



City of Fort Lauderdale, Florida

General Obligation Bonds (Police and Parks)

Summary of Process for Moving Forward

Sergio Masvidal, Managing Director, PFM Financial Advisors LLC

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PFM Financial
Advisors LLC

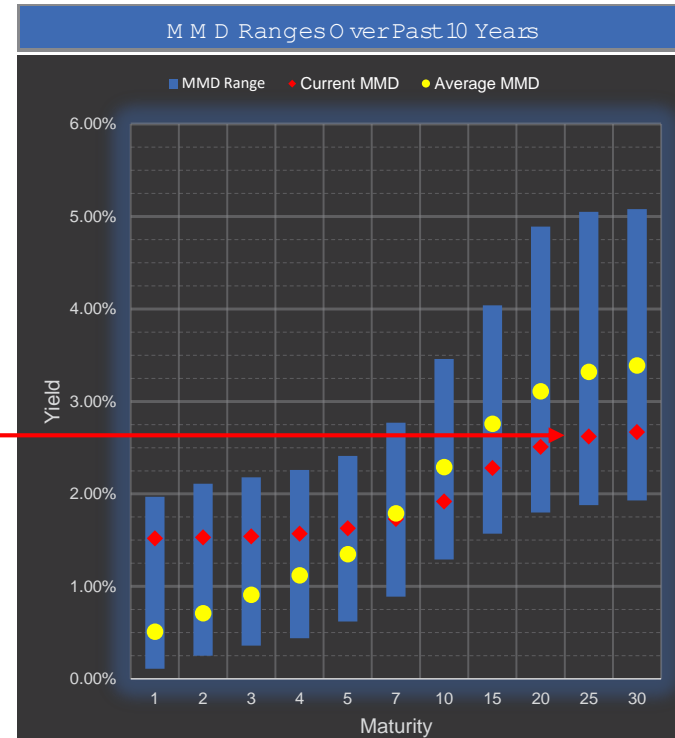
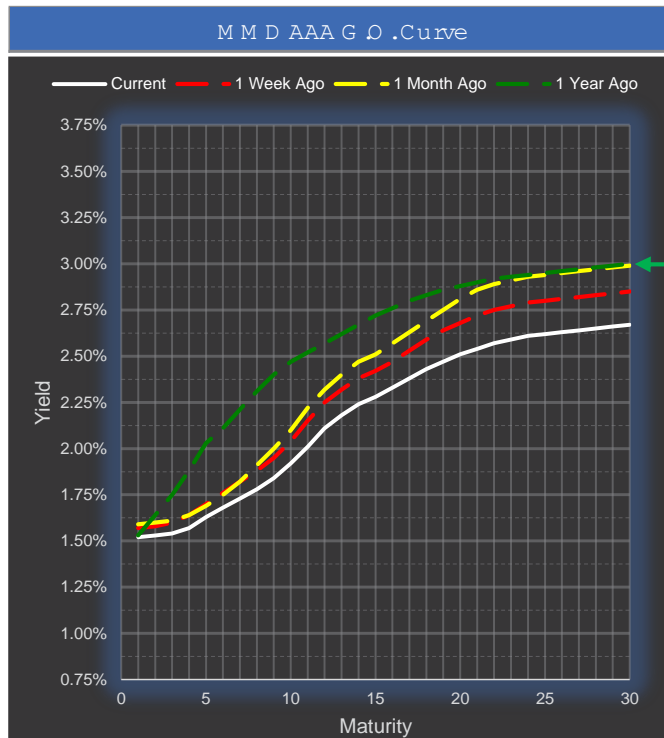
300 S. Orange Avenue
Suite 1170
Orlando, FL 32801
407.648.2208

2222 Ponce De Leon
3rd Floor
Coral Gables, FL 33134
786.671.7480



Current Municipal Market Conditions

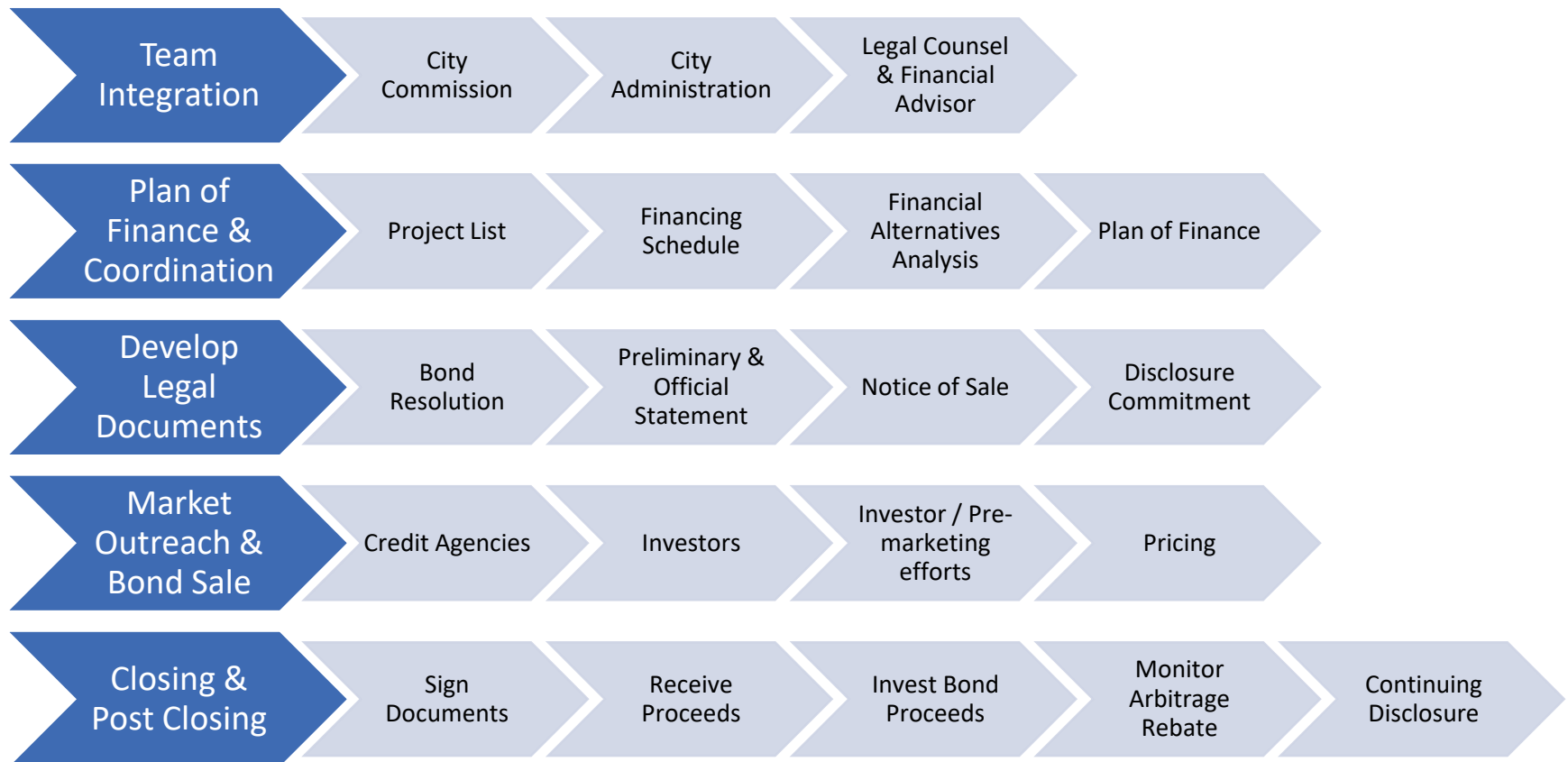
- In early 2018 interest rates increased (green dashed line below)
- In late 2018 and early 2019 long-term interest rates have declined materially resulting in very favorable market conditions





Overview of Project Delivery and Bond Issuance Process

- ◆ A financing transaction includes several steps
- ◆ Each step requires coordination among the City's financing team





Financing Schedule – Key Steps

◆ Typical process is approximately three months. Timeframe can be accelerated if required by construction needs

- Preliminary step – Approve Reimbursement Resolution (April 16)
- Step 1 – Working group meeting (City, Bond Counsel, Disclosure Counsel and Financial Advisor)
- Step 2 – Staff and Financial Advisor refine Plan of Finance, prepare rating presentation outline
- Step 3 – Attorneys distribute first draft of financing documents
- Step 4 – Working group meeting on documents and rating presentation
- Step 5 – Attorneys distribute second draft of financing documents
 - Documents to rating agencies
- Step 6 – Rating Agency meetings/presentations
- Step 7 – City Commission approval
- Step 8 – Bond sale (competitive)
- Step 9 – Closing (funds received by City)



Decision Points for the Issuance of Bonds

◆ Project(s) Review

- Analysis of project type(s) and appropriate delivery alternatives
 - Submit Reimbursement Resolutions, April 16 Commission meeting
 - Engage a PKR Program Manager through the CCNA Process (Consultant's Competitive Negotiation Act)
 - Engage a Architectural Engineering firm (A/E) through the CCNA process for the Police Bond
- Bond related technical questions
 - Are proceeds anticipated to be substantially spent within three years?
 - Do projects qualify as tax-exempt under the IRS code?
 - Does the project have an appropriate useful life to the term financed?
 - Do the projects serve a public purpose?

◆ Timing and Issuance

- Will the bonds be issued in a single, or multiple series?
 - Timing of issuance will determine the level and timing of millage levy

◆ Method of Sale

- Bonds typically sold either through a competitive offering or negotiated with an underwriting firm



Documents for Consideration

◆ Reimbursement Resolution

- A technical requirement of the IRS if the City desires to obtain reimbursement of expenses that are incurred prior to issuance of the bonds. Note: the City can reimburse for soft costs (engineer, architect, etc.) even without a reimbursement resolution.

◆ Bond Resolution

- Legal document authorizing the issuance of debt. Resolution includes the covenants, requirements, and definitions. Each resolution will also provide the delegated parameters under which the bonds can be issued, such as the maximum par amount, interest rate, and term.

◆ Notice of Sale and Summary Notice of Sale

- Legally required notification to the market for a competitive sale. Outlines the transaction, bid parameters, and date/time of competitive sale.

◆ Preliminary (and) Official Statement (“POS” and “OS”)

- The Issuer’s offering document for publicly sold securities. A “POS” is published prior to the sale and used to inform potential investors on the specifics of the issuer and bonds.
- Final “OS” is issued immediately post-sale, and includes the final terms of the issue, including the total principal amount, the amortization schedule, and a listing of the coupons, yields and prices associated with each principal maturity.

◆ Continuing Disclosure Agreement

- Obligates the issuer to certain periodic (annual) disclosures to the public markets, such as annual budget and comprehensive audited financial statement



Parks Projects – Preliminary Estimates

Financing Assumptions:

- Initial funding in FY 2019
- \$80 million project fund amount (estimated) – total of \$200 million over time
- True Interest Cost estimated at 3.85%*

Millage Assumptions:

- FY 2019 Taxable Assessed Value of \$36.5 billion
- 4% annual TAV growth, and 3% annual property value increase (homestead cap)

Eleven-year look-forward (maximum millage levy in 2029)*:

City of Fort Lauderdale, Florida										Preliminary & Subject to Change		
Estimated Parks GO Bond Issuance Analysis \$200mm Project Funding with Multiple Issue												
			Estimated Debt Service						Debt Millage Rate @ 95% Collection	TAV Property Annual Levy Increase (Assumes 3% Property Value Growth)		
								Aggregate DS		Property Value	Property Value	Property Value
			Issue #1 (\$80mm Project)	Issue #2 (\$30mm Project)	Issue #3 (\$30mm Project)	Issue #4 (\$30mm Project)	Issue #5 (\$30mm Project)			\$100,000	\$300,000	\$500,000
Fiscal Year	TAV (\$000s)	TAV Growth Assumption										
2019	36,476,193	-	-	-	-	-	-	-	-	-	-	-
2020	37,935,241	4.00%	4,553,100	-	-	-	-	4,553,100	0.1263	\$13	\$38	\$63
2021	39,452,650	4.00%	4,554,650	-	-	-	-	4,554,650	0.1215	\$13	\$38	\$63
2022	41,030,756	4.00%	4,553,650	-	-	-	-	4,553,650	0.1168	\$12	\$37	\$62
2023	42,671,987	4.00%	4,555,850	1,773,750	-	-	-	6,329,600	0.1561	\$17	\$51	\$85
2024	44,378,866	4.00%	4,556,050	1,775,700	-	-	-	6,331,750	0.1502	\$17	\$51	\$85
2025	46,154,021	4.00%	4,554,250	1,772,700	1,839,550	-	-	8,166,500	0.1863	\$22	\$65	\$108
2026	48,000,182	4.00%	4,552,000	1,774,100	1,841,050	-	-	8,167,150	0.1791	\$21	\$64	\$107
2027	49,920,189	4.00%	4,556,500	1,774,700	1,842,450	1,839,550	-	10,013,200	0.2111	\$26	\$78	\$130
2028	51,916,996	4.00%	4,552,250	1,774,500	1,838,050	1,841,050	-	10,005,850	0.2029	\$26	\$77	\$128
2029	53,993,676	4.00%	4,554,500	1,773,250	1,838,050	1,842,450	1,839,550	11,847,800	0.2310	\$30	\$90	\$151

*Preliminary. For discussion purposes only



Police Projects – Preliminary Estimates

Financing Assumptions:

- Single funding occurring in FY 2019
- \$100 million project fund amount
- True Interest Cost estimated at 3.79%*

Millage Assumptions:

- FY 2019 Taxable Assessed Value of \$36.5 billion
- 4% annual TAV growth, and 3% annual property value increase (homestead cap)

Five-year look-forward*:

City of Fort Lauderdale, Florida					Preliminary & Subject to Change		
Estimated GO Bond Issuance Analysis \$100mm Project Funding with Single Issue							
Estimated Debt Service					TAV Property Annual Levy Increase (Assumes 3% Property Value Growth)		
Fiscal Year	TAV (\$000s)	TAV Growth Assumption	2019 Bonds (\$100mm Project)	Debt Millage Rate @ 95% Collection	Property Value \$100,000	Property Value \$300,000	Property Value \$500,000
2019	\$36,476,193	-	-	-	-	-	-
2020	\$37,935,241	4.00%	\$5,649,000	0.1567	\$16	\$47	\$78
2021	\$39,452,650	4.00%	5,647,450	0.1507	\$16	\$47	\$78
2022	\$41,030,756	4.00%	5,650,450	0.1450	\$15	\$46	\$77
2023	\$42,671,987	4.00%	5,646,050	0.1393	\$15	\$46	\$76

*Preliminary. For discussion purposes only