSIVE EXPERIENCE IN TAXABLE FINANCINGS AND WAS RANKED AS THE NUMBER 1 FINANCIAL ADVISOR IN VOLUME FOR TAXABLE FINANCINGS FOR 2017 BY THE BOND BUYER

Case Study - Taxable Financing

Hillsborough County: PRAG has served as financial advisor to Hillsborough County since 2012 and has completed a significant number of bond issues and bank loan financings over that period. In 2017,

PRAG advised the County on its issuance of Taxable Tourist Development Tax Revenue Bonds, issued to finance improvements to Steinbrenner Field, which serves as the New York Yankees' Spring Training facility. Improvements were designed to enhance the facility's overall fan experience, increase its multipurpose and year-round use, and to keep the stadium as one of the premier Spring Training facilities in Florida. As private activity bonds without an exemption, the Bonds are taxable. Debt service is supported by the County's Fourth Cent Tourist Development Tax revenues, which support financing for Raymond James Stadium (home of the Tampa Bay Buccaneers) in addition to Steinbrenner Field.

In the process of structuring and executing the financing, PRAG worked closely with Hillsborough County to develop the rating agency presentation which highlighted the strong growth of TDT revenues, ample debt service coverage, and legal protections associated with the issue. The bonds ultimately received A+ / AA (S&P / Fitch) ratings. The taxable bonds were sold in a competitive sale and received 8 bids with a winning TIC of 4.23%.

If at all possible PRAG prefers a competitive sale for taxable debt because pricing is not as tight in the taxable muni market. Hillsborough County's competitive tax-exempt bonds usually sell with tight spreads between the winner and the cover. For example, for Hillsborough County's most recent tax-exempt sale there were four bidders within one basis point of the winner. The total spread between all thirteen bidders was seven basis points. For the taxable TDT bonds, however, with a similar number of bidders, the spread between the winner and the cover was six basis points and the spread between all bidders was almost fifty basis points.

DEMONSTRATING OUR ABILITY TO ADVISE ON COMPLICATED REFUNDINGS

Case Study - Advance and Current Refunding

Manatee County: In 2017 PRAG was engaged as Financial Advisor by Manatee County through a competitive procurement process. Late that year the County decided to proceed with a cross-over refunding of its Series 2010A Build America Bonds and its Series 2010B Recovery Zone Economic Development Bonds in order to lock in the economic benefits of a refunding before the new tax law prohibited advance refundings. A cross-over refunding allowed the County to maintain the interest subsidy until the call date while locking in current interest rates. Unlike a traditional advance refunding, with the cross-over structure the proceeds of the new bonds were placed in escrow to pay the interest on the new bonds until the call date, at which time the escrow would "cross-over" and redeem the principal on the old bonds. Because the old bonds were not defeased at closing, legally both issues were obligations of the utility system and both were included in the rate covenant and additional bonds test until the call date.

PRAG analyzed the financials of the system and concluded that the County would be able to meet its additional bonds test and rate covenant and expected future borrowing with both series outstanding. Even though the issuance was fast-tracked to ensure a December 2017 closing, PRAG recommended that time be invested in developing a full ratings presentation to both Moody's and Fitch delivered by County staff. Under its previous municipal advisor, the County had not made formal presentation but relied upon the documents and questions from the rating agencies. The Bonds were upgraded to Aa1.

DEMONSTRATING OUR ABILITY TO IMPLEMENT NON-TRADITIONAL FINANCING STRUCTURES

Case Study - Synthetic Advance Refundings and Other Related Financings

Hillsborough County: PRAG has advised on a variety of structures for Hillsborough County, depending on the specific credit, the size of the transaction and the market conditions at the time of issuance. **Of the \$628 million in Hillsborough County financings we have advised on over the past three years,**

three were bank loans, five were competitive bond sales, one was a negotiated bond issue, and one was a negotiated commercial paper issue.

Hillsborough County also utilizes PRAG for a variety of non-bond related projects including economic development, real estate, transportation, and sports facilities. Hillsborough County has historically provided credits against future transportation impact fees to developers whose infrastructure investments benefit areas outside their development. By 2016 the amount of transportation offset credits had grown to \$100 million with no stated expiration dates. The County had transitioned from a transportation impact fee program to a broader mobility fee program and desired to reduce the amount of offset credits outstanding in order to reduce its liabilities and provide a process to utilize the credits for future economic development projects. Although this was not a bond related transaction, the County engaged PRAG to develop and implement a program that would provide an orderly and fair process for willing developers to sell their offset credits to the County at a discount.

PRAG worked with the County to develop a concept, document the process, coordinate communication with the development community, meet with offset owners, and obtain the required County Board approvals. Owners of the credits could offer their credits for purchase at a discount. The County would buy the credits offered at the lowest discount first, and then continue to purchase the next highest discount until all allocated funding was used.

To date the County has held four auctions. So far, the County has purchased \$46.7 million in face amount of impact fee offset credits for a net outlay of \$33.5 million, a savings of over \$13 million. In addition, the program accelerates the conversion to a full mobility fee structure and a significant portion of the credits have been retained by the County at their face value for future economic development incentives. As a senior County official described "PRAG developed something that had never existed before."

4.2.3 Experience and Qualifications (*Continued*)

Describe your firm's knowledge, experience and resources in tracking and monitoring the tax-exempt and taxable bond markets, including fixed rate, variable rate, swaps and other derivative products, and the government securities market. Include a discussion of your firm's participation in underwriting tax-exempt and taxable bonds, acting as a principal in swap transactions, and providing investment services, as applicable. Also discuss your process for ensuring that the City receives the best price for any bonds, financings involving swaps and other derivative products, and any escrow securities as part of any refunding. Include a discussion of how you evaluate the success of any pricing.

AS ONE OF THE MOST ACTIVE ADVISORS IN THE MUNICIPAL MARKET, PRAG IS A REGULAR AND ACTIVE PARTICIPANT IN THE MUNICIPAL MARKET.

PRAG provides our clients with prompt, accurate, and detailed market information on a regular basis. Prior to every tax-exempt or taxable underwriting 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 MMD and Treasuries and ratios identifying current relationship, historical highs, lows, and average.
- Current OMS and SLGS yields, as applicable.

For refunding issues where there will be an escrow, we monitor SLGS and OMS yields ahead of the bond pricing, in order to predict which escrow funding method is likely to generate the lowest escrow cost for our clients and determine whether or not soliciting OMS escrow bids would be in the issuer's best interest. In instances when we are pricing a refunding issue when we are nearing the U.S. "debt ceiling" and there is any possibility of the SLGS window closing, we may consider accelerating the pricing of the issue in order to have access to SLGS.

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*, *Tullett Financial*, *Thomson's TM3*, *the Bond Buyer*, *the Wall Street Journal*, *Moody's Investors Services*, *Standard & Poor's*, *Fitch Ratings*, *State Policy Reports* and *State Budget and Tax News*.

Furthermore, with a national clientele, including three of the largest issuers of municipal debt, the State of California, the Commonwealth of Massachusetts and the City of New York, our clients are in the market on a regular basis. These deals keep us in ongoing conversation with all 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 bonds and are not a competitor to underwriters, most underwriters are willing to provide insight on the market directly to PRAG. By accessing market information from a variety of underwriting desks, PRAG can provide a broad perspective on the market beyond the viewpoint of a single pricing desk.

More important than these resources "in a vacuum" is PRAG's ability to manipulate the data into targeted and meaningful analysis for our clients. We have been an early advocate of the use of early-mid-late MMD, intraday MMD reads and block-size secondary market trading data to help evaluate fair pricing. We conduct thorough and independent analysis using real-world data to provide indicative interest rates and will continue to keep the City informed of market developments during any bond pricing.

Derivatives and Swaps. As municipal advisor, PRAG does not serve as a principal in swap transactions, allowing us to provide unbiased advice to our clients. PRAG has assisted with more than \$28 billion of municipal derivative products since 1993. Our professionals specializing in swaps and derivatives are highly experienced in evaluating, negotiating, executing, and terminating derivative transactions. PRAG has the technical experience and critical knowledge of swap markets and products to advise on derivatives, including evaluating structures, pricing, documentation, implementation, and ongoing monitoring and disclosure. We have established a special practice group dedicated to swaps and other structured products, which is headed by Steven Peyser, President of PRAG. We consistently evaluate swaps in comparison to other competing financial tools in light of current market conditions, credit and capacity constraints, relative risks, relative flexibility, and the additional elements of complexity that are present in swap-based transactions.

Investment Advisory. PRAG is registered as an investment advisor in the States of California, Florida, New York, Pennsylvania and the District of Columbia. We provide investment advice and serve as bidding agents for bond proceeds and funds used to repay bonds, including escrow, construction, debt service, and reserve funds. Our professionals have extensive experience in analyzing and securing a wide range of investment products. We also have a strong understanding of the market-standard documentation for investment agreements, which we have successfully leveraged to achieve better than market-standard terms for our clients.

PRAG'S ADVISORS HAVE THE ABILITY TO ACCESS A VARIETY OF UNDERWRITING DESKS.

As a national independent financial advisor, PRAG's clients include various large, national, active issuers. This client base keeps our senior advisors in regular communication with syndicate managers across the spectrum of investment banks, both large national broker-dealers and smaller regional firms. We are able to form a comprehensive and consensus view on interest rates, coupon preferences, spreads and investor demand for our clients' securities. We are aware of trends in interest rates, changes in investor sentiment, and the availability of the newest innovations in the marketplace. Constant involvement in and an understanding of the market enables 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 achieving a low cost of borrowing for our clients. While broker-dealer municipal advisors are generally restricted to communicating only with their desks, PRAG's market view and understanding is formulated with input from large number of underwriting desks, and not by a centralized pricing process.

PRAG also maintains access to electronic market information including *Bloomberg*, *TM3*, *The Bond Buyer*, EMMA's trade reporting portal and all the rating agency sites.

As pricing advisor, Dan Forman will coordinate PRAG's pricing process, but the Florida team will lead all discussions with the underwriting syndicate for the City as well as other underwriters not involved in the City's issue.

PRAG TAKES A QUANTITATIVE DATA-DRIVE APPROACH TO EVALUATING PRICINGS.

After any order period is complete, PRAG will review pricing results with our clients to evaluate the success of the pricing period.

Preliminary threshold questions will include:

1. Does the issue meet all legal requirements of the Bond Resolution, including refunding savings if applicable?
2. Does the issue generate funding sufficient to complete the project – new money or refunding of prior bonds?

Additional evaluation criteria will include:

3. Are pricing results reasonably consistent with results for other issues with similar credit characteristics priced concurrently?
4. Are pricing spreads reasonably consistent with spreads for prior issues of the issuer/credit?
5. Did the issue receive market interest consistent with the syndicate's expectations for the issue, and consistent with market interest received by other comparable issues priced concurrently?
6. 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?

After reviewing these and any other pertinent questions, PRAG will determine the overall success of the order period and evaluate whether to recommend the client accept the underwriter's offer.

After pricing PRAG prepares a pricing book that provides information on market conditions and the pricing process. For negotiated issues we can include post-pricing trades to compare pricing immediately after closing. Absent broad market movements, a well-priced issue should not show significant increases in prices immediately post-closing.

4.2.4 Approach to Scope of Work

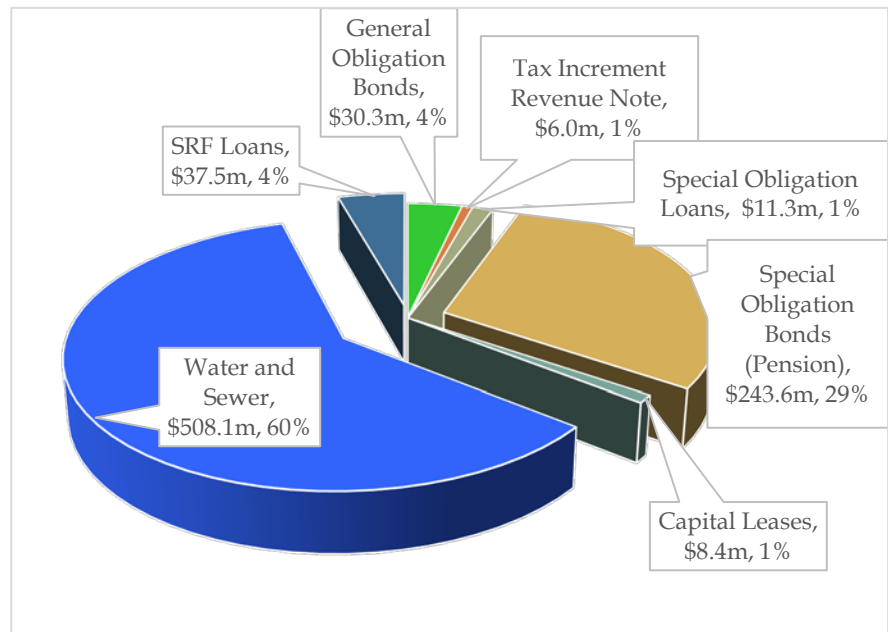
Provide in concise narrative form, your understanding of the City's needs, goals and objectives as they relate to the project, and your overall approach to accomplishing the project.

PRAG'S UNDERSTANDING OF THE CITY'S EXISTING DEBT AND HISTORIC FINANCING APPROACH WILL INFORM OUR PROCESS.

To develop our understanding of the City's upcoming capital plans and our expectations for the related bond financings, we have reviewed the City's existing debt. As of September 30, 2018, the City had approximately \$845 million in outstanding principal across all funds as shown in the chart here.

We note that the City has historically issued bonds in a competitive process and has typically used a level debt service structure.

We have reviewed the City's debt issue-by-issue and found that there do not appear to be any current refunding opportunities in the near-term.



PRAG WORKS TO UNDERSTAND THE CITY'S NEEDS, GOALS AND OBJECTIVES.

To enhance our understanding of the City's needs, goals, and objectives, we have undertaken a thorough review of each City credit identified in the RFP as likely to have a transaction during the term of the financial advisory contract. The following discussions summarize our understanding of each credit. Although these detailed discussions may extend beyond the requirements of the RFP, we have used this process to develop our overall response to the Approach to Scope of Work question.

Given its coastal location and status as one of the oldest cities in Broward County, the City is faced with the dual challenges of outdated infrastructure and sea level rise. Correspondingly, infrastructure improvements represent the vast majority of projects in the City's Proposed CIP for FY2019 - FY2023, with \$231.6 million in new funding for capital projects in support of the Infrastructure Cylinder of Excellence in the FY 2019 CIP. The key priority infrastructure projects include:

- Stormwater infrastructure improvements - \$203.3 million (subject to bond financing)
- Central Region Wastewater System Capital Projects - \$9.4 million
- Corridor improvements along State Road A1A - \$8.0 million
- Priority Water and Sewer Community Investment Plan Projects - \$6.7 million
- Establishment of a Watershed Asset Management Plan (WAMP) - \$1.4 million
- Road maintenance and resurfacing - \$1.2 million
- Priority sidewalk and paver replacement projects - \$1.0 million

Provided below is our understanding of the City's strategic initiatives, capital needs, and proposed funding sources related to the infrastructure items listed above.

Stormwater

Coastal communities, like the City, continue to address severe flooding and drainage issues that come with flat topography, aging and undersized infrastructure, storm surges, high intensity rainfall, and limited groundwater storage options through stormwater management plans. In addition, demands on the stormwater management system have increased as the City has experienced a steady increase in population and is nearing build out. **Stormwater was categorized as top priority by the City in its FY18 Commission Annual Action Plan.**

The City's Stormwater Management Program was adopted by Ordinance in July 1992. Stormwater is a multi-jurisdictional operation, but the City operates, repairs, and maintains much of the stormwater infrastructure within City limits. The operations and maintenance of the Stormwater System are funded with a stormwater fee based on 3 customer categories – (i) residential (3 units or less), (ii) commercial, industrial and other residential (more than 3 units) and (iii) unimproved land - that is placed on City residents' water and sewer utility bill. Stormwater rates are based on total property area, number of dwelling units, and standard runoff coefficients.

The Stormwater Fund achieved operating revenues of \$11.679 million and net operating income of \$4.0 million in FY17, increases of \$2.6 and \$2.5 million, respectively, over FY16 primarily due to a rate increase in the Stormwater fee. In FY18 stormwater rates increased 25% and the FY19 operating budget of \$17.8MM represents an increase of \$3.0MM over FY18 and includes a 20% increase in the monthly stormwater charge for each customer category, effective October 1, 2018. These rates will remain in place until the rate study is complete and new stormwater rates are approved.

In 2009, the City developed a Stormwater Master Plan to provide a guide for improving the City's storm drainage system performance and meeting regulatory compliance through 2025. On April 19, 2016, the City Commission awarded a contract for Stormwater Master Plan Modeling and Design Implementation to Hazen and Sawyer, P.C. The program scope of work includes citywide stormwater modeling and utility data collection; watershed planning; design, permitting and construction management services related to stormwater infrastructure; and community outreach services. In early 2018, a Stormwater Master Plan Update reported on the status of stormwater and drainage systems and recommendations for fixing pipes in 7 high-priority neighborhoods. This study confirmed prioritization of these neighborhoods and projects based on existing flooding concerns.

The City is in the process of implementing a three-phase plan addressing flooding conditions and planning the placement of additional stormwater infrastructure. Currently, the City is in the second phase, which involves focusing on addressing the specific stormwater and tidal flooding issues in the 7 high priority neighborhoods identified in the Master Plan Update Report. In Phase three, the City will expand the Master Plan initiative citywide.

Press Play Fort Lauderdale has identified multiple action plans related to the City's stormwater infrastructure. The City recently completed the incorporation of sea level rise and resiliency projections into the Stormwater Management Plan and the Flood Hazard Mitigation Program as shown in the *Press Play Fort Lauderdale 2018 Progress Reports (Press Play Fort Lauderdale IN 2-2.1)*. Based on the May 2018 Progress Report, the following represents the City's key stormwater initiatives that are in process and nearing completion.

- *IN 2-2.2: Implement the Stormwater Management Plan and examine funding rate structures based on vulnerability: Of the 37 projects identified in Phase I (worth \$9.9M) of the Stormwater Management Plan, the City has completed 24 projects, has four projects in construction, and five projects in design. The remaining four projects are fully funded and scheduled for completion in FY18 and FY19. On April 19, 2016, the City Commission approved the contract award for the Stormwater Master Plan Modeling and Design Implementation. The consultant has completed data collection, modeling and preliminary design for seven priority neighborhoods and is currently concluding the final design and permitting. Budget level cost estimates based on 90% complete engineering plan indicate that the total construction costs for the seven priority neighborhoods will be approximately \$200M. Funding for the construction of the seven neighborhoods will have to be secured during 2018, and construction is scheduled to begin in 2019. Additionally, 136 tidal valves have been installed, with another 116 valves being proposed as part of the Stormwater Master Plan Modeling and Design program. The City has amended the seawall ordinance, which will result in reduced flooding as seawall heights are increased.*
- *IN 2-2.6: Examine and update the Save Our Swales program to include bio swale options: This is an ongoing effort with the Stormwater Operations crews continuing to rehabilitate swales throughout the City. The current model and design work associated with the Stormwater Master Plan will be valuable in determining locations to prioritize for this type of drainage infrastructure. The development of the Master Plan is currently underway. A number of bioswales have been installed as a pilot project to understand the maintenance requirements and potential drainage benefits. It is recognized that a number of factors related to proximity to tidal waterway, groundwater table, and traffic*

conditions play a role in determining the usefulness of a bioswale in supporting stormwater management. The Master Plan is expected to identify those locations appropriate for swales and/or bioswales.

The City does not have any stormwater debt outstanding but plans to make a significant capital investment in its stormwater system in FY19 with the issuance of about \$200 million of stormwater revenue bonds in FY19 to fund Phase II of the Stormwater Master Plan as described above. In conjunction with this bond issue, the City is undertaking a rate study with an intended implementation date of January 1, 2019. The stormwater rate structure recommended by the rate study will support the \$200 million of stormwater revenue bonds.

Water and Sewer

Over time, the City has evaluated and implemented numerous initiatives related to the continued improvement of its Water and Wastewater system. In 2001, the City embarked on a \$690 million citywide infrastructure modernization initiative of its water, wastewater, and sewer infrastructure, known as *WaterWorks 2011*. Most recently, in 2017, the City updated its Comprehensive Utility Strategic Master Plan (the "2017 CUSMP") per its *Press Play Fort Lauderdale 2018* plan (IN2-1.5). The 2017 CUSMP provides a holistic analysis and recommendations for capital improvements and operating efficiencies to the City's water and wastewater systems over the next 20 years. The City began implementing these projects under its *Go Big, Go Fast* initiative, which represents a comprehensive, citywide plan for investing over \$460 million in water and sewer projects, with \$14.1 million investment in sewer infrastructure already nearing completion.

In January 2018, the City Commission approved the issuance of \$200 million in Series 2018 Bonds to fund water and sewer infrastructure improvements throughout the City. In February 2018, the City issued its \$196,035,000 Water and Sewer Revenue Bonds, Series 2018 (rated

Aa1/AA+) to fund 53 of the most critical water and sewer projects in the City as identified in the 2018 CIP (\$55.3MM), 2017 CUSMP (\$63.2MM) and a 2017 Sewer System Consent Order (\$81.3MM). The majority of these funds were used for improvements to the Fiveash WTP, renewal and replacement projects at the Lohmeyer WWTP, and wastewater collection system improvements. The City's proposed water and sewer CIP projects, per the 2018 CIP and 2017 CUSMP, totals \$512.2 million, with \$200 million funded with Series 2018 bond proceeds, \$227 million funded from currently available water & sewer revenues and reserves, and \$85 million currently unfunded.

Based on a 2011 Rate Study, the City adopted an annual rate indexing policy, which establishes annual rate increases at the greater of CPI or 5%. The current rate structure does not require City Commission action each year. Annual rate increases of 5% were implemented in FY16, FY17, and FY18. The City is currently reviewing and updating its Water & Sewer Rates based on a rate study which began in early 2018. The new rate structure, once approved, will be incorporated into the FY19 operating budget.

In addition to addressing the capital needs of the Water & Sewer System, the City continues to evaluate operational strategies and regional solutions to addressing its water needs. Conservation is a key element of the City's water supply strategy, with a goal of reducing finished water demand to 170 gallons per person per day by 2028 in addition to assessing additional programs recommended in 2017 CUSMP. The City continues to study the feasibility of alternative water sources and offset projects, including additional Floridan Aquifer use, stormwater capture, and other water supply sources.

The City has also committed to participate in long-term, regional water supply strategies as noted in the May 2018 *Press Play Fort Lauderdale 2018 Progress Report*. As stated in IN.2-6.2 of that report, "Although the current Utilities

Strategic Master Plan indicates the City has sufficient water capacity to meet demands for the next 20 years and does not need to commit to purchasing a water allocation from the C-51 reservoir, the City continues to support regional partners in consideration of cost-sharing initiatives to determine the capital, operations, and maintenance costs to construct the C-51 Reservoir in comparison with other alternative water supply (AWS) options . . ."

Water Meter Replacement

As part of its 2035 Vision Plan, the City is evaluating Advanced Meter Infrastructure (AMI) throughout its water distribution system to enhance operational efficiencies through increasing meter accuracy, capturing low-flow usage lost in large meters, stopped meters and illegal consumption in addition to more efficient administrative functions. The system will provide smart water meters with two-way communication between the meter and utility and between the meter and neighboring residents (smart grid). The project includes the purchase and installation of 62,425 water meters with AMI radio modules, a Citywide AMI network infrastructure, billing integration with the Cayenta software system, and project management. Funding of \$22.9 million is included in the City's CIP for the AMI project with timing expected to occur after the 5-year CIP horizon (post FY23). The City expects the project to increase revenues and decrease operational costs sufficient to pay for the project over an 8 to 9-year time period.

Parking

The City's Beach Community Redevelopment Agency ("Beach CRA") manages capital improvements and redevelopment projects in the area located in the City's central beach district. The Beach CRA is in process of investing approximately \$72 million into public improvements as identified in the Central Beach Master Plan. Major components of this plan are included in the Las Olas Boulevard Corridor Improvement Projects, which is comprised of

the Las Olas Beach Park Project, a \$49 million initiative that will bring two new waterfront parks in the area, additional open green space, landscape and streetscape improvements, and a state of the art, 670-space parking garage. Contractor Skanska announced in January 2018 that it had begun work and expects the garage and oceanside park to be complete in August 2019. The overall Beach CRA Redevelopment Plan, which was developed in 1989 and modified in 2017 establishes the vision and roadmap for completion of the Beach CRA projects. This plan is to be completed within a 30-year horizon, which is scheduled to sunset in 2020.

The City maintains a self-sustaining Parking System Fund, that utilizes strong parking revenues and no tax dollars to fund parking operations. In November 2017, the City secured

a \$13 million variable rate, non-revolving line of credit to fund the construction of Las Olas Parking Garage Project.

In addition to the Las Olas parking project, the City is actively renovating parking lots with upgraded landscaping, lighting, amenities, and green design features. The City also conducted a comprehensive Citywide Parking Study in early 2018. The objectives of this study are to evaluate the City's existing parking demand, supply, and utilization of the City's current parking facilities and to review the overall parking requirements to confirm financial stability of the City's parking fund and address its short and long-term parking needs. The study also provided an assessment and recommendation of parking rates. The City presented the study findings during a public meeting in April 2018.

4.2.4 Approach to Scope of Work (Continued)

Overall approach to accomplishing the project. Give an overview on your proposed vision, ideas and methodology. Describe your proposed approach to the project.

PRAG USES A PROVEN MULTI-PHASED APPROACH

PRAG's project approach and strategic vision has remained consistent through the years - to provide independent financial advice to select state and local governments, their agencies and authorities, and non-profit organizations, based on our client's specific goals and needs in the context of ever changing economic, market, and legal factors. We accomplish our mission by retaining an experienced staff of senior advisors who are hands-on for each engagement. Provided below is our overall approach and proposed vision for our engagement with the City. Our understanding of the City's current position, master plans, performance metrics and future needs, combined with our vast experience with similar capital and financing plans for other Florida governments, serve as the basis for our overall approach and proposed vision related to rating agency strategies, debt and legal structures, marketing methods, and transaction process for each of the City's proposed financings.



We view each project as having three stages: strategic planning, implementation, and on-going financial management. **PRAG's fundamental objective is to provide our clients the information they need to make well-informed strategic decisions, in each of these project stages.** Each phase, which frequently overlap, requires attention be paid to certain key tasks – from long term capital planning during Strategic Planning, to structuring and timing a bond sale during Implementation, and to continuing debt management, rating agency communications, and annual reporting involved in Ongoing Financial Management. Working alongside clients both in Florida and nationally, PRAG has developed and refined this approach. In doing so we have shared in the satisfaction of our clients' ongoing financial successes; we would be pleased to put our experience to work for the City.

PRAG'S METHODOLOGY & PROPOSED APPROACH

STRATEGIC PLANNING

During **Strategic Planning** with the City we will continue to familiarize ourselves with the City's existing debt, current financing needs, and long-term strategic plans. We will work closely with the City to monitor existing debt and execute upcoming financings; as well, we will be a partner to the City in the implementation of its long-term financing objectives.

PRAG has developed a comprehensive understanding of the City's capital needs and financing objectives in the context of the City's Strategic Plan, *Press Play Fort Lauderdale 2018* and its longer-term Vision Plan, *Fast Forward Fort Lauderdale 2035*, both of which were approved by the City Commission in 2013. These plans help the City identify future capital needs and potential funding sources, while acting as a guide for the City's *Commission Annual Action Plans (CAAP)*.

Together, the City's *CAAP* and 5-year *Community Investment Plan (CIP)* (adopted annually) provide a framework, supported by specific action plans, to address the City's challenges related to sea level rise, climate change, and aging infrastructure by investing in the City's water & sewer and stormwater systems and transportation networks. These plans also describe the operating impact of the approved capital projects, as well as funding sources and timing for each project.

In addition to its track record of establishing pro-active action plans and results-oriented frameworks to evaluate projects and implement strategies related to its capital plans, the City has consistently achieved favorable financial results and high credit ratings through practices focused on discipline and transparency. The City is unique in the use of its Financial Transparency Portal to provide customized tools and detailed reporting (Monthly Financial Reports, Annual Bondholder Report, CAFR, PAPR, Revenue Manual) that allow stakeholders to access up-to-date financial results on a real-time basis, which is not a common practice for local governments in Florida. In addition, the City has established internal financial and debt policies to ensure minimum funding levels are achieved, even in challenging environments.

We look forward to working closely with the City's finance staff to further develop our understanding of the City, to work with the City to execute the plans the City has established and continue to plan for the City's future. We will work closely with the City in identifying implementation strategies within the contexts of meeting legal requirements; maintaining and highlighting the City's existing credit strengths; and complying with ongoing disclosure and regulatory requirements.

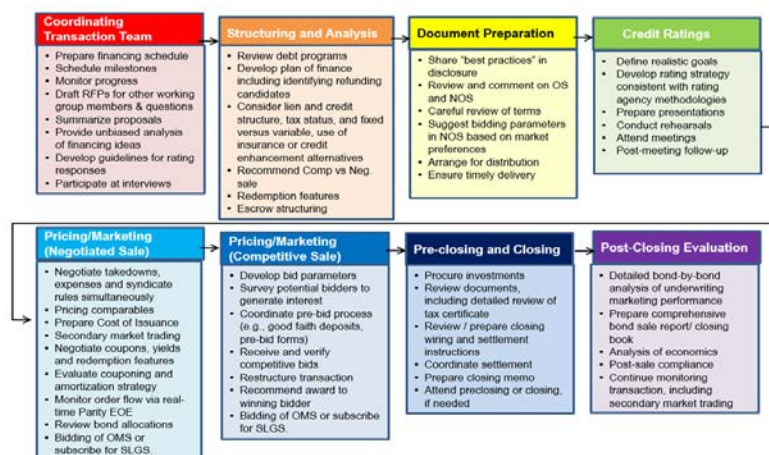
IMPLEMENTATION

While our engagement with the City will also involve extensive non-bond related services (discussed below), our discussion of the **Implementation** phase focuses on the process of structuring and issuing bonds. Given the City's large near-term capital needs and planned bond issuance for stormwater

improvements, we have focused specifically on implementation of the City's capital and financing plans for the City's stormwater system.

As a new credit, the implementation of the Stormwater issue will include crafting new legal covenants and review of legal documents and presenting a new credit to the rating agencies and investors. PRAG will work closely with the City to be certain the credit is structured to achieve the highest possible ratings and broadest investor interest, while offering the City ongoing flexibility to meet its future stormwater needs.

The graphic herein presents PRAG's approach to developing and implementing a financing plan. To a large extent, each of these processes occurs in the structuring and execution of any bond issue. Each bond issue also has its own unique set of circumstances and financing goals. Discussion summarizing our expectations for and approach to executing the City's upcoming stormwater issue is provided below.



PRAG's approach to the City's inaugural stormwater financing will be heavily analytical. We will prepare various models to compare different financing outcomes, ultimately to determine the legal, security, and financing approaches which best meet the City's short- and long-term needs. As mentioned above, we recently advised the City of Tampa on its Series 2018 stormwater issue. Although Tampa's stormwater bonds were issued in early 2018, PRAG was involved in the process of considering options and determine the structure for the issue several years before the bonds were issued. We are prepared to complete the same thorough review and analyses for the City of Fort Lauderdale in order to identify the financing structure and legal provisions which are most suitable for the City, from the perspectives of both staff and elected officials.

COORDINATING THE TRANSACTION TEAM Bearing in mind that the stormwater bonds will be a new credit for the City, PRAG will develop a financing timeline which incorporates sufficient lead time for completion of engineering and rate studies, bond document preparation and review, rating agency process, and marketing, in addition to any educational sessions or workshops for staff and/or the City Commission. By building in additional time within reason, we will be able to execute an organized and streamlined financing process. PRAG will continually monitor the working group's adherence to the timeline. We will incorporate the desired governmental 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.

DOCUMENT PREPARATION. During the process of document preparation, PRAG carefully reviews all bond documents including resolutions, ordinances, indentures, offering documents, feasibility reports, bond purchase agreements, and closing documents. As mentioned above, in that the stormwater credit is new and bond counsel will be drafting brand new legal documents, the document preparation process will be rigorous and may require additional time than the process typically takes for an established credit. It is our understanding that the City's stormwater rate study is under way and

expected to be completed by January 2019, however to the extent the rate study or engineering study are not yet finalized, we will also build in time to complete each of those reports.

During document preparation, we will also be finalizing the security structure for the bonds, as well as for future stormwater issues. It is our understanding that the City's stormwater fee is anticipated to support the stormwater bonds, however if the City wishes, we may also evaluate other revenue options (i.e. stormwater assessments) or other possible security sources to support the stormwater debt.

PRAG will work closely with the City to develop alternative structural approaches by varying assumptions (e.g. market conditions, timing, rate increases, credit ratings, reserve levels, capitalization, leverage, etc.), including analyses of potential outcomes, risks, and benefits, to facilitate informed decision-making. PRAG works with clients to address all financial aspects of any financing, taking into account the City's existing debt profile, the 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 refunding existing debt and explore bank lending terms. Our clients appreciate the depth of the experience and the sophistication and professionalism with which we provide our services, which cover a range of credits, structures and issues.

CREDIT RATINGS. Working with issuers on their credit ratings is a key responsibility of the municipal advisor -- higher credit ratings typically translate into lower borrowing costs. PRAG works closely with our clients in developing their rating agency strategies and in drafting targeted materials to present to the rating agencies, in order to best position our clients for a strong ratings outcome. Again, in that the City will be presenting a new credit to the rating agencies, we will build into the financing process sufficient time for PRAG and the City to create the best presentation of the stormwater credit, and for the rating analysts to complete their review and analysis.

PRAG would evaluate the proposed stormwater financing in relation to all three of the major rating agency's criteria and methodology and we will recommend utilizing the agencies that will be expected to provide the highest ratings.

For Tampa's stormwater utility financing earlier this year we had to determine which criteria each agency would apply, since Tampa's stormwater utility relied on real property assessments to support the debt. We evaluated each agency's utility criteria as well as their special assessment criteria. We also spoke with each agency to determine which criteria or combination of criteria they would apply. We determined that Moody's would apply the most favorable criteria to the transaction and the City could expect a rating in the double A range. We did not believe either of the other agencies would be able to reach this rating level due to their special assessment limitations. Even though most underwriters prefer at least two ratings, our analysis showed that the potential negative impact from a single AA-category rating was less than the expected negative impact of split ratings. The bonds priced with a single "Aa2" Moody's rating and were well received by investors.

PRAG would utilize the same analytical rating process for the City. The chart on the following page illustrates a grid we would use to estimate the rating for the proposed stormwater bond issue based on our understanding of the credit.

City of Ft Lauderdale, Florida - Stormwater Fund

		Aaa	Aa	A	Baa	Ba	B and Below	Weighting
1. System Characteristics - 30%								
a) Asset Condition	Net fixed assets divided by most recent year's depreciation, expressed in 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%
b) System Size (Most recent year's O&M expenditures)	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%
c) Service Area Wealth	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%
2. Financial Strength - 40%								
a) Annual Debt Service Coverage	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%
b) Days Cash on Hand	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%
c) Debt to Operating Revenues	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%
3. Financial Metrics - 20%								
a) Rate Management		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%
b) Regulatory compliance and capital planning		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%
4. Legal Provisions - 10%								
a) Rate Covenant	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%
b) Debt Service Reserve Requirement	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%
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)								

MARKETING. PRAG will also work closely with the City in developing its marketing plan. Again, as a new credit that investors have not seen before, it will be beneficial to build in ample time for the market to review and understand the stormwater credit. PRAG may recommend that the City conduct an internet road-show (either live or as a pre-recorded presentation), and/or may recommend that the preliminary official statement be published seven to ten business days ahead of the scheduled order period, to allow sufficient marketing time.

Our pricing process is highly market focused. Prior to any of our clients entering the market with a transaction, PRAG advisors set out to:

- Understand current investor preferences and market conditions;
- Achieve best available ratings (using credit enhancement if warranted) and highlight credit strengths of the issue;
- Determine best structure to accomplish client's financing goals and meet investor requirements;
- Execute pricing in an organized and deliberate process.

Each of these steps is designed to guide the pricing process and generate strong, well-informed pricing results. Detailed discussion is provided below.

Understanding Market Conditions, Investor Preferences, and Financing Options. PRAG focuses on achieving the best pricing by being aware of investor preferences and by structuring financings to appeal to an aggressive investor base—whether public markets investors or bank investors. An efficiently priced bond transaction can save an issuer millions of dollars, and we place a great deal of emphasis on securing the optimal pricing results for our clients.

As part of our analysis of market conditions ahead of any bond issue, PRAG will consider whether a public markets bond sale or a bank loan is likely to generate the optimum mix of pricing, costs, and timing for the City. While tax-exempt bank loans have historically been attractive sources of financing for the municipal market due to their relatively low issuance costs, the 2017 tax law fundamentally changed the relationship of tax-exempt bank loans to the broader municipal market. Prior to the 2017 tax law change, banks were taxed at the corporate tax rate of 35%, which was close to the highest marginal individual tax rate. The value of tax-exemption, therefore, was generally similar for banks in the bank market and the individuals who have historically been the largest investors in the tax-exempt bond market. With the reduction in the corporate tax rate to 21% without a corresponding reduction in individual tax rates, however, the value of tax-exempt interest is less for banks than for individuals in the bond market

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 the issuer. Our role in both sales methods is very similar—the only major difference occurs during the sales and marketing period as discussed further below. PRAG evaluates the characteristics presented in the table herein when developing a recommendation on the method of sale for a particular transaction.

Competitive Sale Characteristics	Negotiated Sale Characteristics
Highly Rated Credits	Lower Rated/ Non-Rated Credits ("Story Bonds")
Stable Market Conditions	Volatile Market Conditions
Standard security pledge	Innovative Security
Customary bond structure	Unusual Bond Structure
Established entities	New Entities
Frequent issuers	Infrequent Issuers
Political considerations	Political Considerations
	Floating Rate/ Derivatives

As discussed in detail above, PRAG's consistent presence in the market informs us of ever-changing market conditions and investor preferences. With our involvement on transactions for issuers across the nation, we are in touch with underwriters who are in the market on an ongoing basis and are therefore familiar with the nuances of any given market and financing structures investors will (or will not) be willing to purchase. We apply this market awareness to our clients' upcoming transactions, to identify structuring and timing which may benefit the pricing of the issue.

Pricing Process. As the pricing date for either a competitive or a negotiated sale approaches, PRAG develops a preliminary scale of coupons, yields, call provisions, and takedowns, which are representative of the market for the issuer's bonds. In developing such a scale, our process involves analyzing the client's historical issues and reviewing their absolute and relative values in comparison to the appropriate market indices, such as Municipal Market Data Municipal Yield Curves; and checking comparable issues in the current market and their absolute and relative trading values, as well as takedowns. In negotiated sales, we also contact underwriting firms that are not participants in the issuer's proposed negotiated sale for pricing views on the proposed financing, as underwriters are generally willing to discuss pricing views with PRAG because they do not see us as a competitor and recognize our market presence. The preliminary scale is used to run preliminary financing schedules

ahead of the pricing, which aid in setting expectations for preliminary budget purposes and/or debt service coverage levels.

Pricing / Marketing: Competitive Issues. When pricing and marketing a competitive issue, PRAG focuses on designing bid parameters that accommodate investors' demands and incorporate the legal and financial constraints of the issue. The goals are to allow the issuer more flexibility and greater likelihood of achieving the lowest cost of borrowing. We 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 the issuer.

Following the electronic distribution of the Notice of Sales and Preliminary Official Statement, PRAG personnel contacts underwriting desks to make sure they received the documentation for the upcoming issue, answer questions, and ask whether or not they intend to bid and with which syndicate. We check the information posted on Parity. If necessary, we schedule meetings with syndicate 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 via Parity for compliance with bidding restrictions. PRAG developed its own model to calculate TIC precisely, which we use to confirm information provided by Parity before the issuer awards the winning bid.

Pricing / Marketing: Negotiated Issues. PRAG has developed a thorough process to assist our clients in achieving a low cost of borrowing when pricing and marketing a negotiated bond issue. This process begins well before the actual bond pricing and involves working with the client to develop parameters that set the framework for the pricing. We develop a matrix of call option values, which show the theoretical trade-off among various call provisions of bonds. We use a similar analytic tool to analyze the trade-off between different levels of discounts and yields and the impact of the shorter duration associated with premium bonds.

After a negotiated order period, PRAG and the issuer will examine the "book" of orders. Depending on the number of orders by maturity, particularly from institutional investors, PRAG will make recommendations to the issuer 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 completed and the underwriters receive a verbal award of the bonds, PRAG assists, if requested, with the allotment process to ensure the bonds are fairly distributed among the underwriting group.

PRAG also assists our clients in negotiating the underwriter spread components (management fee, expenses and takedowns), eliminating an at-times contentious pricing day discussion. PRAG also works with our client and the underwriting group to determine the value of holding a retail order period prior to the formal day of pricing. We also review the way manner in which the issue price will be established in the event that 10% of each maturity is not sold by the time the bond purchase agreement is executed.

ONGOING FINANCIAL MANAGEMENT

In addition to our role in monitoring the County's credit and debt portfolio, as a part of our **Ongoing Financial Management** we will help the City manage changes in the municipal market and will provide various non-bond related services as discussed below.

A key role for a financial advisor is to help clients navigate change. Significant changes to the municipal market have occurred in 2018, resulting from the Tax Cuts and Jobs Act enacted in 2017. The law includes several changes to tax law that are impacting issuers of municipal bonds.

First, as the City is aware, the law prohibits the issuance of tax-exempt advance refunding bonds. Even under the new tax law, however, PRAG will monitor the City's debt portfolio for refunding opportunities. While tax-exempt advance refundings of tax-exempt debt are currently not allowed, tax-exempt refundings of certain taxable bonds are allowable. We expect to see an increased in structured products such as forwards, hedges and derivatives in the market. As we do with traditional advance refundings, PRAG would evaluate any such product in terms of the potential benefit of waiting for a current refunding and the additional risks of the particular product.

The other significant change to tax law impacting muni issuers is the decrease in the corporate tax rate from 35% to 21%, which has made certain tax-exempt bank loans more expensive in comparison to tax-exempt bonds. In some cases, existing tax-exempt bank loans included language which would allow the bank to increase the rate on the loan if the corporate tax rate was reduced. Our first task as financial advisor would be to review the City's existing bank loans to determine if any such "gross up" language is incorporated into any of the City's debt.

In addition to the new tax law, several other legal and regulatory changes have recently impacted the municipal market including the following:

Financial Industry Regulatory Changes: In the wake of the financial crisis, a range of new financial industry regulations have impacted municipal issuers, including MSRB Rule G-17 and the Municipal Advisor Rule. An example of how PRAG has assisted its clients in the implementation of the MA Rule has been to provide information as it became available, as well as to provide templates for use in posting reliance letters on issuer websites required to allow underwriters to call on municipalities.

Challenging Markets: Markets periodically go through periods of disruption, as was seen during the financial crisis and more recently following the 2016 Presidential election. PRAG has assisted issuers in determining how and when to enter the market during these times. PRAG's advice depends on the market circumstances and the urgency of the client's need to access the market.

Rating Agency Changes: The last ten years have seen many changes in rating agency practices. While the rating factors themselves haven't changed materially, the methodologies have in some cases. For example, both Moody's and Standard & Poor's have now moved away from more of a 'black box' methodology towards a 'scorecard' methodology for rating municipal credits. In some cases, these methodologies (particularly Standard & Poor's) have positioned certain issuers for a potential rating upgrade. PRAG works with issuers to evaluate the impact of these published metrics to make the case for a rating upgrade, both by focusing on the hard metrics and scores, as well as the 'below the line' adjustments that can affect the rating.

Change in the Credit Enhancement Markets: The demise of municipal bond insurance has impacted many issuers, particularly those rated in the "A" category and lower. While this is not a major factor for the City's credits, it could be an issue for certain projects or credits. Beginning in 2008, when bond insurers started to experience heavy losses and ratings downgrades and when auction rate securities began to unravel, demand for bank letters of credit soared, and pricing and terms became more onerous for municipal issuers. Over the ensuing years, the market for bank facilities moved more in the issuers' favor. PRAG used these opportunities to obtain lower cost facilities for its clients, as well as to significantly improve terms.

Changes in Disclosure Best Practices: Municipal disclosure has been continuously improving since the Orange County, CA bankruptcy in 1994. More recently, reporting of pension and OPEB obligations has received the most disclosure-related attention, largely in response to the State of New Jersey having been charged with fraud by the SEC in 2010 over insufficient disclosure of its pension fund status. PRAG has worked with issuers and their counsels to review and comment on expanded pension disclosure and has provided examples to issuers seeking to improve their disclosure. The City is exceptional in its regard to financial transparency and discipline as proven by its compliance with its continuing disclosure obligations in addition to its Financial Transparency website and supplementary reporting (i.e. Annual Bondholder Report, Monthly Financials).

Non-Bond Related Services

Our financial advisory services to local governments also include non-debt related financial matters. In Florida alone during the past few years, PRAG has provided non-debt related financial services in the following areas:

- Stormwater Utility Long-term Planning (*City of Tampa*)
- P3 Value for Money Analysis (*Miami-Dade County Water and Sewer*)
- Impact Fee Offset Credit Auction Process (*Hillsborough County*)
- Convention Center Hotel Governmental vs P3 Interactive Financial Model (*Broward County*)
- Tax Increment Extension Analysis (*Hillsborough County, City of Tampa*)
- Commercial Paper Training (*Miami-Dade County*)
- Debt Policy Review (*Jacksonville Transportation Authority*)
- Recreational Facilities Purchase Impact Analysis (*Concord Station CDD*)
- Homelessness Funding Model Development (*Hillsborough County*)
- Representation during negotiations with Professional Sports Teams (*Tampa Sports Authority, Hillsborough County*)
- Transportation Funding Alternative Analysis (*Hillsborough County/City of Tampa*)
- Social Impact Bond Analysis (*Hillsborough County*)
- Qualified Energy Conservation Bond Analysis (*Hillsborough and Broward Counties*)
- Budget Development Assistance (*Miami-Dade Water and Sewer, Hillsborough County, Brevard Housing Finance Authority*)

The expertise and analytical perspective we bring to our clients enables us to advise them as they determine the most efficient project funding sources, consider opportunities to refund existing debt, and explore bank lending terms. We believe our clients appreciate the depth of the experience and the sophistication and professionalism with which we provide our services, which cover a range of credits, structures, and issues.

4.2.4 Approach to Scope of Work (Continued)

As part of the project approach, the proposer shall propose a scheduling methodology (time line) for effectively managing and executing the work in the optimum time. Also provide information on your firm's current workload and how this project will fit into your workload.

PRAG HAS EXPANDED SIGNIFICANTLY IN FLORIDA AND HAS THE STAFF, TIME AND RESOURCES TO SUPPORT THE CITY.

As described in our response to Question 4.2.3, PRAG actively manages the timetable for any financing where we are serving as financial advisor. At the outset of any bond financing, we create and distribute a detailed timeline to the financing team, and during the financing process we assure that each member of the financing team adheres to the schedule to the extent possible.

Also, as described earlier in our response, in August 2018, PRAG expanded its Florida presence by hiring two experienced Managing Directors in the St. Petersburg office, providing the City with access to additional senior level, local Florida resources. We currently employ five municipal advisors in our St. Petersburg office, and are fully equipped to add the City to our existing Florida clientele.

Following our Implementation discussion above, we are using the City's upcoming stormwater issue for our sample timeline. For the stormwater financing, a key lead time item will be the completion of the Rate Study, which we understand is in process. As soon as this report is complete, we would recommend the City begin moving forward with the financing process. We would expect a process of 12-15 weeks, from initial kick-off call until the bond closing. An estimated financing timeline for the City's stormwater issue is shown below:

Date	Action	Responsible Party
Week 1	Kick-off call to review financing and discuss financing plan	ALL
Week 1	Term Sheet, Timetable, and Distribution List distributed	FA
Week 2	First draft of bond documents distributed	BC
Week 3	First draft of POS and Continuing Disclosure Agreement distributed	DC
Week 3	Conference call to review draft documents	ALL
Week 4	Second drafts of bond documents distributed	BC
Week 5	Second drafts of POS and Continuing Disclosure Agreement distributed	DC
Week 6	Conference call to review updated draft documents	ALL
Week 7	Packages submitted to rating agencies	FA
Week 7	Documents submitted to City Commission	FA, BC, City
Week 8	Rating agency calls	ALL
Week 10	Receive ratings	FA, City
Week 10	Receive City Commission approval (timing TBD based on City meeting schedule)	FA, BC, City
Week 10	Due Diligence call	All
Week 11	Post and mail POS	DC
Week 12	Sell Bonds	UW, FA, City
Week 13	Finalize POS	DC
Week 13	Circulate closing documents	BC
Week 14	Pre-close and CLOSE	ALL

City City of Ft. Lauderdale
 FA Financial Advisor (PRAG)
 BC Bond Counsel
 DC Disclosure Counsel
 UW Senior Managing Underwriter

4.2.4 Approach to Scope of Work (Continued)

Describe available facilities, technological capabilities and other available resources you offer for the project.

PRAG FOCUSES ON ANALYTICS.

While many financial advisory firms offer basic analysis, PRAG distinguishes itself by offering its clients highly sophisticated analysis, development, and implementation of financing structures, products, and hedging techniques. All of our analytical services are offered in-house by PRAG advisors. 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 they need to make informed decisions.

PRAG’s technical and analytical expertise 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 their long-term effects, 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. Our objective is to make even the most complex topics understandable to a wide audience without overlooking risks. These analyses form the core framework for debt affordability and capacity studies and are used to develop long-term financing strategies. In addition, the results of these analyses, in particular the key debt ratios, are often useful tools in the capital budgeting and planning process as well as in developing strategies for maintaining the issuer’s credit position. We have also utilized this information to assist our clients in developing debt policies that are appropriate to their financial needs and resources.

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 use as a 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 drive pricing of lower coupons structures tighter than underwriters initially propose. Of course, other factors should be considered in making couponing decisions such as yield to maturity and the impact of including lower coupon structures in tightening the spreads on 5% bonds. The option model can also be used to inform any couponing restrictions in a competitive transaction. Typically, competitive transactions are awarded on a TIC basis, which is a yield to maturity calculation. A 4% coupon may outperform a 5% coupon on a yield to maturity basis but offer very poor pricing on an option adjusted basis. An issuer interested in protecting the bond option could mandate 5% coupons to achieve better option adjusted pricing.

Earlier in our response we discussed sophisticated models we have developed for the City of Tampa’s stormwater system as well as for Miami-Dade County’s Water and Sewer Department. As a further

Financial Modeling Examples

- Long-term capital planning
- Debt structuring, including refundings
- Arbitrage rebate vs. investment analysis
- Project finance
- Dedicated revenue securitizations
- Debt vs. equity funding analysis
- Option pricing models and analysis
- Forward delivery bonds and bond options
- Investment & bid optimization
- Leasing & leveraged leases
- Tipping fee structures
- Derivative products pricing and analysis

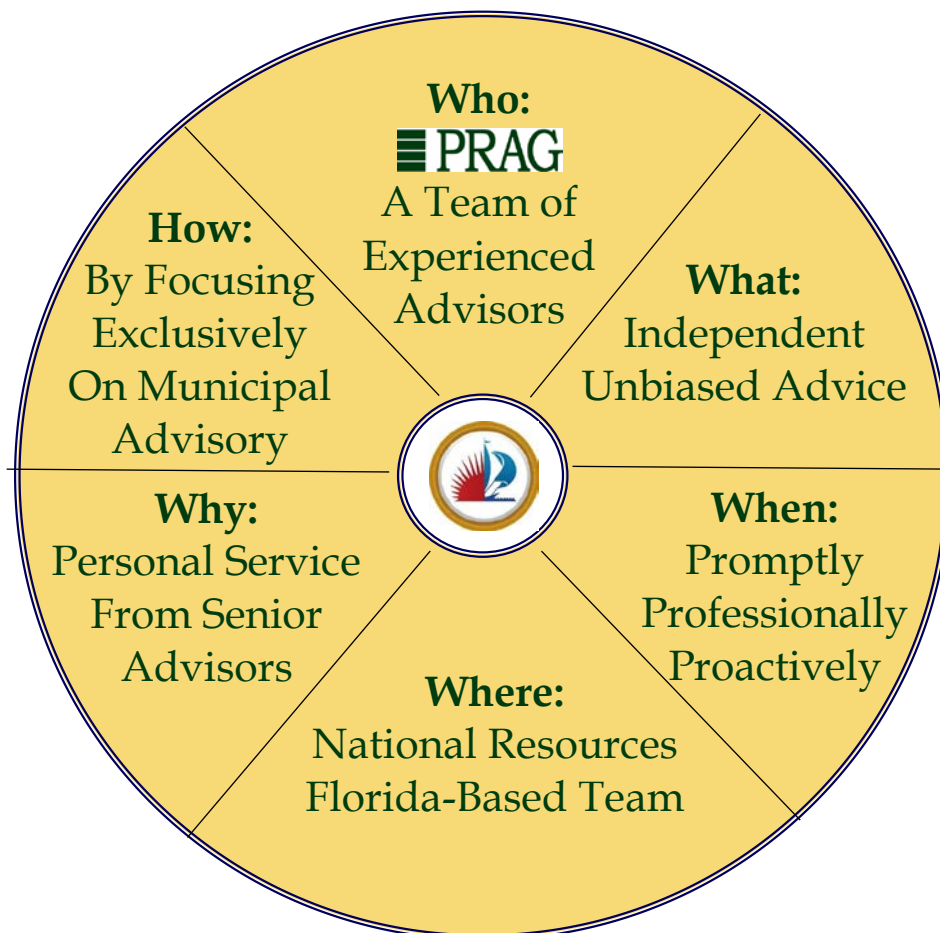
testament to our technical expertise, the State of Florida Division of Bond Finance engaged PRAG to assist in the development of a financing program for the newly created Florida Department of Transportation Financing Corporation. The State created the Financing Corporation to be a flexible vehicle to support large, complicated transportation financings throughout the State. PRAG assisted the Florida Division of Bond Finance in developing the financial plan for the issuance of \$500 million for improvements to I-95 in South Florida.

In our role as financial advisor, PRAG works closely with our clients' legal teams to ensure that any plan of considers 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 the MSRB, industry organizations and legal professionals, allowing us to stay up-to-date on regulatory and legal changes that may impact our clients' financings.

4.2.4 Approach to Scope of Work (Continued)

Additionally, the proposal should specifically address:

- A. Who
- B. What
- C. When
- D. Where
- E. Why
- F. How



4.2.5 References

Provide at least three (3) references, preferably government agencies, for projects with similar scope as listed in this RFP. Information should include:

- Client Name, address, contact person telephone and e-mail addresses.
- Description of work.
- Year the project was completed.
- Total cost of the project, estimated and actual.

Miami-Dade County

Arlesa Wood

Director of Bond Administration

Stephen P. Clark Center

111 NW 1st Street

Miami, FL 33128

al2@miamidade.gov

(305) 375-5071



Full Service Financial Advisor since 2006

Primary Advisor – Wendell Gaertner

Services Provided:

- | | |
|--------------------------|----------------------|
| ▪ Strategic Planning | ▪ Financial Modeling |
| ▪ Debt Capacity Analysis | ▪ Bank Solicitation |
| ▪ Cash Flow Modeling | ▪ Rating Strategies |
| ▪ Bond Structuring | ▪ Interim Funding |
| ▪ Bond Issuance | |

PRAG has served as financial advisor to Miami-Dade County's Water & Sewer Department since 2006. The Department is embarking upon a \$12 billion Capital Improvement Plan in connection with Consent Decrees, system reconfiguration and deferred maintenance.

Project Cost: \$1,329,380,000 issued during the past three years with \$200,000,000 in process.

Broward County

George Tablack

Finance Director

115 S. Andrews Avenue, Room 513

Fort Lauderdale, Florida 33301

gtablack@broward.org

(954) 357-7246



Full Service Financial Advisor since 2008

Primary Advisor – Wendell Gaertner

Services Provided:

- | | |
|----------------------|---------------------------------------|
| ▪ Strategic Planning | ▪ Marketing Strategy |
| ▪ Ratings Strategies | ▪ Public-Private Partnership Analysis |
| ▪ Bond Structuring | ▪ Financial Modeling |
| ▪ Bond Issuance | |

PRAG has served as financial advisor to Broward County since 2008. Most recently, PRAG served as financial advisor on the County's \$199,810,000 Series 2015A&B Water and Sewer Refunding Bonds, and is currently advising the County on financing structures for an expansion to the County's convention center and the development of a flagship convention center hotel.

Project Cost: \$800,000,000 in issuance in process.

City of Tampa

Sonya Little

Chief Financial Officer

306 East Jackson Street, 8th Floor

Tampa, Florida 33602

Sonya.Little@tampagov.net

(813) 274-8151



Full Service Financial Advisor since 2005

Primary Advisor – Marianne Edmonds

Services Provided:

- Strategic Planning
- Debt capacity analysis
- Cash flow modeling
- Bond Structuring
- Bond issuance
- Marketing strategy
- Financial Planning Modeling
- Stormwater Assessment Analysis
- Ratings strategies

PRAG has served the City of Tampa since 2005 and has completed a significant number of bond issues and bank loan financings over that period. Most recently, PRAG advised the City on its \$84.56 million stormwater revenue bonds which were issued in April 2018.

Project Cost: \$235,861,878 in issuance during the past three years.

Florida League of Cities

Jeannie Garner

Deputy Executive Director

P.O. Box 10270

Tallahassee, Florida 32302

jgarner@flcities.com

(850) 222-9684



Full Service Financial Advisor since 2012

Primary Advisor – Marianne Edmonds

Services Provided:

- Strategic Planning
- Education
- Stand-alone Bond
- Pool Bond Structuring
- Pool Bond issuance
- Bank Loan Structuring
- Marketing strategy
- Ratings strategies

As financial advisor to the Florida League of Cities and the Florida Municipal Loan Council, PRAG has advised a number of Florida cities in connection with pool loan financings, stand-alone bond issues and bank loans. The Florida Municipal Loan Council acts as either a conduit issuer for capital market financings or a facilitator for bank loan financing.

Over the past five years, PRAG has worked with the following Florida municipalities who used the League's debt programs:

- Belleair Beach (2018 bank loan)
- Bradenton (Series 2018 bond issue)
- Melbourne Beach (Series 2017 pool)
- Downtown Cocoa Beach Community Redevelopment Agency (Series 2017 pool)
- Valparaiso (Series 2017 pool), (Series 2016 pool)
- Bay Harbor (Series 2016 pool)
- Belle Isle (Series 2016 pool)
- Eatonville (Series 2016 pool)
- Lake Park (Series 2016 pool)
- North Miami (Series 2016 pool)
- Oakland (Series 2016 pool)
- Port Richey (Series 2016 pool)
- St. Augustine Beach (Series 2016 pool)
- Indian Shores (2015 bank loan)
- Palmetto Bay (2015 bank loan)

- Miami Shores (2015 bank loan)
- Pinecrest (2015 bank loan)
- Lauderdale Lakes (2015 bank loan)

Project Cost: \$38,905,000 issued during the past three years with approximately \$26.2 million in process.

Hillsborough County



Bonnie Wise

Chief Financial Administrator

601 East Kennedy Boulevard, 26th Floor

Tampa, Florida 33602

wiseb@hillsboroughcounty.org

(813) 274-7418

Full Service Financial Advisor since 2012

(Previously 2006-2008)

Primary Advisor – Wendell Gaertner

Services Provided:

- Strategic Planning
- Debt Capacity Analysis
- Cash Flow Modeling
- Bond Structuring
- Bond Issuance
- Marketing Strategy
- Transportation Analysis
- Financial Modeling
- Bank Loan Solicitation
- Ratings Strategies
- Impact Fee Auctions

PRAG has advised on a variety of structures for Hillsborough County, depending on the specific credit, the size of the transaction and the market conditions at the time of issuance. Of the \$628 million in Hillsborough County financings we have advised on over the past three years, three were bank loans, five were competitive bond sales, one was a negotiated bond issue, and one was a negotiated commercial paper issue.

Project Cost: \$628,209,017 in issuance during the past three years.

4.2.6 Minority/Women (M/WBE) Participation

If your firm is a certified minority business enterprise as defined by the Florida Small and Minority Business Assistance Act of 1985, provide copies of your certification(s). If your firm is not a certified M/WBE, describe your company's previous efforts, as well as planned efforts in meeting M/WBE procurement goals under Florida Statutes 287.09451.

PRAG is not a certified M/WBE. PRAG has pursued similar small business, veteran or M/WBE businesses for other projects and is open to utilizing certified M/WBE businesses to supplement the range of services provided in this RFP, however, we were unable to identify firms in the area with the property regulatory requirements that would materially assist our firm in executing the Scope of Services proposed by the City.

In addition, PRAG is an equal opportunity employer and has established policies with respect to promoting the participation of small, minority, veteran, disadvantaged, and women-owned businesses in our business activities.

4.2.7 Sub-contractors

Proposer must clearly identify any sub-contractors that may be utilized during the term of this contract.

PRAG does not intend to use any sub-contractors during the term of this contract.

BID/PROPOSAL CERTIFICATION

Please Note: If responding to this solicitation through BidSync, the electronic version of the bid response will prevail, unless a paper version is clearly marked **by the bidder** in some manner to indicate that it will supplant the electronic version. All fields below must be completed. If the field does not apply to you, please note N/A in that field.

If you are a foreign corporation, you may be required to obtain a certificate of authority from the department of state, in accordance with Florida Statute §607.1501 (visit <http://www.dos.state.fl.us/>).

Company: (Legal Registration)

Address:

City: State: Zip:

Telephone No. FAX No. Email:

Delivery: Calendar days after receipt of Purchase Order (**section 1.02 of General Conditions**):

Total Bid Discount (**section 1.05 of General Conditions**):

Does your firm qualify for MBE or WBE status (**section 1.09 of General Conditions**): MBE ☐ WBE ☐

ADDENDUM ACKNOWLEDGEMENT - Proposer acknowledges that the following addenda have been received and are included in the proposal:

<u>Addendum No.</u>	<u>Date Issued</u>	<u>Addendum No.</u>	<u>Date Issued</u>	<u>Addendum No.</u>	<u>Date Issued</u>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

VARIANCES: If you take exception or have variances to any term, condition, specification, scope of service, or requirement in this competitive solicitation you must specify such exception or variance in the space provided below or reference in the space provided below all variances contained on other pages within your response. Additional pages may be attached if necessary. No exceptions or variances will be deemed to be part of the response submitted unless such is listed and contained in the space provided below. The City does not, by virtue of submitting a variance, necessarily accept any variances. If no statement is contained in the below space, it is hereby implied that your response is in full compliance with this competitive solicitation. If you do not have variances, simply mark N/A. **If submitting your response electronically through BIDSINC you must also click the "Take Exception" button.**

5

6

The below signatory hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the bid/proposal. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the City and such acceptance covers all terms, conditions, and specifications of this bid/proposal. The below signatory also hereby agrees, by virtue of submitting or attempting to submit a response, that in no event shall the City's liability for respondent's direct, indirect, incidental, consequential, special or exemplary damages, expenses, or lost profits arising out of this competitive solicitation process, including but not limited to public advertisement, bid conferences, site visits, evaluations, oral presentations, or award proceedings exceed the amount of Five Hundred Dollars (\$500.00). This limitation shall not apply to claims arising under any provision of indemnification or the City's protest ordinance contained in this competitive solicitation.

Submitted by:

Name (printed)



Signature

Date:

Title

City of Fort Lauderdale
Financial Advisory Services
RFP No.12184-695

SECTION VI - COST PROPOSAL PAGE

Proposer Name: _____

Proposer agrees to supply the products and services at the prices bid below in accordance with the terms, conditions and specifications contained in this RFP.

1. A. Indicate your Total Annual Firm Fixed Fee to the City, in accordance with the RFP specifications. **Please base your total annual firm fixed fee (retainer) on 120 hours.**

\$_____ Fixed Annual Fee/Retainer (which will be paid quarterly)

- B. Indicate the total number of hours of service included in this firm fixed fee:

_____ / hrs. / per personnel assigned (attach breakdown)

- C. Indicate the hourly rate you will charge, when the City has exceeded the total number of hours stated in 1.B. above, if applicable:

\$_____/per hour / per personnel assigned (attach breakdown)

2. Please indicate reimbursement of "Out-of-Pocket" expenses as an annual amount not-to-exceed. Such expenses include long distance telephone, postage, air express charges, fax, reproduction and related costs necessarily incurred as Financial Advisor. Do not include travel expenses, as they will be paid as approved by the City's Finance Director, per the City's Travel Policy.

\$_____ (Annual Not To Exceed)

3. Indicate all costs associated with debt issues as follows, and minimum fee if applicable:

Debt Issues

Fee (*)

Up to \$50 million \$_____

Next \$25 million \$_____

Next \$25 million \$_____

Additional Amounts over \$100 million \$_____

(*) Per Bond Fees based upon \$1,000 denominations, and apply to each series of bonds issued.

Schedule is subject to a minimum fee of: \$_____

Schedule is subject to a maximum fee of: \$_____

City of Fort Lauderdale
Financial Advisory Services
RFP No.12184-695

The basis of the cost comparison calculation in addition to the annual retainer should include the following transactions:

\$100 million Stormwater revenue bonds;
\$100 million Parks Improvement general obligation bonds.
\$200 million Water and Sewer System revenue bonds.
\$35 million Citywide Water Meter Replacement Program Financing
\$13 million Parking Revenue Bonds

“Out-of-Pocket” expenses will not be calculated as part of the 30% weighted criteria for this RFP.

Submitted by:

Name (printed)



Signature

Date

Title

COST PROPOSAL ATTACHEMENT

PRAG proposes the following fee schedule.

<u>Title</u>	<u>Hourly Rate</u>	<u>Assumed Hours for Retainer</u>
Senior Managing Director	\$275	20
Managing Director	\$225	40
Vice President	\$175	30
Assistant Vice President/ Associate	\$150	30

City of Fort Lauderdale
Financial Advisory Services
RFP No.12184-695

SECTION VII – QUESTIONNAIRE – FINANCIAL ADVISORY SERVICES

Please provide to the City the following requested information with your proposal:

1. What is your Financial Advisor (FA) "State Ranking" in the State of Florida based on dollar amount, based on the Thomson-Reuters and/or the MuniAnalytics tracking services?

ANSWER _____ Tracking Service Used _____

2. What is your Financial Advisor (FA) "State Ranking" in the State of Florida based on number of issues, based on the Thomson-Reuters and/or the MuniAnalytics tracking services?


ANSWER _____ Tracking Service Used _____

3. For the past year from August 1, 2017 through July 31, 2018, what is the dollar amount and the number of issues for the following:

a. Special Assessment Bonds	\$ _____
	Number of issues _____
b. Revenue Bonds	\$ _____
	Number of issues _____
c. GO Bonds	\$ _____
	Number of issues _____
d. Negotiated	\$ _____
	Number of issues _____
e. Competitive	\$ _____
	Number of issues _____

Submitted by:

Name (printed)



Signature

Date

Title

NON-COLLUSION STATEMENT:

By signing this offer, the vendor/contractor certifies that this offer is made independently and *free* from collusion. Vendor shall disclose below any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement.

Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement.

For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they or their immediate family members hold a controlling financial interest (e.g. ownership of five (5) percent or more).

3.4. Immediate family members (spouse, parents and children) are also prohibited from contracting with the City subject to the same general rules.

Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.

NAME**RELATIONSHIPS**

-

In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.

5

**CONTRACTOR'S CERTIFICATE OF COMPLIANCE WITH
NON-DISCRIMINATION PROVISIONS OF THE CONTRACT**

The completed and signed form should be returned with the Contractor's submittal. If not provided with submittal, the Contractor must submit within three business days of City's request. Contractor may be deemed non-responsive for failure to fully comply within stated timeframes.

Pursuant to City Ordinance Sec. 2-17(a)(i)(ii), bidders must certify compliance with the Non-Discrimination provision of the ordinance.

- (a) Contractors doing business with the City shall not discriminate against their employees based on the employee's race, color, religion, gender (including identity or expression), marital status, sexual orientation, national origin, age, disability or any other protected classification as defined by applicable law.

Contracts. Every Contract exceeding \$100,000, or otherwise exempt from this section shall contain language that obligates the Contractor to comply with the applicable provisions of this section.

The Contract shall include provisions for the following:

- (i) The Contractor certifies and represents that it will comply with this section during the entire term of the contract.
- (ii) The failure of the Contractor to comply with this section shall be deemed to be a material breach of the contract, entitling the City to pursue any remedy stated below or any remedy provided under applicable law.



Authorized Signature



Print Name and Title



Date

6

NOT APPLICABLE

5

LOCAL BUSINESS PRICE PREFERENCE CERTIFICATION STATEMENT

The Business identified below certifies that it qualifies for the local business price preference classification as indicated herein, and further certifies and agrees that it will re-affirm its local preference classification annually no later than thirty (30) calendar days prior to the anniversary of the date of a contract awarded pursuant to this ITB. Violation of the foregoing provision may result in contract termination.

(1)
Business Name

is a **Class A** Business as defined in City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the City of Fort Lauderdale current year Business Tax Receipt and a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.

(2)
Business Name

is a **Class B** Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the Business Tax Receipt or a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.

(3)
Business Name

is a **Class C** Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. A copy of the Broward County Business Tax Receipt shall be provided within 10 calendar days of a formal request by the City.

(4)
Business Name

requests a **Conditional Class A** classification as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.

(5)
Business Name

requests a **Conditional Class B** classification as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.

(6)
Business Name

is considered a **Class D** Business as defined in the City of Fort Lauderdale Ordinance No. C-17-26, Sec.2-186 and does not qualify for Local Preference consideration.

BIDDER'S COMPANY:

AUTHORIZED
COMPANY
PERSON:

6

3

4



CERTIFICATE OF LIABILITY INSURANCE

OP ID: JB

DATE (MM/DD/YYYY)

05/16/2018

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

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

PRODUCER Walter B. Howe, Inc. Howe Insurance Group 1000 Herrontown Road Princeton, NJ 08540 Donald E. MacQueen, Jr.	CONTACT NAME: Jennifer S. Berrios	
	PHONE (A/C, No, Ext): 609-924-0095 FAX (A/C, No): 609-924-9710	
	E-MAIL ADDRESS: jenniferb@howeinsgrp.com	
	PRODUCER CUSTOMER ID #: PUBLI-2	
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED Public Resources Adv. Gr. Inc. Brenda Henry 39 Broadway, Suite 1210 New York, NY 10006	INSURER A: Pacific Indemnity Co	20346
	INSURER B: Federal Insurance Co	20281
	INSURER C: XL Specialty Insurance Co.	37885
	INSURER D:	
	INSURER E:	
	INSURER F:	

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			3577-04-02 ECE	12/09/2017	12/09/2018	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PRODUCTS - COM/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY			7351-95-54	12/09/2017	12/09/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (PER ACCIDENT) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS						\$
B	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			7977-41-82	12/09/2017	12/09/2018	EACH OCCURRENCE \$ 4,000,000
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$ 4,000,000
	DEDUCTIBLE						\$
	<input checked="" type="checkbox"/> RETENTION \$ 10,000						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$
C	Errors & Omissions			ELU15548818	06/12/2018	06/12/2019	Occurrence 2,000,000 Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

SPEC005

SPECIMEN
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX XXXXXXXXXXXX

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2009 ACORD CORPORATION. All rights reserved.

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, 2018, that its most recent annual report/uniform business report was filed on January 9, 2018, 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 Ninth day of January, 2018*



Ken DeFoner
Secretary of State

Tracking Number: CC5869767509

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

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

AMENDMENT OF A PRIOR
APPLICATION FOR MUNICIPAL
ADVISOR REGISTRATION FOR
BUSINESS ENTITIES

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

OMB Number: 3235-0681

Estimated average burden hours per
response: 0.5

Form MA Applicant's Information

CIK 0001612223

CCC

Submission Contact Information

Contact Person for this Filing Kimberly McManus

Contact Phone 973-618-9500

Contact Email Address kmcmanus@alternativereg.com

Contact Email Address

Please read the General Instructions for this form and other forms in the MA series, as well as its subsection, "Specific Instructions for Certain Items in Form MA," before completing this form. All italicized terms herein are defined or described in the Glossary of Terms appended to the General Instructions.

Part I

This form must be completed by *municipal advisors* that are organized entities, including sole proprietors (referred to herein as "*municipal advisory firms*" or "*firms*," unless the context indicates otherwise).

WARNING:

Complete this form truthfully. False statements or omissions may result in denial of application, revocation of registration, administrative or civil action, or criminal prosecution. Form MA must be amended promptly upon the occurrence of certain material events, and updated at least annually, within 90 days of the end of the *municipal advisor's* fiscal year, or, if a sole proprietor, the *municipal advisor's* calendar year. See General Instruction 8.

Type of Filing:

This is an:

Check the appropriate box.

☐ Initial application to register as a *municipal advisor* with the SEC.

Execution Page: After completing this form, you must complete the Execution Page.

Supporting Documentation: If you are required to make reportable disclosures in the Disclosure Reporting Pages, you must attach the supporting documentation.

Non-Resident Applicants: If you are a non-resident of the United States, certain additional requirements must be met at the time of filing your application, *or processing of your application may be delayed*. See General Instruction 2.c. and subsection "General Instructions to Form MA-NR" of the General Instructions.

☐ Annual update of *municipal advisor's* Form MA, for fiscal year ended _____, or, if a sole proprietor, for calendar year ended December 31, _____.

Execution Page: After completing this form, you must complete the Execution Page.

Changes: Are there any changes in this *annual update* to information provided in the *municipal advisor's* most recent Form MA, other than the updated Execution Page? ☐ Yes ☐ No

☒ Amendment (other than *annual update*) to any part of the *municipal advisor's* most recent Form MA.

Execution Pages: After completing this form, you must complete the Execution Page.

Item 1 Identifying Information

A. Full Legal Name of the Firm

(1) Firm Name: Public Resources Advisory Group, Inc.

Organization CRD No., if any: 000113338

(2) Sole Proprietor: If the applicant is a sole proprietor, check here, and provide full last name, first name, middle name, and suffix, if any: ☐

(3) Name Change: If full legal name has changed since the *municipal advisor's* most recent Form MA, check here and provide the previous full legal name. ☐

(specify)

B. Doing-Business-As (DBA) Name

(1) If the name under which *municipal advisor-related* business is primarily conducted is different from Item 1-A., check here and provide the DBA name.

(2) Previous DBA Name: If name under which *municipal advisor-related* business is primarily conducted has changed since the *municipal advisor's* most recent Form MA, check here and provide the previous name under which the *municipal advisor-related* business was primarily conducted.

(3) Additional Names:

(a) Is *municipal advisor-related* business conducted under any additional names? ☐ Yes ☒ No

(b) List any additional names on Section I-B of Schedule D.

C. (1) IRS Employer Identification Number: 13-3266119

(2) If the applicant (such as a sole proprietor), has no employer identification number, provide the applicant's social security number:

The Social Security Number will not be included in publicly available versions of this registration form.

D. Registrations

(1) **Form MA-T Registration:** Was the applicant previously registered on Form MA-T as a *municipal advisor*? ☐ Yes ☒ No

If "Yes", enter the SEC File No. MA-T: 866-00075-00

(2) **Other Registrations:** Is the applicant registered as or with any of the following?

Check all that apply. For each registration box you checked, provide the requested file number(s). An applicant firm should NOT provide the organization CRD number, or other specified number, of any of its organizational affiliates, or the individual CRD number of its officers, employees, or natural person affiliates.

☒ **Municipal Advisor** SEC File No.: 867-00146
☐ **Municipal Securities Dealer** SEC File No.:
☐ **Broker-Dealer** SEC File No.:
 Organization CRD No.:

☒ **Investment Adviser**
☐ **SEC -Registered** SEC File No.:
 Organization CRD No.:
☐ **Exempt Reporting Adviser** SEC File No.:
 Organization CRD No.:

☒ **Registered in US State or Other US Jurisdiction** Organization CRD No.: 000113338

Investment Adviser Registration in a US State or Other US Jurisdiction: If predecessor *municipal advisory firm* is registered in a US state or other jurisdiction as an *investment adviser*, enter the organization CRD Number above. In the table below, select each US state or jurisdiction in which the predecessor *municipal advisory firm* is so registered.

Check All That Apply:		US State or Jurisdiction	(Code)
<input type="checkbox"/>	Alabama	(AL)	<input type="checkbox"/> Montana (MT)
<input type="checkbox"/>	Alaska	(AK)	<input type="checkbox"/> Nebraska (NE)
<input type="checkbox"/>	Arizona	(AZ)	<input type="checkbox"/> Nevada (NV)
<input type="checkbox"/>	Arkansas	(AR)	<input type="checkbox"/> New Hampshire (NH)
<input checked="" type="checkbox"/>	California	(CA)	<input type="checkbox"/> New Jersey (NJ)
<input type="checkbox"/>	Colorado	(CO)	<input type="checkbox"/> New Mexico (NM)
			<input checked="" type="checkbox"/> New York (NY)

- ☐ Connecticut (CT)
- ☐ Delaware (DE)
- ☒ District of Columbia (DC)
- ☒ Florida (FL)
- ☐ Georgia (GA)
- ☐ Guam (GU)
- ☐ Hawaii (HI)
- ☐ Idaho (ID)
- ☐ Illinois (IL)
- ☐ Indiana (IN)
- ☐ Iowa (IA)
- ☐ Kansas (KS)
- ☐ Kentucky (KY)
- ☐ Louisiana (LA)
- ☐ Maine (ME)
- ☐ Maryland (MD)
- ☐ Massachusetts (MA)
- ☐ Michigan (MI)
- ☐ Minnesota (MN)
- ☐ Mississippi (MS)
- ☐ Missouri (MO)

- ☐ North Carolina (NC)
- ☐ North Dakota (ND)
- ☐ Ohio (OH)
- ☐ Oklahoma (OK)
- ☐ Oregon (OR)
- ☒ Pennsylvania (PA)
- ☐ Puerto Rico (PR)
- ☐ Rhode Island (RI)
- ☐ South Carolina (SC)
- ☐ South Dakota (SD)
- ☐ Tennessee (TN)
- ☐ Texas (TX)
- ☐ Utah (UT)
- ☐ Vermont (VT)
- ☐ Virgin Islands (VI)
- ☐ Virginia (VA)
- ☐ Washington (WA)
- ☐ Wisconsin (WI)
- ☐ West Virginia (WV)

☐ Government Securities Broker-Dealer

SEC File No.:

Bank Identifier:

☐ Other SEC Registration
(Specify):

SEC File No. (if any):

EDGAR CIK (if any):

☐ Another federal or state
regulator(Specify):

Registration No. (if any):

(3) Additional Registrations:

(a) Does the applicant have any additional
registrations that are not listed in
subsection (2)?

☐ Yes ☒ No

(b) List any such additional registrations
on Section 1-D of Schedule D.

E. Principal Office and Place of Business

(1) Address: Do not use a P.O. Box.

Street Address 1: 39 BROADWAY

Street Address 2: SUITE 1210

City: NEW YORK

State/Country: NEW YORK

Postal Code: 10006

Telephone Number at this location: 212-566-7800

Fax Number (if any) at this location: 212-566-7816

For non-US telephone and fax numbers, include country code with area code and local number.

Is this address a private residence? A private residential address will not be included in publicly available versions of this registration form.

☒ Yes ☐ No

(2) Additional Offices:

(a) Is municipal advisor-related business conducted at any office(s) other than applicant's principal office and place of business listed above?

☐ Yes ☒ No

(b) If "Yes," list the five largest such additional offices on **Section I-E of Schedule D**.

(3) Mailing Address: Is the mailing address different from principal office and place of business address in Item I-E(1)?

☐ Yes ☒ No

If "Yes," complete this item.

Street Address 1: 39 BROADWAY

Street Address 2: SUITE 1210

City: NEW YORK

State/Country: NEW YORK

Postal Code: 10006

Is this address a private residence? A private residential address will not be included in publicly available versions of this registration form.

☐ Yes ☒ No

F. Website

(1) Provide the address of the applicant's principal website (if any):

(specify) WWW.PRAGADVISORS.COM

(2) Does the applicant have any additional websites?

☐ Yes ☒ No

(3) Total number of additional websites

(specify)

(4) List all additional website addresses on **Section I-F of Schedule D**.

G. If the applicant has a Chief Compliance Officer, provide his or her name and contact information

Please note that the applicant must provide name and contact information for either a *Chief Compliance Officer* in Question I.G., or another contact *person* in Question I.H below. Both may be provided.

Enter all the letters of each name and not initials or other abbreviations. If no middle name, enter NMN on that line.

Last Name: McManus

First Name: Kimberly

Middle Name: Marie

Other title(s), if any: President of ARS

Street Address 1: 101 Eisenhower Parkway

Street Address 2: Suite 404

City: Roseland

State/Country: NEW JERSEY

Postal Code: 07068

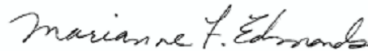
For non-US telephone and fax numbers, include country code with area code and local number.

PUBLIC RESOURCES ADVISORY GROUP

PROOF OF AUTHORITY

On February 8, 2016, the Board of Directors of Public Resources Advisory Group, Inc., a New York State Corporation, authorized Marianne F. Edmonds, who signs as follows:

Marianne F. Edmonds

A handwritten signature in dark ink, appearing to read "Marianne F. Edmonds", written in a cursive style.

In her position as Sr. Managing Director of the Corporation to sign documents on behalf of the corporation. All documents signed by Marianne F. Edmonds shall be considered legal and binding on the corporation.

Steven Peyser

President

A handwritten signature in blue ink, appearing to read "Steven Peyser", written in a cursive style.

Dated: June 26, 2017

Corporate Seal



INDEPENDENT FINANCIAL ADVISORS

Minimum Qualifications -- Section 2.16

a. Minimum ten (10) years' experience in providing financial advisory services to Florida governments.

PRAG was founded in 1985. PRAG's Florida practice was established in 2005 when the firm acquired the independent financial advisory firm Marianne Edmonds, Inc. PRAG recently expanded its Florida presence by hiring of two experienced Managing Directors, providing the City with access to additional senior level, local Florida resources. We currently have thirty-nine (39) employees nationally, including six (6) in our St. Petersburg office.

b. Provide the names, proposed roles, background and experience, office location and availability of the personnel that would work on the City's account and specifically identify the primary person(s) who will be responsible for managing the relationship with the City of Fort Lauderdale. Identify who will provide any computer financial analysis services.

Please see detailed team member resumes, provided on pages five through ten of our response.

For the proposed personnel, provide a list of five clients worked with in the last 36 months; a brief description of the type and size of transaction and the services you provided; and the names, titles, addresses and telephone numbers of the government officials primarily responsible for the transactions.

Issuer	Size (Most Recent Issue)	Type of Transaction	PRAG Services	Issuer Contact
Miami-Dade County	\$929,830,000	Water and Sewer Revenue & Revenue Refunding Bonds, Series 2017A & B	Municipal Advisor	Arlesa Wood Dir of Bond Administration 111 NW 1 st Street Miami, FL 33128 (305) 375-5071
Broward County	\$800,000,000 (est.)	Convention Center / Hotel	Municipal Advisor	George Tablack Finance Director 115 S. Andrews Avenue Ft Lauderdale, FL 33301 (954) 357-7246
City of Tampa	\$84,560,000	Special Assessment Revenue Bonds (Stormwater Improvements), Series 2018	Municipal Advisor	Sonya Little Chief Financial Officer 306 E. Jackson Street Tampa, FL 33602 (813) 274-8151
Florida League of Cities	\$7,595,000	Florida Municipal Loan Council Revenue Bonds, (City of Bradenton), Series 2018A	Municipal Advisor	Jeannie Garner Executive Director - Designate PO Box 10270 Tallahassee, FL 32302 (850) 222-9684
Hillsborough County	\$61,135,000	Community Investment Tax Refunding Revenue Bonds, Series 2018	Municipal Advisor	Bonnie Wise Chief Financial Administrator 601 E. Kennedy Blvd. Tampa, FL 33602 (813) 274-7418



Also include a list of your personnel's experience in the State of Florida and provide three additional client references for your firm.

Issuer	Size (Most Recent Issue)	Type of Transaction	PRAG Services	Issuer Contact
State of Florida	Financial Planning	Transportation	Municipal Advisor	Ben Watkins Director, State of FL Division of Bond Finance 1801 Hermitage Centre Tallahassee, FL 32308 (850) 488-4782
Manatee County	\$74,695,000	Public Utilities Revenue Improvement Bonds, Series 2018	Municipal Advisor	Jan Brewer Director, Financial Mgmt 1112 Manatee Avenue W. Bradenton, FL 34205 (941) 745-3726
Pinellas County	\$14,733,000	Sewer Revenue Refunding Note (Bank Loan), Series 2016	Municipal Advisor	Jim Abernathy Senior Financial Management Analyst 315 Court Street Clearwater, FL 33756 (727) 464-4326

c. At least one (1) new municipal credit client in the past two (2) years.

Most recently, PRAG was hired by Escambia County, Florida to serve as financial advisor to the County for a term of 3 years, effective September 26, 2018. PRAG has been engaged by multiple new clients over the past two years.

d. Must have been a financial advisor for municipal government offerings totaling over \$500,000,000 par amount within the last year and a minimum of \$250,000,000 in par amount revenue bond financing with the last five (5) years.

We affirm that PRAG has been a financial advisor for municipal government offerings totaling over \$500,000,000 within the last year, and for municipal government revenue bond financings totaling over \$250,000,000 within the last five years.

e. The minimum professional requirements are for each firm regardless of type of proposal submitted.

Acknowledged.

f. Long-term Strategic Financial Planning Experience.

Provide a description of your proposed personnel's relevant experience over the last three (3) years. Include three (3) case studies if available, that illustrate your experience with relevant services where the proposed personnel have served as financial advisor.

Miami-Dade County. PRAG serves as financial advisor to Miami-Dade County's Water & Sewer Department. Miami-Dade County has long term capital improvement program in excess of \$12 billion in connection with Consent Decrees, system reconfiguration and deferred maintenance. This capital program is expected to last over 20 years and PRAG manages the financial modeling for future debt issue over the twenty-year period.

A core component of our work with Miami-Dade County's Water and Sewer Department has been the development of a robust custom pro forma that brings operations, capital needs, and financing



together in a single financial model. With this model, the County can plan its future financings based on expected work schedules, determine the ability to meet rate covenants and additional bonds test, evaluate the impact of various rate increases, and see the potential impact on the major financial tests monitored by the rating agencies. We also use the model to show compliance with the State Revolving Loan program additional debt issuance requirements.

Miami-Dade County's water and sewer bonds are issued under an ordinance from 1980 which has multiple additional bonds tests including a historical test, a prospective test performed by the Consulting Engineers, a subordinate bonds test and a separate test for State Revolving Fund Loans. The model tracks compliance with each of these tests as well as presents anticipated financial results such as coverage, debt levels, liquidity, and reserve funding.

We have presented the main output page of the model below. Although we only presented output through 2025, the model actually tracks issuance and repayment over a 50-year time horizon. The model currently contains 82 Excel worksheets and has a file size of 4.2 Gigabytes. It allows financing by senior revenue bonds, subordinate debt (including SRF loans), and non-traditional financing such as federal WIFIA loans.

CAPITAL PLAN									
	2018	2019	2020	2021	2022	2023	2024	2025	2026
TARGET RETAIL WATER REVENUE INCREASE	6.00%	6.00%	6.00%	6.00%	6.00%	7.00%	8.00%	8.00%	3.00%
TARGET RETAIL WASTEWATER REVENUE INCREASE	6.00%	6.00%	6.00%	6.00%	6.00%	7.00%	8.00%	8.00%	3.00%
OPERATING REVENUES									
REVENUES - 100% OF EXPECTED REVENUE FOR ABT TEST	2018	2019	2020	2021	2022	2023	2024	2025	
TOTAL OPERATING REVENUES	736,286,308	785,450,531	829,618,145	889,641,247	954,252,007	1,016,063,426	1,090,328,493	1,125,544,664	
OPERATING EXPENSES	(445,194,000)	(461,081,000)	(477,324,982)	(494,514,987)	(512,361,637)	(530,683,159)	(549,912,212)	(566,474,453)	
RESERVE EARNINGS	1,668,700	2,235,072	2,803,445	3,387,817	3,999,666	4,632,410	5,280,747	5,950,747	
NET OPERATING REVENUES ⁽¹⁾	292,761,008	326,604,603	355,096,608	398,514,077	445,790,036	490,012,677	540,697,028	594,020,958	
EXISTING SENIOR DEBT SERVICE - BOND YEAR FOR ABT TEST	(153,324,155)	(132,738,333)	(132,757,469)	(132,787,863)	(132,784,931)	(132,759,833)	(131,555,044)	(130,973,869)	
NEW SENIOR DEBT SERVICE - BOND YEAR FOR ABT TEST	(11,998,912)	(64,946,787)	(60,690,887)	(116,435,187)	(142,066,173)	(173,263,673)	(199,704,803)	(199,825,700)	
TOTAL SENIOR DEBT SERVICE	(165,323,067)	(197,685,118)	(193,448,356)	(249,223,049)	(274,851,105)	(306,023,505)	(330,859,847)	(330,799,569)	
AVAILABLE CASH	127,437,941	128,919,485	161,648,252	149,291,028	170,938,931	183,989,172	209,837,181	263,221,389	
R&D DEPOSIT (SPENT ANNUALLY)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	(80,000,000)	
FIRE HYDRANT FUND	(2,192,000)	(2,214,000)	(2,236,000)	(2,259,000)	(2,283,000)	(2,304,000)	(2,327,000)	(2,350,310)	
REQUIRED O&M RESERVE CONTRIBUTION	(6,247,000)	(2,647,833)	(2,707,330)	(2,865,001)	(2,974,442)	(3,053,587)	(3,204,842)	(2,760,373)	
NON-OPERATING WASH LOAN	5,000,000								
SWAP PAYMENTS	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	
BUDGETED RESERVE FUND TRANSFER FROM(TO)									
AVAILABLE CASH FOR SUBORDINATE DEBT	52,298,941	52,557,652	55,202,822	72,647,028	94,153,490	107,631,586	137,625,198	156,760,705	
EXISTING SUBORDINATE DEBT SERVICE - BOND YEAR ⁽¹⁾	(15,145,170)	(14,333,332)	(13,521,495)	(13,497,163)	(12,954,105)	(9,852,758)	(9,567,271)	(9,159,121)	
NEW NON-SRF SUB. DEBT SERVICE - BOND YEAR FOR ABT TEST	(1,823,479)	(1,823,479)	(1,828,475)	(1,823,479)	(1,823,479)	(1,823,479)	-	-	
COMMERCIAL PAPER LINE OF CREDIT FEES	(5,461,200)	(5,621,640)	(5,509,959)	(5,932,951)	(6,802,484)	(5,143,771)	-	-	
INTEREST ON COMMERCIAL PAPER (WITH DEALER FEES)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	(8,163,081)	
NEW WIFIA/SRF DEBT SERVICE (\$160 million at 3% for 30 years)	(25,424,800)	(25,424,800)	(25,424,800)	(25,424,800)	(25,424,800)	(25,424,800)	(25,424,800)	(25,424,800)	
TOTAL SUBORDINATE DEBT SERVICE	(49,417,930)	(49,965,012)	(49,938,851)	(49,918,713)	(49,918,713)	(49,918,713)	(49,918,713)	(49,918,713)	
AVAILABLE FOR DEPOSIT TO GENERAL RESERVE/PAY-GO	29,880,911	22,612,640	20,273,971	42,728,315	64,235,295	82,544,873	118,806,845	139,438,490	
LONG TERM FINANCING (SENIOR)									
Retire Commercial Paper	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	800,000,000	48,261,000	-	
DSRF Deposit	15,300,000	25,744,200	25,744,200	25,744,200	24,174,215	51,488,400	3,106,200	-	
Cost of Issuance	3,048,000	3,325,800	3,325,800	3,325,800	3,315,075	6,651,600	402,800	-	
Capitalized Interest	-	-	-	-	-	-	-	-	
TOTAL SENIOR BORROWING	418,348,000	429,070,000	429,070,000	429,070,000	427,490,000	858,140,000	51,770,000	-	
COVERAGE REQUIREMENTS									
ANNUAL COVERAGE - SENIOR	1.77x	1.65x	1.59x	1.60x	1.62x	1.65x	1.65x	1.71x	
Annual Coverage - Senior and Sub	1.56x	1.43x	1.41x	1.43x	1.46x	1.48x	1.56x	1.62x	
AGGREGATE SENIOR MAIDS	377,322,494	203,066,694	228,810,894	254,555,094	278,750,019	330,218,419	333,324,619	333,324,619	
DATE COVENANT TEST - SENIOR (1.25X MIN)	1.77	1.65	1.59	1.60	1.62	1.65	1.65	1.71	
DATE COVENANT TEST - SUBORDINATE (1.25X MIN)	1.55	1.43	1.41	1.43	1.46	1.48	1.56	1.62	
208X ABT - SENIOR (1.00X MIN)	1.65	1.63	1.55	1.57	1.60	1.60	1.64	1.69	
208X ABT - SUBORDINATE (1.00X MIN)	1.55	1.43	1.41	1.43	1.46	1.48	1.56	1.62	
DATE COVENANT TEST - SUBORDINATE (1.15X MIN)	1.67	1.63	1.54	1.57	1.57	1.58	1.61	1.67	
208X ABT - SENIOR (1.10X MIN)	1.17	1.17	1.15	1.17	1.18	1.22	1.22	1.27	
208X ABT - SUBORDINATE (1.10X MIN)	1.34	1.15	1.28	1.27	1.24	1.28	1.28	1.33	
NUMBER OF ISSUES	1	1	1	1	1	2	1	-	
ESTIMATED KEY RATING RATIOS									
Debt Service Coverage									
Senior Debt Service Coverage	1.77	1.65	1.59	1.60	1.62	1.65	1.65	1.71	
All Debt Service Coverage	1.62	1.54	1.50	1.52	1.55	1.55	1.60	1.66	
Current - 1.8x - At Range = 2.0x to 1.70x									
Debt to Operating Revenue									
Debt - Senior	2,817,615,000	3,155,750,000	3,505,700,000	3,860,050,000	4,208,950,000	4,984,415,000	4,949,205,000	4,859,390,000	
Less: Senior Debt Service Reserve Fund	(186,690,000)	(212,434,200)	(238,176,400)	(263,922,600)	(288,997,525)	(339,585,925)	(342,692,125)	(299,122,125)	
Net Debt - Senior	2,630,965,000	2,943,315,800	3,267,523,600	3,596,127,400	3,920,952,475	4,644,829,075	4,606,512,875	4,560,267,875	
Debt - Subordinate	124,375,000	113,685,000	103,685,000	93,685,000	83,685,000	73,685,000	63,685,000	53,685,000	
Less: Subordinate Debt Service Reserve Fund	-	-	-	-	-	-	-	-	
Net Debt - Subordinate	124,375,000	113,685,000	103,685,000	93,685,000	83,685,000	73,685,000	63,685,000	53,685,000	
Operating Revenue	736,286,308	785,450,531	829,618,145	889,641,247	954,252,007	1,016,063,426	1,090,328,493	1,125,544,664	
Senior Debt to Operating Revenue	3.57	3.75	3.94	4.04	4.11	4.57	4.22	4.06	
All Debt to Operating Revenue	3.74	3.89	4.06	4.15	4.20	4.64	4.28	4.10	
Current - 3.4x - At Range = 2.0x to 4.0x									

Miami-Dade County: Water & Sewer Department Commercial Paper Program – As described above, PRAG serves as financial advisor to Miami-Dade County's Water & Sewer Department, which is embarking upon a \$12 billion Capital Improvement Plan. **In order to fund this large capital program, PRAG recommended that the County implement a commercial paper program as an interim funding source.**

As Marianne Edmonds and Wendell Gaertner worked with County staff to develop the long-term financial plan and budget for the Department, we realized that the restrictions placed on the system

through its 23-year-old Senior Bond Ordinance would require careful structuring of the bank facilities in order to avoid restricting the Department's future ability to issue debt under the various Additional Bonds Tests and to avoid potential problems in meeting future Rate Covenant tests.

Specifically, the Senior Bond Ordinance did not recognize bullet debt maturities or the ability to term out bank facilities over time. This meant that if the bank facility backing the letter of credit had a single maturity on par with the bonds, the full \$400 million would be treated as debt service due that year, making it impossible to meet any additional bonds test and rate covenant.

PRAG structured the repayment of the Line of Credit, therefore, on a subordinate basis to the Department's senior bonds and we took care to ensure that the term out payments each year would not cause the County to violate its Rate Covenant. PRAG developed a proprietary sizing model and ran a large number of scenarios since both the Additional Bonds Test and the Rate Covenant had to account for both senior and subordinate debt.

We then solicited international, national and regional banks through a formal RFP program to provide the letter of credit. Since there was little appetite among banks for the full \$400 million, after evaluation of the responses we recommended two banks at \$200 million each to optimize pricing and reduce risk. We conducted protracted and detailed negotiations with each bank and in the end structured one reimbursement agreement with an eight-year repayment on a subordinate basis. The other bank had a reimbursement agreement in which half of the repayment was secured on a subordinate basis over five years and half was only secured by the future issuance of debt. **PRAG was able to obtain investment grade ratings on both credit facilities despite the limited security pledged to their repayment.**

Hillsborough County: PRAG has advised on a variety of structures for Hillsborough County, depending on the specific credit, the size of the transaction and the market conditions at the time of issuance. **In addition to our transactional advisory work, Hillsborough County also utilizes PRAG for a variety of non-bond related projects including economic development, real estate, transportation, and sports facilities.** Hillsborough County has historically provided credits against future transportation impact fees to developers whose infrastructure investments benefit areas outside their development. By 2016 the amount of transportation offset credits had grown to \$100 million with no stated expiration dates. The County had transitioned from a transportation impact fee program to a broader mobility fee program and desired to reduce the amount of offset credits outstanding in order to reduce its liabilities and provide a process to utilize the credits for future economic development projects. Although this was not a bond related transaction, the County engaged PRAG to develop and implement a program that would provide an orderly and fair process for willing developers to sell their offset credits to the County at a discount.

PRAG worked with the County to develop a concept, document the process, coordinate communication with the development community, meet with offset owners, and obtain the required County Board approvals. Owners of the credits could offer their credits for purchase at a discount. The County would buy the credits offered at the lowest discount first, and then continue to purchase the next highest discount until all allocated funding was used.

To date the County has held four auctions. So far the County has purchased \$46.7 million in face amount of impact fee offset credits for a net outlay of \$33.5 million, a savings of over \$13 million. In addition, the program accelerates the conversion to a full mobility fee structure and a significant portion of the credits

have been retained by the County at their face value for future economic development incentives. As a senior County official described “PRAG developed something that had never existed before.”

g. Tax-Exempt New Money and Derivative Product Experience.

Provide a description of your proposed personnel’s relevant experience over the last three (3) years. Include three (3) case studies, if available, that illustrate your experience with relevant services where the proposed personnel have served as financial advisor.

City of Tampa: PRAG has served the City of Tampa since 2005 and has completed a significant number of bond issues and bank loan financings over that period. Most recently, PRAG advised the City on its \$84.56 million stormwater revenue bonds which were issued in April 2018. PRAG was involved in structuring and modeling the financial plan for several years before its implementation.

Tampa decided to expand its stormwater utility and the applicable assessment areas to cover almost all of the City to address numerous flooding issues throughout the City. It 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 actually 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.

Marianne Edmonds and Wendell Gaertner 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. 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, the Council, and the public, and was implemented by the City.



Below is a screen shot of one of the many variations of the model PRAG developed to assist the City.

City of Tampa														3-6-16, Scenario B, 30 Year Debt, Total Project Requirements = \$251,285,000													
Stormwater Improvement Assessment														BALANCED													
\$20 Million CIT Bond Funded Contribution														Annual Improvement Assessment Required is \$44.99 to \$89.55													
To Use Model:														This model does not take into account any tax implications of the extended construction fund spenddown													
1) Project Fund Requirement are linked to the prior worksheet provided by the City														Years of Assessment Increases 5													
2) Confirm all debt and interest rates assumptions shown in beige, including assumed SWFWMD grants														Annual Assessment Increases 16.5%													
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																											

The first series of bonds were issued in April as Green Bonds rated Aa2 by Moody's. The City currently expects to issue the final series of bonds in 2021.

Hillsborough County: \$207,795,000 Utility Revenue Bonds, Series 2016 - PRAG serves as financial advisor to Hillsborough County, which owns and operates a large combined water & sewer system. The system was established in 1967 with the purchase of two private utility systems and has grown significantly through the acquisition of numerous other private utilities.

In early 2016, Wendell Gaertner and Marianne Edmonds began advising on a long-term issue to fund expansion of one of the main wastewater treatment plants and the subsequent closure of two smaller less efficient plants. The financing would also reimburse the system for a cash funded acquisition made the prior year. The system's senior bonds were rated Aa1, AA+ and AAA by Moody's, S&P and Fitch.

PRAG used a proprietary model to evaluate expected ratings outcomes under a variety of structuring scenarios. Several issues became clear during our analysis. First, the new issue would more than double the amount of outstanding water & sewer debt, providing the County with a rare opportunity to review and make amendments to its bond resolution. Second, the County had some existing water & sewer debt that had matured the prior year and the new debt could be structured to fund the necessary components

without any rate impact. Third, while the prior bonds had a cash funded debt reserve, the use or elimination of a reserve for the new bonds appeared to have no impact on the expected ratings under the various ratings criteria. Finally, the system had two unique credit strengths – (i) a significant portion of its expenses were indexed and linked to automatic rate increases without Board action, and (ii) the system had substantial amounts of unrestricted cash.

PRAG worked with the County and its legal advisors to develop two proposed amendments to the bond resolution. The first would authorize, but not require, a payment in lieu of taxes by the system to the County and the second would allow disposal of excess property at the lower of book or market value. This was especially important since the County desired to turn the land around one of the smaller treatment plants to be closed into a local park.

PRAG developed a rating agency presentation that clearly showed the credit strengths of the system. Moody's upgraded the system to Aaa to join Fitch's affirmed AAA even with the elimination of the debt service reserve and the bond resolution amendments.

FMLC Pool Programs: PRAG also serves as municipal advisor to the Florida Municipal Loan Council ("FMLC"), the funding program for the Florida League of Cities. In that role we work with municipalities throughout the State in providing direct or pool funding. In 2016, PRAG advised on a state-wide municipal pool for the FMLC's first pool program since the financial crisis in 2008. PRAG structured a pool program for eight municipal borrowers across the state with a single bond insurance policy from NPFG. Each borrower's credit stood alone, but the pool shared a common debt service reserve. The loans in the pool ranged from less than \$1 million to \$6.4 million with an average per borrower of less than \$3 million. It would have been inefficient if not impossible for the borrowers to obtain long term financing in the capital markets without the pool structure.

PRAG had to develop a credit criteria including an anti-dilution test acceptable to NPFG which could be met by all of the borrower even though they had a variety of transfers in and out of their general fund which impacted the analysis. We spent a considerable amount of time exploring options for ratings and credit enhancement on the pool and determined to use NPFG with their AA- rating in addition to a pool rating of A- from S&P.

PRAG also later structured the FMLC's Series 2017 pool issuance. Due to the recent downgrade of NPFG, we negotiated with another bond insurer, Assured Guaranty, to provide the same product in order to maintain market access for smaller municipalities throughout the state.

h. Taxable Financing Experience. Provide a description of your proposed personnel's relevant experience over the last three (3) years. Include three (3) case studies, if available, that illustrate your experience with relevant services where the proposed personnel have served as financial advisor.

Hillsborough County: PRAG has served as financial advisor to Hillsborough County since 2012 and has completed a significant number of bond issues and bank loan financings over that period. In 2017, PRAG advised the County on its issuance of Taxable Tourist Development Tax Revenue Bonds, issued to finance improvements to Steinbrenner Field, which serves as the New York Yankees' Spring Training facility. Improvements were designed to enhance the facility's overall fan experience, increase its multipurpose and year-round use, and to keep the stadium as one of the premier Spring Training facilities in Florida. As private activity bonds without an exemption, the Bonds are taxable. Debt service

is supported by the County's Fourth Cent Tourist Development Tax revenues, which support financing for Raymond James Stadium (home to the Tampa Bay Buccaneers) in addition to Steinbrenner Field.

In the process of structuring and executing the financing, PRAG worked closely with Hillsborough County to develop the rating agency presentation which highlighted the strong growth of TDT revenues, ample debt service coverage, and legal protections associated with the issue. The bonds ultimately received A+ / AA (S&P / Fitch) ratings. The taxable bonds were sold in a competitive sold and received 8 bids with a winning TIC of 4.23%.

If at all possible PRAG prefers a competitive sale for taxable debt because pricing is not as tight in the taxable muni market. Hillsborough County's competitive tax-exempt bonds usually sell with tight spreads between the winner and the cover. For example, for Hillsborough County most recent tax-exempt sale there were four bidders within one basis point of the winner. The total spread between all thirteen bidders was seven basis points. For the taxable TDT bonds, however, with a similar number of bidders, the spread between the winner and the cover was six basis points and the spread between all bidders was almost fifty basis points.

PRAG has extensive experience in taxable financings and was ranked as the Number 1 Financial Advisor in volume for taxable financings in 2017 by the Bond Buyer.

i. Advance and Current Refunding Experience.

Provide a description of your proposed personnel's relevant experience over the last three (3) years. Include three (3) case studies, if available, that illustrate your experience with relevant services where the proposed personnel have served as financial advisor.

Manatee County: In 2017 PRAG was engaged as Financial Advisor by Manatee County through a competitive procurement process. Late that year the County decided to proceed with a cross-over refunding of its Series 2010A Build America Bonds and its Series 2010B Recovery Zone Economic Development Bonds in order to lock in the economic benefits of a refunding before the new tax law prohibited advance refundings. A cross-over refunding would allow the County to maintain the interest subsidy until the call date while locking in current interest rates. Unlike a traditional advance refunding, with the cross-over structure the proceeds of the new bonds were placed in escrow to pay the interest on the new bonds until the call date, at which time the escrow would "cross-over" and redeem the principal on the old bonds. Because the old bonds were not defeased at closing, legally both issues were obligations of the utility system and both were included in the rate covenant and additional bonds test until the call date.

PRAG analyzed the financials of the system and recommended that the County would be able to meet its additional bonds test and rate covenant and expected future borrowing with both series outstanding. Even though the issuance was fast-tracked to ensure a December 2017 closing, PRAG recommended that time be invested in developing a full ratings presentation to both Moody's and Fitch with a PowerPoint presentation delivered by County staff. Under its previous municipal advisor, the County had not made formal presentation but relied upon the documents and questions from the rating agencies. The County an upgrade from Moody's to Aa1.

Broward County: \$199,810,000 – Water & Sewer Utility Revenue Refunding Bonds, Series 2015A and B - Broward County originally engaged PRAG to advise on the refunding of about \$50 million in existing

debt for its Series 2005A bonds on a current refunding basis, but our cash flow analyses demonstrated that it might be possible to include an advance refunding of its Series 2009A bonds. The County's authorizing resolution allowed for a refunding of both series, even though the savings associated with the Series 2009A bonds were minimal at that point in time. The water & sewer utility had split ratings of Aa2 by Moody's, AA by S&P and AA+ by Fitch.

Wendell Gaertner created a ratings matrix for the County that showed that using Moody's specific financial metrics, primarily debt service coverage, the County should not expect any upgrades. PRAG continued to review the credit however and found that as the system received a large amount of its revenue under wholesale contracts with cities and government agencies within the County, it was limited under those contracts to a 1.20x debt service coverage for that portion of its revenues. This contractual limitation would make it very difficult, if not impossible, to achieve the higher debt service coverage ratios the rating agencies wanted for a Aa1 or AA+ rating. The wholesale contracts, however, were with very strong credits.

PRAG successfully made the case that the wholesale contracts were a credit positive in spite of the resulting limitation on coverage. The result was an upgrade from both Moody's and S&P to Aa1 and AA+, respectively.

The original offering bond yields only supported a current refunding along with a small advance refunding, however, strong investor demand at the higher ratings enabled the County to reduce its borrowing costs enough to advance refund an additional \$150 million in bonds, providing a total of \$20 million in net present value savings.

Hillsborough County: PRAG advised Hillsborough County on an advance refunding of its \$100 million of its local option sales tax bonds, which are rated Aa1, AA and AA. The County also wanted to refund some of its outstanding commercial paper, which would increase the debt secured by the local option sales tax and result in a reduction in coverage. The County wanted to refund as much commercial paper as possible without negatively impacting their existing ratings. The County thought the credit could handle \$25 to \$30 million in additional debt to refund commercial paper. PRAG reviewed the historical coverage, identified economic drivers that would be expected to support continued growth in sales tax revenues and prepared a full analysis for all of the rating agencies. As a result, PRAG recommended that the County plan to take out \$40 million in commercial paper, well above what the County thought the rating agencies would be comfortable with. In the end, all three rating agencies confirmed the existing ratings with \$40 million in additional debt. PRAG's rating agency strategy and implementation allowed the County to free up an additional \$10-\$15 million in commercial paper capacity.

PRAG would use the same detailed, credit driven approach in analyzing, structuring and presenting the City's new and existing debt to the rating agencies and financial institutions.

j. Describe your firm's knowledge, experience, and resources in tracking and monitoring the tax-exempt and taxable bond markets.

Please see our response to Question 4.2.3 Experience and Qualifications.

k. The Financial Advisor(s) must be registered with the U.S. Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board as a Municipal Advisor. Registrations

must be maintained through the contract period and evidence of registrations shall be submitted upon the City's request during the term of the contract.

PRAG is registered as a municipal advisor with the MSRB (MSRB ID K0133) and the SEC (Municipal Advisor Registration Number 867-00146). We affirm that we will maintain these registrations through the contract period and will provide evidence of such upon the City's request during the contract period.

1. Proposer shall disclose any pending investigations of the firm or disciplinary actions taken within the past three (3) years by the SEC, MSRB, or other regulatory bodies.

PRAG has an unblemished record of integrity. The firm is not presently, and has not during the past three years, been subject of any investigation or disciplinary action taken by the SEC, MSRB, or other regulatory bodies.