

NEW ISSUE - Book-Entry Only

Ratings: Moody's: "\_\_\_\_"  
S&P: "\_\_\_\_"  
(See "RATINGS" herein)

*In the opinion of Greenberg Traurig, P.A., Bond Counsel, under existing law, the Series 2020 Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220, Florida Statutes. INTEREST ON THE SERIES 2020 BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. For a more complete discussion of the tax aspects relating to the Series 2020 Bonds, see "TAX MATTERS" herein.*



**\$170,000,000\***  
**CITY OF FORT LAUDERDALE, FLORIDA**  
**Taxable Special Obligation Refunding Bonds**  
**Series 2020**

**Dated: Date of Delivery**

**Due: January 1, as shown on inside cover page**

The \$170,000,000\* Taxable Special Obligation Refunding Bonds, Series 2020 (the "Series 2020 Bonds") are being issued by the City of Fort Lauderdale, Florida (the "City") under the authority of the Act (as defined herein), Resolution No. 12-1979 adopted by the City Commission of the City (the "City Commission") on September 5, 2012 (the "Bond Resolution") and Resolution No. 20-\_\_\_\_ adopted by the City Commission on \_\_\_\_\_, 2020 (the "Series 2020 Resolution" and, together with the Bond Resolution, the "Resolution"). The Series 2020 Bonds will be issued by the City as fully registered bonds, without coupons, in denominations of \$5,000 and integral multiples thereof and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2020 Bonds. Purchasers will not receive certificates representing their ownership interests in the Series 2020 Bonds purchased. See "DESCRIPTION OF THE SERIES 2020 BONDS - Book-Entry Only System" herein. Interest on the Series 2020 Bonds will accrue from their date of delivery and will be payable on January 1, 2021 and semiannually on each July 1 and January 1 thereafter. Regions Bank, Jacksonville, Florida, will serve as the initial Bond Registrar and Paying Agent (the "Paying Agent") for the Series 2020 Bonds. While the Series 2020 Bonds are registered through the DTC book-entry only system, principal of and interest on the Series 2020 Bonds will be payable by the Paying Agent to DTC.

The Series 2020 Bonds are being issued for the purpose of providing funds, together with other legally available moneys, to (i) advance refund and defease a portion of the City's outstanding Taxable Special Obligation Bonds, Series 2012 (Pension Funding Project) (the "Series 2012 Bonds"), originally issued in the aggregate principal amount of \$337,755,000 and, prior to issuance of the Series 2020 Bonds, outstanding in the aggregate principal amount of \$209,360,000; and (ii) pay certain costs of issuing the Series 2020 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2020 Bonds are payable from and secured by a lien on and pledge of (a) the Designated Revenues, (b) any Non-Ad Valorem Revenues actually deposited into the Principal and Interest Account of the Debt Service Fund to cure a Debt Service Funding Deficiency, and (c) all investment income in the funds and accounts established under the Resolution, except amounts deposited into the Rebate Fund in

connection with the issuance of Tax-Exempt Bonds (collectively, the “Pledged Funds”), on a parity with (i) the Series 2012 Bonds remaining Outstanding after issuance of the Series 2020 Bonds and (ii) any Additional Bonds or Refunding Bonds hereafter issued (as such terms are hereinafter defined). Notwithstanding the foregoing, amounts on deposit in or to the credit of a Reserve Account within the Reserve Fund established under the Bond Resolution shall constitute Pledged Funds for, and secure only, the particular Series of Bonds for which such Reserve Account is established (as such terms are defined herein). **No deposit to the Reserve Fund shall be made in connection with the issuance of the Series 2020 Bonds and no Reserve Account shall be established under the Resolution for the Series 2020 Bonds. The Series 2020 Bonds shall not be secured by, or entitled to any benefit from, amounts held in the Reserve Fund or any Reserve Account created therein for the benefit of other Bonds issued under the Bond Resolution.** See “SECURITY AND SOURCES OF PAYMENT” herein.

In addition to the Series 2020 Bonds and the Series 2012 Bonds remaining outstanding after issuance of the Series 2020 Bonds, the City has other indebtedness outstanding for the payment of which the City has previously covenanted to budget and appropriate legally available non-ad valorem funds. See “PLEDGED FUNDS - Obligations Payable From Non-Ad Valorem Revenues” herein. The City also may enter into future obligations which are required to be paid from all or any portion of the Designated Revenues or the Non-Ad Valorem Revenues; provided, however, that such future obligations may only pledge any of the Designated Revenues on a parity with the Series 2020 Bonds and the Series 2012 Bonds remaining outstanding after issuance of the Series 2020 Bonds if such obligations comply with the requirements for the issuance of Additional Bonds or Refunding Bonds under the Bond Resolution.

The availability of Non-Ad Valorem Revenues to become Pledged Funds may be effectively limited by the City’s obligation to adopt a balanced budget, funding requirements for essential governmental services of the City and other limitations on the collection, appropriation or use of such revenues. In addition, the Bond Resolution provides that the City’s covenant to budget and appropriate Non-Ad Valorem Revenues as needed to satisfy the requirements of the Bond Resolution shall terminate and be null and void after Designated Revenues, in each of three (3) consecutive Fiscal Years, equal or exceed one hundred seventy-five percent (175%) of the Maximum Principal and Interest Requirement on all Bonds Outstanding. See “SECURITY AND SOURCES OF PAYMENT” and “PLEDGED FUNDS” herein.

The Series 2020 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2020 BONDS - Redemption” herein.

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2020 BONDS SOLELY FROM THE PLEDGED FUNDS, AS DESCRIBED IN THE RESOLUTION. THE SERIES 2020 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE FAITH AND CREDIT OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2020 BONDS. THE ISSUANCE OF THE SERIES 2020 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY TAXES WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2020 BONDS, EXCEPT AS PROVIDED IN THE RESOLUTION.

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

*The Series 2020 Bonds are offered, when, as and if issued by the City, subject to the approval of their legality by Greenberg Traurig, P.A., Miami, Florida, Bond Counsel, and certain other conditions.*

*Certain legal matters will be passed upon for the City by Alain E. Boileau, Esquire, Fort Lauderdale, Florida, City Attorney. Certain legal matters relating to disclosure will be passed upon for the City by the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, Disclosure Counsel. PFM Financial Advisors LLC, Coral Gables, Florida, is acting as Financial Advisor to the City. It is expected that settlement on the Series 2020 Bonds will occur through the facilities of DTC in New York, New York on or about \_\_\_\_\_, 2020.*

**BIDS FOR THE SERIES 2020 BONDS WILL BE RECEIVED USING  
THE PARITY BIDDING SYSTEM, THROUGH THE TM3 NEWS SERVICE,  
AS SPECIFIED IN THE OFFICIAL NOTICE OF BOND SALE.**



Dated: \_\_\_\_\_, 2020

\_\_\_\_\_  
\* Preliminary, subject to change.

*Red herring: This Preliminary Official Statement and the information contained herein are subject to amendment and completion without notice. The Series 2020 Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2020 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.*

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,  
PRICES, YIELDS AND INITIAL CUSIP NUMBERS\*†**

\$ \_\_\_\_\_ Series 2020 Serial Bonds

<u>Due (January 1)</u>	<u>Principal Amount **</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP Number</u>
2021	\$	%		%	347622_____
2022					347622_____
2023					347622_____
2024					347622_____
2025					347622_____
2026					347622_____
2027					347622_____
2028					347622_____
2029					347622_____
2030					347622_____
2031					347622_____
2032					347622_____

\$ \_\_\_\_\_ % Series 2020 Term Bonds Due January 1, 20\_\_\_\_ – Price: \_\_\_\_ / Yield: \_\_\_\_ %  
Initial CUSIP Number: 347622\_\_\_\_\_

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- \* Preliminary, subject to change. Principal amounts may be adjusted after submission of bids. See “ADJUSTMENT OF PRINCIPAL AMOUNTS OF MATURITIES” in the Official Notice of Bond Sale.
- \*\* The principal amount of any two or more consecutive maturities may be designated as Term Bonds, up to a maximum of two (2) Term Bonds. See “BIDDERS’ SPECIAL OPTION - TERM BONDS” in the Official Notice of Bond Sale.
- † Neither the City nor the Underwriters is responsible for the use of CUSIP Numbers, nor is a representation made as to their correctness. The CUSIP Numbers are included solely for the convenience of the readers of this Official Statement.

## **CITY OF FORT LAUDERDALE, FLORIDA**

### **OFFICIALS**

Dean J. Trantalis, Mayor  
Robert L. McKinzie, Vice Mayor, Commissioner, District III  
Heather Moraitis, Commissioner, District I  
Steven Glassman, Commissioner, District II  
Ben Sorensen, Commissioner, District IV

### **ADMINISTRATION**

Christopher J. Lagerbloom, ICMA-CM, City Manager  
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John C. Herbst, CPA, CGFO, CGMA, City Auditor  
Jeffrey A. Modarelli, City Clerk  
Susan Grant, CPA, Director of Finance  
Linda A. Short, CGFO, CPM, Deputy Director of Finance  
Pamela Winston, CGFO, Treasurer  
Laura L. Garcia, CGFO, Controller

### **BOND COUNSEL**

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Miami, Florida

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Miramar, Florida

### **FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Coral Gables, Florida

### **INDEPENDENT AUDITOR**

Crowe LLP  
Fort Lauderdale, Florida

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to make any representations, other than those contained in this Official Statement, in connection with the

offering contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. Any statement in this Official Statement involving estimates, assumptions and opinions, whether or not so expressly stated, are intended as such and are not to be construed as representations of fact, and the Underwriters and the City expressly make no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. *The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.*

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Series 2020 Bonds is made only by means of this entire Official Statement.

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "project," "forecast," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

THE SERIES 2020 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE EXEMPTION OF THE SERIES 2020 BONDS FROM REGISTRATION OR QUALIFICATION IN CERTAIN STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS

OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2020 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2020 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME, AFTER THE INITIAL OFFERING TO THE PUBLIC, BY THE UNDERWRITERS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE WEBSITE: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM). THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2020 BONDS.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN FINANCIAL INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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**OFFICIAL STATEMENT**  
*relating to*

**\$170,000,000\***  
**CITY OF FORT LAUDERDALE, FLORIDA**  
**Taxable Special Obligation Refunding Bonds**  
**Series 2020**

**INTRODUCTION**

The purpose of this Official Statement, including the cover page and all appendices, is to furnish certain information relating to the City of Fort Lauderdale, Florida (the “City”), the sale by the City of its \$170,000,000\* in aggregate principal amount of Taxable Special Obligation Refunding Bonds, Series 2020 (the “Series 2020 Bonds”) and the Pledged Funds (as hereinafter defined) which shall serve as the security and source of payment for the Series 2020 Bonds. The Series 2020 Bonds are being issued pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, Chapter 159, Part VII, Florida Statutes, as amended, and the Charter of the City (collectively, the “Act”), Resolution No. 12-1979 adopted by the City Commission of the City (the “City Commission”) on September 5, 2012 (the “Bond Resolution”) and Resolution No. 20-\_\_\_\_\_ adopted by the City Commission on \_\_\_\_\_, 2020 (the “Series 2020 Resolution” and, together with the Bond Resolution, the “Resolution”). For a description of certain terms and conditions of the Series 2020 Bonds and the complete provisions of the Resolution, see “APPENDIX C - The Resolution.”

The Series 2020 Bonds, together with the Series 2012 Bonds (as hereinafter defined) remaining outstanding after issuance of the Series 2020 Bonds (the “Unrefunded Series 2012 Bonds”) and any Additional Bonds and Refunding Bonds that may be issued under the provisions of the Bond Resolution are hereinafter referred to collectively as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT - Additional Bonds” and “- Refunding Bonds” herein. Certain other capitalized terms used but not defined in this Official Statement shall have the meaning ascribed to such terms in the Resolution.

On October 3, 2012 the City issued its Taxable Special Obligation Bonds, Series 2012 (Pension Funding Project) (the “Series 2012 Bonds”) in the aggregate principal amount of \$337,755,000. Prior to issuance of the Series 2020 Bonds, the Series 2012 Bonds are outstanding in the aggregate principal amount of \$209,360,000. Upon issuance of the Series 2020 Bonds, the Series 2012 Bonds shall be advance refunded in the aggregate principal amount of \$148,950,000\*, constituting all of the outstanding Series 2012 Bonds issued as Serial Bonds maturing on January 1 in the years 2024 through 2027, inclusive, and all of the outstanding Series 2012 Bonds issued as a Term Bond maturing on January 1, 2032 (collectively, the “Refunded Bonds”). See “PLAN OF REFUNDING” herein.

The Series 2020 Bonds will be issued in book-entry only form and purchasers of the Series 2020 Bonds will not receive certificates representing their interest in the Series 2020 Bonds purchased. The Series 2020 Bonds will contain such other terms and provisions, including provisions regarding redemption, as described in “DESCRIPTION OF THE SERIES 2020 BONDS” herein.

The Series 2020 Bonds are payable from and secured by a lien on and pledge of (i) the Designated Revenues, (ii) any Non-Ad Valorem Revenues actually deposited into the Principal and Interest Account

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\* Preliminary, subject to change.

of the Debt Service Fund to cure a Debt Service Funding Deficiency, and (iii) all investment income in the funds and accounts established under the Resolution, except amounts deposited into the Rebate Fund in connection with the issuance of Tax-Exempt Bonds (collectively, the "Pledged Funds"). Notwithstanding the foregoing, amounts on deposit in or to the credit of a Reserve Account within the Reserve Fund established under the Bond Resolution shall constitute Pledged Funds for, and secure only, the particular Series of Bonds for which such Reserve Account is established. **No deposit to the Reserve Fund shall be made in connection with the issuance of the Series 2020 Bonds and no Reserve Account shall be established under the Resolution for the Series 2020 Bonds. The Series 2020 Bonds shall not be secured by, or entitled to any benefit from, amounts held in the Reserve Fund or any Reserve Account created therein for the benefit of other Bonds issued under the Bond Resolution.** See "SECURITY AND SOURCES OF PAYMENT" herein.

In addition to the Series 2020 Bonds and the Unrefunded Series 2012 Bonds, the City has other indebtedness outstanding for the payment of which the City has previously covenanted to budget and appropriate legally available non-ad valorem funds. See "PLEDGED FUNDS - Obligations Payable From Non-Ad Valorem Revenues" herein. The City also may enter into future obligations which are required to be paid from all or any portion of the Designated Revenues or the Non-Ad Valorem Revenues; provided, however, that such future obligations may only pledge any of the Designated Revenues on a parity with the Series 2020 Bonds and the Unrefunded Series 2012 Bonds if such obligations comply with the requirements for the issuance of Additional Bonds or Refunding Bonds under the Bond Resolution.

The availability of Non-Ad Valorem Revenues to become Pledged Funds may be effectively limited by the City's obligation to adopt a balanced budget, funding requirements for essential governmental services of the City and other limitations on the collection, appropriation or use of the non-ad valorem funds of the City. In addition, the Bond Resolution provides that the City's covenant to budget and appropriate Non-Ad Valorem Revenues as needed to satisfy the requirements of the Bond Resolution shall terminate and be null and void after Designated Revenues, in each of three (3) consecutive Fiscal Years, equal or exceed one hundred seventy-five percent (175%) of the Maximum Principal and Interest Requirement on all Bonds Outstanding. See "SECURITY AND SOURCES OF PAYMENT" and "PLEDGED FUNDS" herein.

The Series 2020 Bonds do not constitute an indebtedness of the City, Broward County, Florida, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation. The faith and credit of the City, Broward County, Florida, the State of Florida or any political subdivision thereof is not pledged to pay the Series 2020 Bonds. The issuance of the Series 2020 Bonds does not directly or contingently obligate the City, Broward County, Florida, the State of Florida or any political subdivision thereof to levy or pledge any taxes whatever therefor or to make any appropriation for their payment, except for the City's obligation to pay the Series 2020 Bonds from the Pledged Funds in the manner and to the extent provided in the Resolution. See "SECURITY AND SOURCES OF PAYMENT" herein.

This introduction is intended to serve as a brief description of this Official Statement and is expressly qualified by reference to this Official Statement as a whole. A full review should be made of this entire Official Statement, including the cover page and all appendices, as well as the documents and reports summarized or described herein. The description of the Series 2020 Bonds, the documents authorizing and securing the same, including, without limitation, the Resolution, and the information from various reports contained herein are not comprehensive or definitive. All references herein to such documents and reports are qualified by the entire, actual content of such documents and reports. Copies of such documents and reports may be obtained from the City by contacting the City's Director of Finance

at 100 North Andrews Avenue, Fort Lauderdale, Florida 33301, Telephone number: (954) 828-5167, Facsimile number: (954) 828-5168, Email address: [finance@fortlauderdale.gov](mailto:finance@fortlauderdale.gov).

## PLAN OF REFUNDING

A portion of the proceeds of the Series 2020 Bonds, together with other legally available moneys, will be used to provide for the advance refunding and defeasance of the Refunded Bonds. The City will call the Refunded Bonds for redemption on January 1, 2023 at a redemption price equal to 100% of the principal amount of the Refunded Bonds, without premium.

To effect the advance refunding and defeasance of the Refunded Bonds, the City will enter into an Escrow Deposit Agreement (the “Escrow Deposit Agreement”) on or prior to the delivery of the Series 2020 Bonds with Regions Bank, Jacksonville, Florida (the “Escrow Agent”). Pursuant to the terms of the Escrow Deposit Agreement, on the date of issuance of the Series 2020 Bonds, the City will deposit a portion of the proceeds of the Series 2020 Bonds, together with other legally available moneys, into an escrow deposit trust fund to be maintained by the Escrow Agent (the “Escrow Deposit Trust Fund”). A portion of such proceeds and other legally available moneys will be applied on the date of delivery of the Series 2020 Bonds to the purchase of certain Defeasance Obligations maturing at such times and in such amounts so that the maturing principal, together with the interest income thereon and cash held uninvested in the Escrow Deposit Trust Fund, will be sufficient to pay the principal of and interest due on the Refunded Bonds to and including January 1, 2023, on which date the Refunded Bonds will be redeemed.

Subsequent to the deposit of moneys into the Escrow Deposit Trust Fund and the investment of such moneys as described in the preceding paragraph, the Refunded Bonds, in the opinion of Bond Counsel, rendered in reliance upon schedules verified as to accuracy by The Arbitrage Group, Inc. (the “Verification Agent”), will no longer be Outstanding under the provisions of the Bond Resolution. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

The maturing principal of and interest on the Defeasance Obligations and cash held uninvested in the Escrow Deposit Trust Fund will not be available to pay principal of and interest on the Series 2020 Bonds.

The Refunded Bonds are expected to consist of the following:

### **Refunded Series 2012 Bonds**

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Maturity (January 1)</u>	<u>Principal Amount</u>
2024	\$19,245,000	2027	\$ 16,520,000
2025	17,295,000	2032 <sup>(1)</sup>	79,515,000
2026	16,375,000		

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(1) Term Bond.

## ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds from the proceeds of the Series 2020 Bonds:

### Sources of Funds

Par Amount of Series 2020 Bonds	\$
Net Original Issue Discount / Premium	
Other Legally Available Moneys <sup>(1)</sup>	_____
Total Estimated Sources of Funds	\$ <u>          </u>

### Uses of Funds

Deposit to Escrow Deposit Trust Fund <sup>(2)</sup>	\$
Deposit to Expense Account <sup>(3)</sup>	
Underwriters' Discount	_____
Total Estimated Uses of Funds	\$ <u>          </u>

- 
- (1) Constitutes amount held under the Bond Resolution to pay principal of and interest due on the Refunded Bonds.
- (2) See PLAN OF REFUNDING" herein.
- (3) Includes fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, the rating agencies, and miscellaneous costs of issuance.

## DESCRIPTION OF THE SERIES 2020 BONDS

### General

The Series 2020 Bonds shall be dated the date of their delivery and shall bear interest at the rates and mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2020 Bonds is payable semiannually on January 1 and July 1 of each year, commencing January 1, 2021. Interest on the Series 2020 Bonds shall be calculated on the basis of a 360 day year consisting of twelve 30-day months. Regions Bank, Jacksonville, Florida will serve as the initial Paying Agent (the "Paying Agent") and Bond Registrar (the "Bond Registrar") for the Series 2020 Bonds.

The Series 2020 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2020 Bonds will be made in book-entry only form, without certificates. Unless a securities depository other than DTC is selected by the City, so long as the Series 2020 Bonds shall be in book-entry only form, the principal of and interest on the Series 2020 Bonds will be payable to Cede & Co., as registered owner thereof, and will be distributed by DTC and the DTC Participants to the Beneficial Owners (as such terms are defined herein). See "DESCRIPTION OF THE SERIES 2020 BONDS - Book-Entry Only System" herein.

## Redemption

**Optional Redemption.** The Series 2020 Bonds maturing on or before January 1, 2030 are not subject to redemption prior to maturity. The Series 2020 Bonds maturing on or after January 1, 2031 are subject to redemption at the option of the City prior to their respective dates of maturity on or after January 1, 2030, in whole or in part at any time, and if in part, in accordance with the procedures described in this section below under “Partial Redemption,” at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2020 Bonds or portion of the Series 2020 Bonds to be redeemed, together with accrued interest from the most recent interest payment date as of which interest has been paid to the date fixed for redemption.

**Mandatory Sinking Fund Redemption.** The Series 2020 Bonds maturing on January 1, 20\_\_\_\_ are subject to mandatory sinking fund redemption in part prior to maturity by lot through the application of Amortization Requirements, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, on January 1 of each year in the following amounts and years specified:

<u>Due</u>	<u>Amortization Requirement</u>
*	\$
<hr/>	
* Final Maturity.	

**Partial Redemption.** If less than all of the Series 2020 Bonds are to be redeemed, the Bond Registrar, upon written instructions from the City, shall select the Series 2020 Bonds for redemption from such maturity dates and in such amounts as are selected by the City, and, so long as the Series 2020 Bonds constitute Book-Entry Bonds held by DTC, shall select such Series 2020 Bonds within such selected maturities on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures; provided that so long as such Series 2020 Bonds are held under the Book-Entry System, the selection for redemption of such Series 2020 Bonds shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis, such Series 2020 Bonds shall be selected for redemption within each such maturity in such manner as the Bond Registrar shall determine and in accordance with DTC procedures. In any event, the portion of the Series 2020 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple in excess thereof.

With regard to the foregoing, it is the City’s intent that redemption allocations made by DTC, DTC Participants or such other intermediaries that may exist between the City and the Beneficial Owners be made pro rata. However, the City can provide no assurance that DTC, DTC Participants or any other intermediaries will allocate redemptions of Series 2020 Bonds on a pro rata basis.

If the Series 2020 Bonds are no longer held under a Book-Entry System and less than all of the Series 2020 Bonds are to be redeemed, the Holder of Series 2020 Bonds to be redeemed, or such Holder’s attorney or legal representative, shall present and surrender such Series 2020 Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption. Upon such presentation and surrender, the City shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such Holder or such Holder’s legal representative, without charge therefor, for the unredeemed portion

of the principal amount of the Series 2020 Bond so surrendered, a new Series 2020 Bond of the same maturity and bearing interest at the same rate.

### **Notice of Redemption**

***Mailing of Notice of Redemption.*** At least thirty (30) days, but not more than sixty (60) days, before the redemption date of any Series 2020 Bonds, whether such redemption be in whole or in part, the City shall cause a notice of such redemption, signed by the Finance Director to be mailed, first class postage prepaid, to all Holders owning Series 2020 Bonds to be redeemed in whole or in part and to any Fiduciaries, at their addresses as they appear on the registration books maintained by the Bond Registrar but any defect in such notice or failure to mail such notice to any Holder of any Series 2020 Bonds shall not affect the validity of the proceedings for the redemption of any other Series 2020 Bonds. Each such notice shall set forth the name of the Series 2020 Bonds or portions thereof to be redeemed, the date fixed for redemption, the redemption price to be paid, the Series, and if less than all the Series 2020 Bonds shall be called for redemption, the maturities of the Series 2020 Bonds to be redeemed, the CUSIP numbers, the name and address (including contact person and phone number) of the Fiduciary to which Series 2020 Bonds called for redemption are to be delivered and, if less than all of the Series 2020 Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2020 Bonds to be redeemed and, in the case of Series 2020 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2020 Bond is to be redeemed in part only, the notice of redemption shall also state that on or after the redemption date, upon surrender of such Series 2020 Bond, a new Series 2020 Bond in principal amount equal to the unredeemed portion of such Series 2020 Bond, and of the same Series and maturity and bearing the same interest rate, will be issued. Any notice as provided herein shall be conclusively presumed to have been duly given, whether or not the owner of the Series 2020 Bond receives such notice.

In the case of an optional redemption, any notice of redemption may state that (i) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Bond Registrar, Paying Agent or a Fiduciary acting as escrow agent no later than the redemption date or (ii) the City retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any such notice of Conditional Redemption shall be captioned “Conditional Notice of Redemption.” Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Finance Director delivers a written direction to the Bond Registrar directing the Bond Registrar to rescind the redemption notice. The Bond Registrar shall give prompt notice of such rescission to the affected Bondholders. Any Series 2020 Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the City to make such funds available shall constitute an event of default under the Bond Resolution. The Bond Registrar shall give immediate notice to the securities information repositories and the affected Bondholders that the redemption did not occur and that the Series 2020 Bonds called for redemption and not so paid remain Outstanding.

***Effect of Redemption.*** On the date fixed for redemption, notice having been mailed in the manner and under the conditions described above, provided that such notice of redemption has not been rescinded as described above, the Series 2020 Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such redemption date. If on the date fixed for redemption money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of the Series 2020 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by a Depository in trust for the Holders of Series 2020 Bonds to be redeemed, interest on the Series 2020 Bonds called for redemption shall cease to accrue after the date fixed

for redemption. Such Series 2020 Bonds shall cease to be entitled to any benefits or security under the Resolution or to be deemed Outstanding and the Holders of such Series 2020 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption, provided the notice of redemption for such Series 2020 Bonds has not been rescinded, as described above.

If a portion of an Outstanding Series 2020 Bond shall be selected for redemption, the Holder thereof, or such Holder's attorney or legal representative, shall present and surrender such Series 2020 Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption. The City shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or such owner's legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Series 2020 Bond so surrendered, a Series 2020 Bond of the same maturity and bearing interest at the same rate.

As long as a book-entry system is used for determining beneficial ownership of Series 2020 Bonds, notice of redemption will be sent to DTC. DTC will be responsible for notifying the DTC Participants, which will in turn be responsible for notifying the Beneficial Owners. Any failure of DTC to notify any DTC Participant, or of any DTC Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 2020 Bonds.

#### **Book-Entry Only System**

**THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE, BUT THE CITY AND THE UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.**

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., as DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 Bond certificate will be issued for each maturity of the Series 2020 Bonds, each in the aggregate principal amount of such maturity, as set forth on the inside cover page of this Official Statement, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over one hundred (100) countries that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing



corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and, together with Direct Participants, “DTC Participants”). DTC has a S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, rating of AA+. The DTC rules applicable to the DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2020 Bond (“Beneficial Owner”) is in turn to be recorded on the DTC Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, will not effect any change in beneficial ownership of the Series 2020 Bonds. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds are credited, which may or may not be the Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by DTC Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, defaults and proposed amendments to the documents securing the Series 2020 Bonds. For example, Beneficial Owners of the Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices are provided directly to them.

Redemption notices shall be sent by the Bond Registrar to DTC. If less than all of the Series 2020 Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2020 Bonds will be made to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of DTC Participants.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the City only to DTC.

DTC may discontinue providing its services as securities depository with respect to the Series 2020 Bonds. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates representing the Series 2020 Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates representing the Series 2020 Bonds will be printed and delivered. See "DESCRIPTION OF THE SERIES 2020 BONDS - Discontinuance of Securities Depository" herein.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER OF THE SERIES 2020 BONDS, THE CITY AND THE PAYING AGENT SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE SERIES 2020 BONDS FOR ALL PURPOSES UNDER THE RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE SERIES 2020 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE CITY AND THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE RESOLUTION. THE CITY AND THE PAYING AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2020 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS THE REGISTERED OWNER OF THE SERIES 2020 BONDS.

#### **Discontinuance of Securities Depository**

DTC may determine to discontinue its services as securities depository for the Series 2020 Bonds at any time by giving written notice to the City and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law. In addition, the City, in its sole discretion and without the consent of any other person, may terminate the services of DTC or any successor securities depository for the Series 2020 Bonds if the City determines that the continuation of the system of book-entry-only

transfers through such securities depository is not in the best interests of the Beneficial Owners of the Series 2020 Bonds or is burdensome to the City. Also, the City shall terminate the services of DTC or any successor securities depository for the Series 2020 Bonds upon receipt by the City and the Bond Registrar of written notice from the securities depository to the effect that (i) the depository is unable to discharge its responsibilities with respect to the Series 2020 Bonds; or (ii) a continuation of the requirement that the Series 2020 Bonds be registered in the registration books kept by the Bond Registrar in the name of the securities depository's nominee is not in the best interest of the Beneficial Owners of the Series 2020 Bonds.

In the event that the book-entry only system of registration for the Series 2020 Bonds is discontinued, the following provisions will apply:

***Principal and Interest Payments.*** The principal of the Series 2020 Bonds shall be payable at the designated corporate trust office of the Bond Registrar upon the presentation and surrender of such Series 2020 Bonds as the same shall become due and payable. Interest on the Series 2020 Bonds is payable on any Interest Payment Date by check or draft mailed to the person in whose name such Series 2020 Bonds (or one or more Predecessor Bonds) is registered at the close of business on the Record Date for such Interest Payment Date; provided, however, that the Holder of Series 2020 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Holder to the bank account number on file with the Paying Agent, upon written request to the Paying Agent received prior to the Record Date preceding any Interest Payment Date. Such written request shall specify the bank (which shall be a bank within the continental United States) and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed by written notice to the Paying Agent received prior to the Record Date preceding any Interest Payment Date.

***Registration, Transfer and Exchange.*** The Bond Registrar shall keep books for the registration, exchange and registration of transfer of Series 2020 Bonds as provided in the Resolution. The Bond Registrar shall evidence acceptance of the duties, obligations and responsibilities of Bond Registrar by execution of the certificate of authentication on the Series 2020 Bonds. The transfer of any Series 2020 Bond may be registered only upon the books kept for the registration of transfer of Series 2020 Bonds upon surrender of such Series 2020 Bond to the Bond Registrar, together with an assignment duly executed by the Holder or such Holder's attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. The City shall execute and the Bond Registrar shall authenticate and deliver in exchange for such Series 2020 Bond a new registered Series 2020 Bond or Series 2020 Bonds, registered in the name of the transferee, of any denomination or denominations authorized by the Resolution, in the aggregate principal amount equal to the principal amount of such Series 2020 Bond surrendered, of the same maturity and bearing interest at the same rate.

All Series 2020 Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. No service charge shall be made for any registration of transfer or exchange of Series 2020 Bonds, but the City and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Series 2020 Bonds. The Bond Registrar shall not be required (i) to register the transfer of or to exchange Series 2020 Bonds during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Series 2020 Bonds and ending at the close of business on the day of such mailing or (ii) to register the transfer of or to exchange any Series 2020 Bond so selected for redemption in whole or in part.

The City, the Paying Agent, the Bond Registrar and any other agent of the City may treat the person in whose name any Series 2020 Bond is registered on the books of the City kept by the Bond Registrar as the Holder of such Series 2020 Bond for the purpose of receiving payment of principal of and interest on such Series 2020 Bond, and for all other purposes whatsoever, whether such Series 2020 Bond be overdue and, to the extent permitted by law, neither the City, the Paying Agent, the Bond Registrar nor any such agent shall be affected by any notice to the contrary.

***Mutilated, Destroyed, Stolen or Lost Bonds.*** In case any Series 2020 Bond shall become mutilated or be destroyed, stolen or lost, the City shall cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Series 2020 Bond of like date and tenor in exchange and substitution for such mutilated Series 2020 Bond, or in lieu of and in substitution for such Series 2020 Bond destroyed, stolen or lost. The Holder shall pay the reasonable expenses and charges of the City and the Bond Registrar in connection therewith. In the case of a Series 2020 Bond destroyed, stolen or lost, the Holder shall file with the Bond Registrar evidence satisfactory to it and to the City that such Series 2020 Bond was (i) destroyed, stolen or lost and (ii) owned by such Holder, and shall furnish the City and the Bond Registrar indemnity satisfactory to them.

## **SECURITY AND SOURCES OF PAYMENT**

### **Pledged Funds**

Payment of the principal of and interest on the Series 2020 Bonds is secured equally and ratably by a lien on and pledge of the Pledged Funds. Pledged Funds consist of (i) the Designated Revenues, (ii) any Non-Ad Valorem Revenues actually deposited into the Principal and Interest Account of the Debt Service Fund to cure a Debt Service Funding Deficiency (as such term is hereinafter defined), and (iii) all investment income in the funds and accounts established under the Bond Resolution, except for the Rebate Fund; provided, however, that amounts on deposit in or to the credit of a Reserve Account within the Reserve Fund shall constitute Pledged Funds for, and secure, only the particular Series of Bonds for which such Reserve Account is established. **Notwithstanding anything herein to the contrary, Non-Ad Valorem Revenues shall only become Pledged Funds if (i) Designated Revenues are determined to be insufficient to meet the Principal and Interest Requirements coming due and payable during any Fiscal Year; (ii) the City's covenant to budget and appropriate Non-Ad Valorem Revenues to pay principal of and interest on Bonds has not been released pursuant to the terms of the Bond Resolution; and (iii) the City actually budgets, appropriates and deposits Non-Ad Valorem Revenues into the Principal and Interest Account of the Debt Service Fund to cure a Debt Service Funding Deficiency. See "SECURITY AND SOURCES OF PAYMENT - Flow of Funds" herein.**

For the Series 2020 Bonds, Designated Revenues shall consist of (a) the Communications Services Tax Revenues, (b) the Public Service Tax Revenues, (c) the Guaranteed Entitlement Revenues and (d) the Business Tax Revenues. Any fees, commissions, charges or taxes established pursuant to the laws of the State or ordinances of the City which replace any of the items mentioned in clause (a), (b), (c) or (d) shall be included in the definition of Designated Revenues, unless expressly prohibited by law. For any Series of Bonds issued after the Series 2020 Bonds, Designated Revenues may also include such additional revenue sources as may be designated by a Series Resolution for the issuance of such Bonds as Designated Revenues, including any fees, commissions, charges or taxes established pursuant to the laws of the State or ordinances of the City which replace the revenue source designated by a Series Resolution as Designated Revenues.

***Designated Revenues.*** The four sources of revenues which constitute the Designated Revenues for the Series 2020 Bonds are defined as follows:

(1) “Communications Services Tax Revenues” shall mean the revenues received by the City from the levy of the communications services tax authorized under Chapter 202, Florida Statutes, as amended, and imposed by Ordinance No. C-85-99 enacted by the City Commission on November 22, 1985, as amended;

(2) “Public Service Tax Revenues” shall mean the revenues received by the City from the levy of the public service taxes on the purchase of electricity, gas and water within the City authorized under Section 166.231, Florida Statutes, as amended, and imposed by Ordinance No. C-72-41 enacted by the City Commission on June 6, 1972, as amended;

(3) “Guaranteed Entitlement Revenues” shall mean an amount equal to the guaranteed entitlement portion of state revenue sharing revenues received by the City pursuant to Chapter 218, Part II, Florida Statutes, as amended; provided, however, that for purposes of securing and/or paying debt service on the Series 2020 Bonds, no portion of such guaranteed entitlement amount shall be derived from the tax on motor fuel imposed under the provisions of Section 206.605, Florida Statutes, as amended; and

(4) “Business Tax Revenues” shall mean the revenues received by the City from the levy of the business tax authorized under Chapter 205, Florida Statutes, as amended, and imposed by Ordinance No. C-1154 enacted by the City Commission on August 2, 1955, as amended.

For a more detailed description of such sources of Designated Revenues, see “PLEDGED FUNDS - Sources of Designated Revenues” herein.

The City covenants in the Bond Resolution that while any Bonds remain Outstanding, it will not take any action or fail to take any action which might result in a suspension or termination of the receipt of all or any portion of the Designated Revenues. The City further covenants in the Bond Resolution that it will take all appropriate action to keep and maintain each component of the Designated Revenues at the highest possible level permitted by law, to pay the Principal and Interest Requirements on the Bonds and that, subject to liens created for the benefit of any Insurer or Credit Bank providing credit or liquidity support to enhance the value or security of any Bonds, the City will not create or permit to be created any charge or lien on the proceeds of the Designated Revenues ranking equally with or prior to the charge or lien on the proceeds of the Designated Revenues securing the Bonds.

***Non-Ad Valorem Revenues.*** Included as Pledged Funds are any Non-Ad Valorem Revenues actually deposited into the Principal and Interest Account of the Debt Service Fund in accordance with the terms of the Bond Resolution. “Non-Ad Valorem Revenues” shall mean all revenues of the City derived from any source whatsoever, other than ad valorem taxation on real or personal property, which are legally available to be budgeted, appropriated and deposited by the City into the Principal and Interest Account of the Debt Service Fund pursuant to the provisions of the Bond Resolution to cure a Debt Service Funding Deficiency. Under the terms of the Bond Resolution, any revenue source included in the definition of Designated Revenues is not included in the definition of Non-Ad Valorem Revenues. See “APPENDIX C - The Resolution.”

(A) The City covenants and agrees in the Bond Resolution, to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its Annual Budget for each Fiscal Year, by amendment if necessary, and to deposit to the credit of the Principal and Interest Account of the Debt Service Fund Non-Ad Valorem Revenues in an amount which is equal to the Debt Service Funding Deficiency, if any, for the applicable Fiscal Year. Such covenant and agreement on the part of the City to budget and appropriate sufficient amounts of Non-Ad Valorem Revenues shall be cumulative, and shall continue until Non-Ad Valorem Revenues in amounts sufficient to make all required

payments under the Bond Resolution as and when due, including any delinquent deposits, shall have been budgeted, appropriated and actually paid into the Principal and Interest Account of the Debt Service Fund; provided, however, that such covenant shall not constitute a lien, either legal or equitable, on any of the Non-Ad Valorem Revenues or other revenues of the City, nor shall it preclude the City from pledging in the future any of its Non-Ad Valorem Revenues or other revenues to other obligations, nor shall it give the Bondholders a prior claim on the Non-Ad Valorem Revenues.

(B) Anything in the Bond Resolution to the contrary notwithstanding, all obligations of the City under the Bond Resolution to cure a Debt Service Funding Deficiency from Non-Ad Valorem Revenues shall only extend to Non-Ad Valorem Revenues actually budgeted and appropriated and deposited into the Principal and Interest Account of the Debt Service Fund, as provided in the Bond Resolution. The City may not expend moneys not appropriated or in excess of its current budgeted revenues. The obligation of the City to budget, appropriate and make payments in respect of the covenant described herein from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after satisfying funding requirements for obligations having an express lien on or pledge of such revenues and after satisfying funding requirements for essential governmental services of the City.

(C) If, during the preparation of the Annual Budget for a given Fiscal Year, it is projected or is determined that the Pledged Funds (without taking into consideration Non-Ad Valorem Revenues already actually budgeted and appropriated and deposited into the Principal and Interest Account of the Debt Service Fund for the Fiscal Year in question) will be insufficient to pay the Principal and Interest Requirements due and payable on an Interest Payment Date in such Fiscal Year (a "Debt Service Funding Deficiency"), then, as part of the preparation and approval of the Annual Budget for such Fiscal Year, the City shall budget and appropriate, pursuant and subject to the provisions described in subparagraphs (A) and (B) above, an amount of Non-Ad Valorem Revenues sufficient to cure such Debt Service Funding Deficiency. The Non-Ad Valorem Revenues so budgeted and appropriated shall be deposited into the Principal and Interest Account of the Debt Service Fund not later than five (5) Business Days before each Interest Payment Date in such Fiscal Year.

(D) Not later than sixty (60) days prior to each Interest Payment Date, the City shall review the amount of Pledged Funds (without taking into consideration Non-Ad Valorem Revenues already actually budgeted and appropriated and deposited into the Principal and Interest Account of the Debt Service Fund) received to date and that amount of Pledged Funds (without taking into consideration Non-Ad Valorem Revenues already actually budgeted and appropriated and deposited into the Principal and Interest Account of the Debt Service Fund) projected to be received prior to the next succeeding Interest Payment Date. If, based on such review, the City determines that a Debt Service Funding Deficiency is expected to exist in connection with such next succeeding Interest Payment Date, the City shall immediately amend its Annual Budget for such Fiscal Year and shall budget and appropriate, as described in the provisions of subparagraph (A) above, an amount of Non-Ad Valorem Revenue sufficient to cure such Debt Service Funding Deficiency. The Non-Ad Valorem Revenues so budgeted and appropriated shall be deposited into the Principal and Interest Account of the Debt Service Fund not later than five (5) Business Days before the Interest Payment Date in question, as provided in the Bond Resolution.

(E) Notwithstanding anything to the contrary contained in the Resolution, if the Designated Revenues in each of three (3) consecutive Fiscal Years equal or exceed one hundred seventy five percent (175%) of the Maximum Principal and Interest Requirement on all Bonds Outstanding, then, as of the last day of such third Fiscal Year, the City's covenant to budget and appropriate from Non-Ad Valorem Revenues described herein shall terminate and be null and void. In such event, the City shall no longer be obligated to budget and appropriate Non-Ad Valorem Revenues and deposit the same into the Principal and Interest Account of the Debt Service Fund, and the Bonds Outstanding under the Bond Resolution shall

only be secured by and payable from the Designated Revenues and all investment income in the funds and accounts established under the Bond Resolution, except for the Rebate Fund; provided, however, that amounts on deposit in or to the credit of a Reserve Account within the Reserve Fund shall only secure the particular Series of Bonds for which such Reserve Account was established.

## **Flow of Funds**

***Creation of Funds and Accounts.*** The Bond Resolution establishes (i) the “City of Fort Lauderdale Special Obligation Bonds Debt Service Fund” (the “Debt Service Fund”) and two (2) accounts therein, designated the “Principal and Interest Account” (the “Principal and Interest Account”) and the “Expense Account” (the “Expense Account”) and (ii) the “City of Fort Lauderdale Special Obligation Bonds Reserve Fund” (the “Reserve Fund”) within which separate accounts (each a “Reserve Account”) shall be established for each Series of Bonds for which a Series Reserve Fund Requirement is established in the corresponding Series Resolution. All of such funds and accounts shall be held by the City.

The Bond Resolution also creates (i) the “City of Fort Lauderdale Special Obligation Bonds Construction Trust Fund,” which fund shall be held by the City and used to pay the cost of capital improvements or other projects authorized under a Series Resolution; (ii) the “City of Fort Lauderdale Special Obligation Bonds Rebate Fund” (the “Rebate Fund”), which fund shall be held by the City and used in connection with the issuance of any Tax-Exempt Bonds; and (iii) the “City of Fort Lauderdale Special Obligation Bonds Designated Revenues Fund” (the “Designated Revenues Fund”), which shall be held by the City.

All moneys held in the funds and accounts established in or pursuant to the Bond Resolution, or any subfund or subaccount established by any Series Resolution, shall be held in trust and, pending application of such moneys as provided in the Bond Resolution, such moneys (except for moneys on deposit in the Rebate Fund) shall be subject to a lien and charge in favor of the Holders and, as applicable, any Credit Banks and any Insurers.

***Required Deposits to Funds and Accounts.*** The City shall cause the Finance Director to deposit all Designated Revenues, as the same are collected, to the credit of the City’s general or special fund in which such revenues are received and thereafter promptly transfer the Designated Revenues to the Designated Revenues Fund. As needed to make the deposits required for each Series of Bonds, the City shall then transfer Designated Revenues from the Designated Revenues Fund to the Rebate Fund, the Principal and Interest Account, the Reserve Fund, and the Reserve Accounts established therein, and the Expense Account. Such transferred Designated Revenues shall be used from the respective funds and accounts to make payments of (i) required arbitrage rebate, if any, (ii) interest on and principal of the Bonds, (iii) required deposits, if any, to the Reserve Fund, and (iv) fees and expenses payable from the Expense Account, all in accordance with the provisions of the Bond Resolution or as otherwise provided in any Series Resolution.

On or before the twenty-fifth (25th) day of each month, commencing in the month immediately succeeding the month in which the Series 2020 Bonds are issued, the Finance Director shall withdraw from the Designated Revenues Fund an amount equal to the amount then held for the credit of the Designated Revenues Fund or such lesser amount as shall be required to fund the deposit requirements set forth in clauses (a), (b), (c) and (d) below, and apply the moneys so withdrawn to make the following payments and deposits in the following order; provided, however, that the City may withdraw from the Designated Revenues Fund such greater amount as it may, in its sole and absolute discretion, determine to deposit into the funds and accounts described in clauses (a), (b), (c) and (d) below:

(a) Deposit to the credit of the Principal and Interest Account an amount equal to one-sixth (1/6th) of the interest becoming due on the Bonds on the next semiannual Interest Payment Date; provided, however, that the amount so deposited on account of interest in each month after the delivery of the Bonds of any Series up to and including the month immediately preceding the first Interest Payment Date thereafter of the Bonds of such Series shall be that amount that when multiplied by the number of such deposits will be equal to the amount of interest payable on such Bonds on their first Interest Payment Date less the amount of any accrued interest paid on such Bonds and deposited to the credit of the Principal and Interest Account.

(b) Deposit to the credit of the Principal and Interest Account an amount equal to the sum of (i) one-twelfth (1/12th) of the principal of Serial Bonds that will mature and become due on the next annual maturity date and (ii) one-twelfth (1/12th) of the Amortization Requirements that will become due and payable on the next mandatory sinking fund redemption date, such deposits to commence in such month or to be adjusted in such amounts as will ensure that on the dates such principal or Amortization Requirements are due and payable, sufficient moneys will be on deposit in the Principal and Interest Account.

Notwithstanding the foregoing, moneys shall not be required to be deposited to the credit of the Principal and Interest Account (1) pursuant to clause (a) above if the amount then to the credit thereof is equal to the interest becoming due and payable on the Bonds on the next Interest Payment Date and (2) pursuant to clause (b) above if the amount then to the credit of the Principal and Interest Account is equal to the sum of (i) the principal of Serial Bonds maturing on the next maturity date and (ii) the Amortization Requirement on the next mandatory sinking fund redemption date on account of the Term Bonds Outstanding.

If the period between Interest Payment Dates is other than six (6) months or the period between principal payment dates is other than twelve (12) months, then such monthly deposits shall be increased or decreased, as appropriate, in sufficient amounts to provide the required interest amount coming due on the next Interest Payment Date or the required principal amount maturing or Amortization Requirement due on the next principal payment date or redemption date, as applicable.

(c) Deposit to the credit of the Reserve Fund (or each Account within the Reserve Fund to the extent that a Reserve Account has been established within the Reserve Fund for a particular Series of Bonds), without priority of one Reserve Account over another, if any, beginning with respect to each Series of Bonds for which a Series Reserve Fund Requirement has been established, on the twenty-fifth (25th) day of the month in which such Series of Bonds is delivered to the purchasers thereof, such sums as shall be at least sufficient to pay an amount equal to one-twelfth (1/12th) of the difference between the amount on deposit in the Reserve Fund or Reserve Account therein (including any Reserve Fund Insurance Policy or Reserve Fund Letter of Credit) on the date of issuance of the Series of Bonds and the increase in the amount required to be held therein due to the Series Reserve Fund Requirement for such Series of Bonds; provided, however, that no payments shall be required to be made into the Reserve Fund or any Reserve Account therein whenever and as long as the amount deposited therein (including any Reserve Fund Insurance Policy or Reserve Fund Letter of Credit) shall be equal to all of the Series Reserve Fund Requirements for all Series of Bonds to which such Reserve Fund or Reserve Account therein relates.

No Series Reserve Fund Requirement exists for the Series 2020 Bonds. See "SECURITY AND SOURCES OF PAYMENT - No Reserve Fund" herein.



(d) Any balance remaining after satisfying the requirements of clauses (a), (b) and (c) above shall be deposited to the credit of the Expense Account in an amount sufficient to pay (i) the fees, interest and other amounts owing any issuer of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit, (ii) any fees and expenses of Fiduciaries or other administrative fees and expenses coming due in such month with respect to any Series of Bonds, and (iii) any costs of issuance of a Series of Bonds that remain to be paid.

(e) Any balance remaining in the Designated Revenues Fund after making the withdrawals and satisfying the requirements mentioned in clauses (a), (b), (c) and (d) above shall be deposited to pay principal and interest on Subordinated Indebtedness in the manner provided in the resolution authorizing such Subordinated Indebtedness.

If the moneys withdrawn for deposits to the above funds and accounts and for making the other required payments as above set forth shall not be sufficient to make such deposits and payments, the requirements in each month thereafter for each of the above deposits and payments for which the required monthly deposit or payment has not been made shall be cumulative and the amount of any deficiency in any such monthly deposit or payment shall be added to the amount otherwise required to be deposited in each month thereafter until such time as such deficiency shall have been extinguished.

The balance remaining to the credit of the Designated Revenues Fund, after making the withdrawals and fully satisfying all of the deposit requirements mentioned in clauses (a), (b), (c), (d) and (e) above for any Fiscal Year shall be withdrawn at or prior to the end of such Fiscal Year, as applicable, and deposited to the City's general or special revenue fund from which such moneys were originally withdrawn and the amounts so transferred shall no longer be subject to the lien and pledge of the Bond Resolution; provided, however, that such amounts may not be withdrawn and deposited into the City's general or special revenue fund until an amount at least equal to the Principal and Interest Requirements due on the Bonds in such Fiscal Year shall be on deposit in the Principal and Interest Account and all deposits, if any, required by the Bond Resolution to be made to the Reserve Fund in such Fiscal Year have been satisfied.

For so long as the City's covenant to budget and appropriate Non-Ad Valorem Revenues has not been released pursuant to the terms of the Bond Resolution, if on the fifth (5th) Business Day prior to any Interest Payment Date the amounts on deposit in the Principal and Interest Account of the Debt Service Fund are not sufficient to make the interest and/or principal payments due and payable on such Interest Payment Date, the City shall deposit into the Principal and Interest Account a sufficient amount of Non-Ad Valorem Revenues to cure such deficiency.

### **No Reserve Account**

The Bond Resolution establishes the Reserve Fund but provides that each particular Series of Bonds issued under the Bond Resolution shall be secured by the Reserve Fund only to the extent that the Series Resolution corresponding to such Series of Bonds expressly so provides. In each such case, a separate Reserve Account shall be established within the Reserve Fund for each such Series of Bonds and the amount to be held in such separate Reserve Account shall be the Series Reserve Fund Requirement, as established in the Series Resolution for the Series of Bonds secured by such separate Reserve Account. If a Reserve Account has been established in the Reserve Fund for a particular Series of Bonds, moneys in such Reserve Account shall be available to, solely pledged as security for, and (except as provided in the Bond Resolution for payments to the issuer of any Reserve Fund Insurance Policy or Reserve Fund Letter of Credit), used only for the purpose of making payments of principal of and interest on the Series

of Bonds to which such Reserve Account relates, and only when all moneys in any other fund or account under the Bond Resolution and available for such purpose are insufficient therefor.

See "APPENDIX C -The Resolution" for a detailed description of the requirements relating to the Reserve Fund, including the deposit into a Reserve Account of a Reserve Fund Insurance Policy or Reserve Fund Letter of Credit in connection with the issuance of a Series of Bonds.

The Series 2020 Bonds represent the second Series of Bonds issued under the Bond Resolution. No Series Reserve Fund Requirement was established in connection with the issuance of the Series 2012 Bonds (which constituted the first Series of Bonds issued under the Bond Resolution) and no Series Reserve Fund Requirement is established in connection with the issuance of the Series 2020 Bonds. **As a result, no moneys have been or will be deposited into the Reserve Fund and no separate Reserve Account for the Series 2020 Bonds or any Outstanding Series 2012 Bonds has been or will be created. Any amount deposited in the Reserve Fund to secure a future Series of Bonds will be for the benefit of such Series of Bonds and not for the benefit of the Holders of the Series 2020 Bonds or the Unrefunded Series 2012 Bonds.**

### **Additional Bonds**

One or more Series of Additional Bonds of the City may be issued under and secured by the Bond Resolution, on a parity as to the pledge of the Pledged Funds with the Bonds theretofore issued under and secured by the Bond Resolution and then Outstanding, including the Series 2020 Bonds and the Unrefunded Series 2012 Bonds. Additional Bonds may be issued from time to time for the purpose of paying all or any part of the cost of any capital improvements within the City or other project determined in a Series Resolution to be financed by the issuance of such Additional Bonds, in each case, not inconsistent with the authorized use of the Designated Revenues, subject to the conditions hereinafter described.

Before any Additional Bonds shall be issued under the provisions of the Bond Resolution, the City Commission shall adopt a Series Resolution authorizing the issuance of such Additional Bonds. In addition, before such Additional Bonds shall be delivered, there shall be filed with the City Manager, among other things, the following:

(a) a certificate of the Finance Director, countersigned and confirmed by the City Auditor, demonstrating that the percentage derived by dividing the amount of the Designated Revenues received by the City during any twelve (12) consecutive months in the eighteen (18) months next preceding the date of delivery of the Additional Bonds then requested to be delivered by the Maximum Principal and Interest Requirement, including the Principal and Interest Requirements with respect to the Additional Bonds then to be delivered, for any future Fiscal Year is not less than one hundred seventy-five per centum (175%);

(b) an opinion of Bond Counsel to the effect that (i) the Series Resolution authorizing the issuance of the Additional Bonds has been duly adopted by the City, (ii) the issuance of the Additional Bonds has been duly and validly authorized, (iii) the Pledged Funds have been lawfully pledged, to the extent described in the Bond Resolution for the payment of the Additional Bonds, (iv) the Additional Bonds constitute special obligations of the City payable in accordance with the provisions of the Bond Resolution and (v) to the extent that the Additional Bonds are being issued as Tax-Exempt Bonds, the interest on such Additional Bonds is excluded from gross income for federal income tax purposes;

(c) an opinion of the City Attorney that issuance of the Additional Bonds has been duly authorized and that all conditions precedent to the delivery of such Additional Bonds have been fulfilled; and

(d) a certificate of the Finance Director, countersigned and confirmed by the City Auditor, to the effect that no event of default, as defined in the Bond Resolution, and no event which with the passage of time, the giving of notice or both would become an event of default has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing or, if an event of default has occurred and is continuing, that such event would be cured as a result of the issuance of the Additional Bonds.

In determining whether to execute and deliver the certificate mentioned in clause (a) of this Section, if the rates for any of the sources of Designated Revenues have been revised, in accordance with applicable law, and the revision of such rates have gone into effect prior to issuance of the Additional Bonds, or pursuant to a Series Resolution in which the City has designated additional revenues as Designated Revenues under clause (d) of the definition of Designated Revenues, the amount of the Designated Revenues which would have been realized during the twelve (12) consecutive month period described in clause (a) of this Section required to be examined and reported upon in the Finance Director certificate, had such revised rates gone into effect or such additional revenues been pledged on the first day of such period, may be used by the Finance Director.

### **Refunding Bonds**

One or more Series of Refunding Bonds of the City may be issued under and secured by the Bond Resolution, on a parity as to the pledge of the Pledged Funds with the Bonds theretofore issued under and secured by the Bond Resolution and then Outstanding, including the Series 2020 Bonds and the Unrefunded Series 2012 Bonds. Refunding Bonds shall be issued for the purpose of providing funds for refunding all or any Bonds of any one or more Series of Bonds then Outstanding, or any other obligation of the City (whether or not such obligation was issued under the Bond Resolution), including the payment of any redemption premium thereon and interest that will accrue on such Bonds or other obligation to the redemption date or stated maturity date or dates, funding any funds and accounts under the Bond Resolution and paying any expenses in connection with such refunding and for any related lawful purpose.

Before any Refunding Bonds shall be issued under the provisions of the Bond Resolution, the City Commission shall adopt a Series Resolution authorizing the issuance of such Refunding Bonds. In addition, before such Refunding Bonds shall be delivered, there shall be filed with the City Manager, among other things, the following:

(a) an opinion of Bond Counsel to the effect that (i) the Series Resolution authorizing the issuance of the Refunding Bonds has been duly adopted by the City, (ii) the issuance of the Refunding Bonds has been duly and validly authorized, (iii) the Pledged Funds have been lawfully pledged, to the extent described in the Bond Resolution for the payment of the Refunding Bonds, (iv) the Refunding Bonds constitute special obligations of the City payable in accordance with the provisions of the Bond Resolution and (v) to the extent that the Refunding Bonds are being issued as Tax-Exempt Bonds, the interest on such Refunding Bonds is excluded from gross income for federal income tax purposes;

(b) an opinion of the City Attorney that issuance of the Refunding Bonds has been duly authorized and that all conditions precedent to the delivery of such Refunding Bonds have been fulfilled;

(c) a certificate of the Finance Director to the effect that no event of default, as defined in the Bond Resolution, and no event which with the passage of time, the giving of notice or both would become an event of default has occurred within the twelve (12) consecutive calendar months prior to the date of such certificate and is continuing or, if an event of default has occurred and is continuing, that such event would be cured as a result of the issuance of the Refunding Bonds;

(d) if the Bonds to be refunded do not mature or are not being redeemed on the date of delivery of the Refunding Bonds, a written verification of an Accountant that the proceeds (excluding accrued interest) of such Refunding Bonds, together with any other available money, deposited with a Depositary, acting as escrow agent solely for the Holders of such Bonds to be refunded, and the interest that shall accrue upon any Defeasance Obligations acquired pursuant to clause (e) below, shall be not less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Bonds to be refunded and the interest that will accrue thereon to the respective redemption and/or maturity dates, as applicable; and

(e) a certificate of the Finance Director evidencing compliance with the requirements for the issuance of Additional Bonds, as set forth in the certificate of the Finance Director required to be delivered in connection with the issuance of Additional Bonds, or stating that, assuming the issuance of such Refunding Bonds and the refunding of the Bonds to be refunded, the Principal and Interest Requirements for the Refunding Bonds proposed to be issued in each Fiscal Year through the last Fiscal Year in which the Bonds to be refunded would otherwise be Outstanding are not more than one hundred five percent (105%) of the Principal and Interest Requirements which would be due in each such year for the Outstanding Bonds to be refunded if such refunding did not occur.

The Series 2020 Bonds are being issued as Refunding Bonds.

### **Issuance of Other Obligations**

In connection with the acquisition and improvement by the City of various projects, the City has issued bonds, notes and entered into other obligations to finance the costs of such acquisition and improvement. Certain of such bonds, notes and other obligations are payable from the City's legally available non-ad valorem funds generally and do not constitute a lien on any specific non-ad valorem funds of the City. The City may enter into future obligations which are required to be paid from all or any portion of the Designated Revenues or the Non-Ad Valorem Revenues. However, such future obligations may only pledge any of the Designated Revenues on a parity with the lien created in favor of the Series 2020 Bonds if such future obligations comply with the requirements for the issuance of Additional Bonds under the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT - Additional Bonds" and "PLEDGED FUNDS" herein. The City does not have any current plans to issue obligations secured by any of the Designated Revenues or by any of the Non-Ad Valorem Revenues.

### **Limited Liability**

The Series 2020 Bonds shall not be and shall not be deemed to constitute a debt, liability or obligation of the City, Broward County, Florida the State or any political subdivision thereof within the meaning of any constitutional, statutory or charter provisions or limitations, or a pledge of the faith and credit of the City, Broward County, Florida, the State or any political subdivision thereof, but shall be payable solely from the Pledged Funds. No Holder or Holders of any Series 2020 Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the City, Broward County, Florida, the

State or any political subdivision thereof, or taxation in any form of any real or personal property therein, or the application of any funds of the City, Broward County, Florida, the State or any political subdivision thereof to pay the Series 2020 Bonds or the interest thereon, other than the Pledged Funds. The Series 2020 Bonds and the obligations evidenced thereby shall not constitute a lien upon any property owned by or situated within the corporate territory of the City, but shall constitute a lien only on the Pledged Funds, to the extent, in the manner, and with the priority of application provided in the Bond Resolution. See “APPENDIX C - The Resolution.”

## DEBT SERVICE SCHEDULE

Set forth below are the Principal and Interest Requirements for the Series 2020 Bonds, all other Bonds Outstanding upon issuance of the Series 2020 Bonds and the total combined debt service on all Bonds Outstanding immediately following issuance of the Series 2020 Bonds.

Fiscal Year Ending September 30	Series 2020 Bonds			Outstanding Bonds *	Total Series 2020 Bonds and Outstanding Bonds
	Principal	Interest	Total		
2020	\$	\$	\$	\$ 1,030,394.20	\$
2021				21,202,173.80	
2022				21,204,190.40	
2023				21,212,410.80	
2024				- 0 -	
2025				- 0 -	
2026				- 0 -	
2027				- 0 -	
2028				- 0 -	
2029				- 0 -	
2030				- 0 -	
2031				- 0 -	
2032				- 0 -	
Total	\$	\$	\$	<u>\$64,649,169.20</u>	\$

\* Amounts reflect Principal and Interest Requirements on the Unrefunded Series 2012 Bonds, assuming such Bonds will constitute all of the Series 2012 Bonds currently Outstanding that are not subject to redemption on and after January 1, 2023. Determination of which maturities shall constitute the Unrefunded Series 2012 Bonds is subject to market conditions at the time of pricing of the Series 2020 Bonds. See “INTRODUCTION” and “PLAN OF REFUNDING” herein.

## PLEDGED FUNDS

### General

The City collects a wide range of taxes and revenues to fund its annual operations. Among the revenues collected by the City are non-ad valorem funds, the sources of which include public service taxes and communications services taxes (which are also sometimes referred to as utilities service taxes), franchise taxes and taxes on certain insurance premiums, fees for licenses and permits, including business

tax receipts, funds received from the State under the State Revenue Sharing Act, funds distributed to local governments from the State collected sales tax, including the Guaranteed Entitlement (as hereinafter defined), charges for certain City services, fines and forfeitures, interest earned on invested cash, federal and state categorical grants, and other miscellaneous revenues. However, revenues collected by the City which constitute (a) the Communications Services Tax Revenues, (b) the Public Service Tax Revenues, (c) the Guaranteed Entitlement Revenues or (d) the Business Tax Revenues shall not constitute Non-Ad Valorem Revenues, as such revenues are included in the definition of Designated Revenues under the Bond Resolution. See “SECURITY AND SOURCES OF PAYMENT - Pledged Funds” and “PLEDGED FUNDS - Sources of Designated Revenues” herein. In addition, non-ad valorem funds derived from (i) taxes on insurance premiums and (ii) one-cent municipal fuel tax collections are not legally available funds which can be included in the definition of Non-Ad Valorem Revenues for the Series 2020 Bonds. See “PLEDGED FUNDS - Sources of Non-Ad Valorem Revenues” herein.

The amounts and availability of any of the City’s non-ad valorem funds are subject to change, including reduction or elimination by change of State law or changes in the facts or circumstances according to which certain of the non-ad valorem funds of the City are allocated. See “SECURITY AND SOURCES OF PAYMENT - Pledged Funds” herein. In addition, the amount of certain non-ad valorem funds collected by or distributed to the City are directly related to the general economy of the City. Accordingly, adverse economic conditions could have a material adverse effect on the amount of non-ad valorem funds generally collected or received by the City in any Fiscal Year.

In addition to the Series 2020 Bonds and the Unrefunded Series 2012 Bonds, the City has outstanding, and may incur in the future, other indebtedness for the payment of which the City has covenanted, or in the future may covenant, to budget and appropriate legally available non-ad valorem funds of the City. Also, subject to the terms of the Bond Resolution limiting the conditions under which Designated Revenues may be pledged to secure other obligations, certain sources of the City’s legally available non-ad valorem funds may be pledged as security for future obligations of the City. Non-Ad Valorem Revenues required to be applied to said obligations would not be available for use as Non-Ad Valorem Revenues under the Bond Resolution to cure a Debt Service Funding Deficiency. See “SECURITY AND SOURCES OF PAYMENT - Pledged Funds - Non-Ad Valorem Revenues” herein.

### **Sources of Designated Revenues**

Set forth below is a description of each of the Designated Revenues.

***Public Service Tax Revenues.*** Sections 166.231 - 166.235, Florida Statutes, as amended (the “Public Service Tax Law”) authorizes any municipality within the State to levy a public service tax on the purchase of electricity, metered natural gas, liquefied petroleum gas (either metered or bottled), manufactured gas (either metered or bottled) and water services, as well as any service competitive with the services specifically enumerated. The Communications Services Tax Simplification Law, as amended, being Chapter 202, Florida Statutes, as amended (the “Communications Services Tax Law”) replaced the authority previously provided local governments under Chapter 166, Florida Statutes, as amended, to levy a public service tax on the purchase of telecommunications services. Except for certain exceptions for water services, as provided in Section 166.231, Florida Statutes, as amended, public service taxes shall be levied only upon purchases within the City and shall not exceed ten percent (10%) of the payments received by the seller of the taxable item from the purchaser for the purchase of such service; provided, however, that fuel oil shall be taxed at a rate which shall not exceed four cents (\$0.04) per gallon.

**City Levy and Exemptions.** The City levies its public service tax under the provisions of City Code, Chapter 15, Article III, Division 4, Section 15-126 *et seq.* Under such provisions of the City

Code, the City established a public service tax rate of ten percent (10%) and a rate of four cents (\$0.04) per gallon on the purchase of fuel oil. Section 166.231, Florida Statutes, as amended, allows a municipality to exempt from the public service tax the first 500 kilowatts of electricity per month purchased for residential use. The City does not currently grant such an exemption. The City Code, however, does exclude from public service taxation:

- (i) the purchase of sixteen (16) ounces or less of bottled gas in a container of five (5) gallons or less of fuel oil delivered at the seller's place of business into the purchaser's container of not more than five (5) gallons capacity;
- (ii) the purchase of fuel oil by a public or private utility, including municipal corporations and rural electric cooperative associations, either for resale or use as fuel in the generation of electricity;
- (iii) the purchase of special fuels subject to the state road tax under Chapter 209, Florida Statutes, as amended;
- (iv) the purchase of fuel oil used for power of marine or farming equipment vehicles, aircraft, railroad trains and other media of transportation; and
- (v) any "fuel adjustment charge," defined in Section 166.231, Florida Statutes, as amended, and the City Code as all increases in the cost of utility services resulting from increases in the cost of fuel to the utility.

Collections. Public service taxes must be collected by the seller from purchasers at the time of sale and remitted to the Finance Director of the City, as prescribed by City Code. Thus, for example, the tax will appear on the periodic bills rendered to consumers by Florida Power & Light Company for electricity and by the City for water service. A failure by a consumer to pay the portion of the bill attributable to the public service tax will result in a suspension of such consumer's utility service in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

***Communications Services Tax Revenues.*** The Communications Services Tax Law authorizes counties and municipalities in the State to levy a local tax on all communications services, as such term is defined in Section 202.11, Florida Statutes, as amended. The Communications Services Tax Law contains provisions that are designed to ensure that the revenues collected by a municipality under its provisions are similar in amount to the revenues collected by such municipality under the provisions which provided for the levy of public service taxes on the purchase of telecommunications services. Communications services means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of protocol used for such transmission or conveyance. For charter counties and municipalities, communications services taxes may not exceed 5.10% of the payments received by the providers of such communications services from purchasers. The maximum rate, however, does not include permitted add-ons of up to 0.12%, nor do they supersede conversion or emergency rates authorized by Section 202.20, Florida Statutes, as amended, which are in excess of the maximum rate.

City Levy and Exemptions. The City levies its communications services taxes under the provisions of City Code, Chapter 15, Article III, Division 4, Section 15-128 *et seq.* Under such provisions of the City Code, the City established a communications services tax rate of 5.22%, representing the

maximum rate allowed in the Communications Services Tax Law, with the 0.12% ad-on. Section 202.125, Florida Statutes, as amended, exempts from the levy of communications services taxes:

- (i) all purchases by the federal government and its agencies and instrumentalities;
- (ii) the State and any county, municipality or political subdivision of the State; and
- (iii) any home for the aged, religious or educational organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

**Collections.** The communications services tax must be collected by the provider from purchasers and remitted to the State of Florida Department of Revenue (the “FDOR”). The proceeds of the communications services tax, less FDOR’s costs of administration, are transferred to the Local Communications Services Tax Clearing Trust Fund held by FDOR and distributed to the City on a monthly basis. The FDOR distributes to the appropriate local governments the amount of revenue collected pursuant to the Communications Services Tax Law which each local government is entitled to receive.

**Guaranteed Entitlement Revenues.** Pursuant to an allocation formula established in the Florida Revenue Sharing Act of 1972, as amended, being Chapter 218, Part II, Florida Statutes, as amended (the “State Revenue Sharing Act”) the State is required to share with the cities and counties of the State certain non-ad valorem funds derived from State sales and use tax collections, State alternative fuel user decal fee collections and from the one-cent municipal fuel tax collections. From such collections the State is required to share with eligible municipalities no less than the aggregate amount such municipality received from the State during fiscal year 1971-1972 under the provisions of State law then existing for (i) the tax on cigarettes, (ii) the road tax and (iii) the tax on motor fuel and, additionally, the amount received by eligible municipalities each year may not decrease from the aggregate amount received by such municipality the preceding State fiscal year (collectively, the “Guaranteed Entitlement”).

**Calculation and Distribution of Guaranteed Entitlement.** The State Revenue Sharing Act creates an apportionment factor for the participation in revenue sharing by eligible counties and a separate apportionment factor for the participation in revenue sharing by eligible municipalities. For eligible municipalities, the apportionment factor is composed of various criteria, including the following:

- (i) the proportion of the population of a given municipality to the total population of all eligible municipalities in the State, as adjusted by certain factors according to the population of the given municipality;
- (ii) the proportion of the sales tax collected within a given municipality to the total sales tax collected within all the eligible municipalities in the State. The sales tax collected within a given municipality is derived by allocating the amount of sales tax collections for the county in which the municipality is located to each municipality in the county on the basis of the proportion of each municipality’s population to the total population of the county; and
- (iii) additional criteria relating to the relative ability of the given municipality to raise revenue, based upon the population of the given municipality and its assessed property values.

These factors are also used to determine the amount of revenue sharing funds that will be shared with the municipalities in each State fiscal year.



Collections received and to be distributed to local governments are deposited into the Revenue Sharing Trust Fund for Counties or the Revenue Sharing Trust Fund for Municipalities. Distributions from the respective trust funds are made to eligible counties and municipalities monthly.

The Revenue Sharing Trust Fund for Municipalities receives 1.3409 percent of sales and use tax collections, 12.5 percent of the State alternative fuel user decal fee collections and the net collections from the one-cent municipal fuel tax. Municipalities must use the funds derived from the one-cent municipal fuel tax for transportation-related expenditures. As a result, the one-cent municipal fuel tax collections received by the City from the Revenue Sharing Trust Fund for Municipalities will not be included in the Guaranteed Entitlement Revenues serving as security for the Series 2020 Bonds.

Eligibility to Participate in Revenue Sharing. The Revenue Sharing Act specifically provides that each unit of local government will receive annually its minimum entitlement. “Minimum entitlement” is defined as “the amount of revenue, as certified by a unit of local government and determined by the FDOR, which must be shared with a unit of local government so that such unit will receive the amount of revenue necessary to meet its obligations as a result of pledges or assignments or trusts entered into which obligated funds received from revenue sources or proceeds which, by the terms of the State Revenue Sharing Act, shall henceforth be distributed out of revenue sharing trust funds.”

The Revenue Sharing Act imposes certain requirements on units of local government described below that must be met to participate in revenue sharing beyond the minimum entitlement. However, the portion of Designated Revenues represented by the Guaranteed Entitlement Revenues will become the minimum entitlement for the City upon issuance of the Series 2020 Bonds.

To be eligible to participate in revenue sharing under the State Revenue Sharing Act beyond the minimum entitlement, a county or municipality must satisfy various statutory requirements set forth in Section 218.23(1), Florida Statutes, as amended. Such requirements include, without limitation, obligations to comply with State financial reporting requirements, a requirement for the production of ad valorem tax revenues at no less than a three (3) mills ad valorem tax levy, exclusive of taxes levied for debt service or other special millages authorized by voters, and requirements relating to the qualifications law of enforcement personnel and firefighters. The City complies with such requirements and, although no assurance can be given, the City expects to continue to comply with such requirements in the future.

Limitation on Pledge of Guaranteed Entitlement. The State Revenue Sharing Act provides that local governments may not pledge for the payment of principal and interest on bonds or other forms of indebtedness any amounts received under the State Revenue Sharing Act in excess of the Guaranteed Entitlement. Notwithstanding the foregoing, the State Revenue Sharing Act allows up to fifty percent (50%) of the funds received under the Act in the year prior to the issuance of bonds or other forms of indebtedness to be pledged to the payment of the principal of and interest on such bonds or other forms of indebtedness. **Although the City receives funds from the State under the State Revenue Sharing Act in excess of the Guaranteed Entitlement, only the portion which constitutes the Guaranteed Entitlement is pledged as a portion of the Designated Revenues securing the Series 2020 Bonds and the Unrefunded Series 2012 Bonds and further, only the portion of the Guaranteed Entitlement that is not attributable to collections from the one-cent municipal fuel tax shall be included as a portion of the Designated Revenues.**

***Business Tax Revenues.*** Sections 205.013 - 205.1975, Florida Statutes, as amended (the “Local Business Tax Act”) authorizes any municipality within the State to levy a business tax for the privilege of engaging in or managing any business, profession or occupation within its jurisdiction (the “Business Tax”). The Business Tax may be levied upon businesses, professions or occupations within the City,

excluding customary religious, charitable or educational activities of nonprofit religious, nonprofit charitable and nonprofit educational institutions, and excluding any business, occupation or profession if a business tax thereon is prohibited by Section 8, Article I of the United States Constitution.

The taxes authorized by the Local Business Tax Act do not include fees or licenses paid to any board, commission or officer for permits, registrations, examinations or inspections. Unless otherwise provided by law, such fees or licenses are deemed to be regulatory and in addition to, but not in lieu of, Business Taxes authorized under the Local Business Tax Act.

The Business Tax is required to be based upon reasonable classifications and must be uniform throughout each classification. Business Taxes are required to be paid annually and receipts evidencing payment of the Business Tax (the "Local Business Tax Receipt") are effective from October 1 for the Fiscal Year paid, through September 30 of the following year. The Local Business Tax Act provides conditions for the establishment of the rate each municipality may charge as Business Taxes. Increases in the established Business Tax rate may only occur every other year, may not exceed five percent (5%) per rate increase, and must be enacted by ordinance by a vote of at least a majority, plus one, of the governing body of the municipality.

The Local Business Tax Act provides exemptions from the imposition of Business Taxes on (i) vehicles used for the sale and delivery of tangible personal property for a business that has paid its Business Tax; (ii) certain businesses conducting farm, horticultural and related activities, except when the product manufactured from such activities is intoxicating liquors, wine, or beer, (iii) temporary or transitory businesses or occupations regulated by the State's Department of Business and Professional Regulation when a Business Tax has been paid for the permanent business location, (iv) employees of any business that has paid its Business Tax, except for counties and municipalities that, pursuant to resolution or ordinance, imposed a Business Tax on employees prior to October 13, 2010, (v) individuals licensed and operating as a broker associate or sales associate under Chapter 475, Florida Statutes, as amended, (vi) certain disabled persons and veterans (including their unremarried spouses) physically incapable of manual labor, widows with minor dependents and persons 65 years of age or older, meeting all of the other conditions provided as qualifications for the exemption in the Local Business Tax Act and (vii) certain activities of religious and charitable organizations and mobile home operators relating to mobile home installation.

City Levy and Collections. The City levies its Business Tax under the provisions of City Code, Chapter 15, Article II, Section 15-26 *et seq.* Under such provisions of the City Code, the City imposes a Business Tax on every person engaging in or managing any business, profession or occupation who maintains a permanent business location or branch office within the City. Such persons are required to register their business with the City's business tax division and pay the Business Tax for such business on or before October 1 of each year.

Each business is required to pay the full amount of the Business Tax charged for such business; provided, however, that Local Business Tax Receipts obtained between April 1 and September 30 each year are only required to pay one-half ( $\frac{1}{2}$ ) of the full amount of the Business Tax for such business. The amount of the Business Tax to be paid by each business, profession and occupation is set forth in a schedule for such payments in City Code, Chapter 15, Article II, Section 15-57. Amounts to be paid are established by business classification. Unclassified businesses, professions and occupations are required to pay a Business Tax not in excess of \$157.50. The actual amount to be paid by any unclassified business is determined by the City's business tax division by choosing the classification most similar to the unclassified business.

Penalty for Nonpayment. Any Local Business Tax Receipt that is not renewed when due in any year is subject to a delinquency penalty of ten percent (10%) for the month of October and five percent (5%) for each subsequent month of delinquency until paid. However, the total delinquency penalty may not exceed twenty-five percent (25%) of the Business Tax due for the delinquent person or entity. Any person who engages in or manages any business, occupation or profession without first obtaining a Local Business Tax Receipt, if required, is subject to a penalty of twenty-five percent (25%) of the Business Tax due, in addition to any other penalty provided by law or ordinance of the City Commission.

Proposal to Repeal Authority to Levy Business Taxes. In recent years, attempts have been made to remove the ability to levy Business Taxes from the counties and municipalities of the State. For example, in 2019, House Bill 3 was adopted by The Florida House of Representatives to restrict local governments' authority to impose regulations on businesses and preempt them from creating their own occupational and professional licensing requirements. The provisions of House Bill 3, however, were not adopted by The Florida Senate in 2019. Another House Bill 3, providing essentially the same proposal as was adopted by the House of Representatives in 2019, has been presented for adoption in the current Florida legislative session. The current House Bill 3 would require existing local business and occupational license provisions to expire in 2022.

Article VII, Section 18 of the Florida Constitution provides limitations on the ability of the Florida Legislature to pass legislation which creates funding mandates for the counties and municipalities of the State or reduces the authority counties and municipalities had to raise revenues in the aggregate, as such authority existed on February 1, 1989. The Local Business Tax Act was enacted prior to February 1, 1989. If the provisions of Article VII, Section 18 of the Florida Constitution were determined to apply to any legislation to repeal the Local Business Tax Act, such provisions of the Constitution would require the Florida Legislature to approve the repeal by a two-thirds (2/3) vote of the membership of The Florida House of Representatives and The Florida Senate, respectively.

No assurance can be given that legislation to establish an expiration date for the Local Business Tax Act will not be passed in the current Florida Legislative session or during future sessions of the Florida Legislature, or that other attempts to repeal or limit the authority of counties and municipalities to levy or collect Business Taxes will not be made. In addition, no assurance can be given that if attempts are made to repeal or limit the authority of counties and municipalities to levy or collect Business Taxes, that Article VII, Section 18 of the Florida Constitution will govern such attempts. However, if such attempts are made and succeed, the City would have to determine if other legal authority exist for the levy and collection of Business Taxes or the Business Tax Revenues would no longer be available as Pledged Funds. For information relating to Business Tax Revenues as a portion of Designated Revenues generally, see "SECURITY AND SOURCES OF PAYMENT - Pledged Funds" and "PLEDGED FUNDS - Designated Revenues Collections" herein.

***Potential Limitations on Certain Designated Revenues.*** Similar to the Business Tax Revenues, the Public Service Tax Revenues and the Communications Services Tax Revenues are each distributed to the City pursuant to State statutes that do not guarantee the authorization for the collection of such revenues will remain in existence. Although no legislation to repeal the Public Service Tax Law or the Communications Services Tax Law has been introduced in the 2020 session of the Florida Legislature, legislation to amend definitions in the Communications Services Tax Law and to limit the application of certain provisions of the law have been passed in recent years. Such legislation has not had a material adverse impact on the collection of Communications Services Tax Revenues. However, additional proposals to limit the collection of Communications Services Tax Revenues have been presented in the 2020 session of the Florida Legislature, including a proposal to reduce the percentage municipalities can charge under the Communications Services Tax Law from 5.1% to 4.0% for charter counties and cities and

2.0% for noncharter counties and cities, effective January 1, 2022. No assurance can be given that, pursuant to action in the 2020 session of the Florida Legislature or by the Florida Legislature in the future: (i) additional changes will not be made to the Communications Services Tax Law, (ii) changes will not be made to the Public Service Tax Law, (iii) such changes to the Communications Services Tax Law or the Public Service Tax Law will not have a material adverse impact on the collection of Communications Services Tax Revenues or Public Service Tax Revenues, or (iv) a repeal of the Communications Services Tax Law or the Public Service Tax Law will not be attempted and, if attempted, will not be successful.

Also, see “PLEDGED FUNDS - Sources of Designated Revenues - Business Tax Revenues - Proposal to Repeal Authority to Levy Business Taxes” herein for a description of provisions of the Florida Constitution that may be applicable to certain efforts to reduce revenues received by the City under the general laws of the State of Florida. The Public Service Tax Law was enacted prior to February 1, 1989. The Communications Services Tax Law, enacted after February 1, 1989, constituted a simplification of certain provisions of the Public Service Tax Law and, as such, efforts to reduce revenues received under it may be governed by Article VII, Section 18 of the Florida Constitution as well. No assurance can be given, however, as to whether the provisions of Article VII, Section 18 of the Florida Constitution may be determined to be applicable to efforts to reduce revenues received by the City pursuant to the Communications Services Tax Law.

#### **Designated Revenues Collections**

The following table summarizes the actual receipt of funds constituting the Designated Revenues for the Fiscal Years ended September 30, 2010 through September 30, 2019 and the amount of such funds budgeted to be received for Fiscal Year 2020.

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**City of Fort Lauderdale, Florida  
Designated Revenues by Source**

	Communications Services Tax Revenues	Guaranteed Entitlement Revenues	Business Tax Revenues <sup>(2)</sup>	Public Service Tax Revenues			
Fiscal Year	Communications Services Tax	Guaranteed Entitlement <sup>(1)</sup>	Business Taxes	Florida Power & Light	Water	Gas	Total
2010	\$13,754,978	\$3,196,503	\$2,572,022	\$16,089,695	\$4,372,128	\$537,514	\$40,522,840
2011	13,511,021	3,196,503	2,853,959	16,252,773	4,462,340	499,504	40,776,100
2012	13,763,291	3,196,503	2,777,733	16,557,010	4,454,044	612,128	41,360,709
2013	13,033,664	3,196,503	2,965,445	17,705,388	4,694,296	448,260	42,043,556
2014	12,234,091	3,196,503	2,613,628	19,297,439	4,919,444	554,197	42,815,302
2015	12,043,826	3,196,503	2,402,441	19,464,714	5,544,371	569,807	43,221,662
2016	11,600,863	3,196,503	2,966,954	19,748,678	5,618,279	549,551	43,680,828
2017	11,133,921	3,196,503	2,910,301	20,213,066	6,104,403	544,639	44,102,833
2018	12,009,892	3,196,503	3,013,274	20,837,151	6,106,466	583,898	45,747,184
2019 <sup>(3)</sup>	11,438,640	3,196,503	3,133,976	21,415,178	6,755,372	569,325	46,508,994
2020 <sup>(4)</sup>	11,686,231	3,196,503	3,400,000	21,400,000	6,400,000	585,500	46,588,234

Source: City of Fort Lauderdale, Florida Department of Finance.

- (1) Represents the City's Guaranteed Entitlement, excluding any portion of the Guaranteed Entitlement attributable to revenues received by the City from the one-cent municipal fuel tax collections. The one-cent municipal fuel tax collections are required to be used for transportation related purposes. See "PLEDGED FUNDS - General" and "- Sources of Designated Revenues - Guaranteed Entitlement Revenues" herein.
- (2) See "PLEDGED FUNDS - General" and "- Sources of Designated Revenues - Business Tax Revenues - Proposal to Repeal Authority to Levy Business Taxes" herein.
- (3) Unaudited.
- (4) Budgeted.

**Sources of Non-Ad Valorem Revenues**

Set forth below is a description of each of the categories of non-ad valorem revenues collected or received by the City.

**Public Service Taxes.** Public Service Taxes constitute revenues collected pursuant to the Public Service Tax Law. Under the terms of the Bond Resolution, such revenues are not included in the definition of Non-Ad Valorem Revenues. See "PLEDGED FUNDS - General" and "- Sources of Designated Revenues" herein.

**Communications Services Tax.** Communications Services Taxes constitute revenues collected pursuant to the Communications Services Tax Law. Under the terms of the Bond Resolution, such revenues are not included in the definition of Non-Ad Valorem Revenues. See “PLEDGED FUNDS - General” and “- Sources of Designated Revenues” herein.

**Franchise Taxes.** Franchise taxes are derived from revenues received by the City pursuant to franchise agreements that the City has entered into with private entities to provide certain services within the City. Such services may include electric, gas, water, telephone, cable television, towing and rolloff container services. Section 337.401, Florida Statutes, as amended, also authorizes the City to grant public rights-of-way for the placing and maintaining along, across or on any road or publicly owned rail corridors within the jurisdiction of the City, electric transmission or other communication service lines or poles or pipelines, fences, gasoline tanks and pumps or other structures for any “utility,” as such term is defined in Section 337.401, Florida Statutes, as amended. The City is authorized to charge franchise fees in connection with the granting of such public rights-of-way in accordance with Section 337.401, Florida Statutes, as amended.

The City’s revenues from franchise fees currently consist of payments made by Florida Power & Light Company and Peoples Gas for the privilege of constructing upon and operating within rights-of-way owned by the City. Such franchise fees are paid pursuant to long-term agreements which provide for payment to the City of 6.0% of the entity’s gross revenue derived from accounts within the City limits, less (with respect to the franchise agreement with Florida Power & Light Company) minor fees previously paid to the City and actual write-offs from the sale of electrical energy. The current franchise agreements with Florida Power & Light Company and Peoples Gas expire on October 20, 2039 and January 23, 2048, respectively.

**Insurance Premium Taxes.** Insurance premium taxes constitute revenues collected pursuant to a levy of taxes on premiums paid to insurers within the City for insurance policies issued by such insurers. Revenues generated from insurance premium taxes are collected by the FDOR and deposited into the Department of Revenue Premium Tax Clearing Trust Fund. After subtracting an administration fee, the FDOR distributes to the appropriate local governments the amount of revenue generated from insurance premium taxes which each local government is entitled to receive. Such distributions are made by the FDOR within fifteen (15) days after the receipt of the insurance premium taxes. Under Chapter 624, Florida Statutes, as amended, insurance premium taxes are required to be paid quarterly.

Pursuant to Chapter 175, Florida Statutes, as amended, a portion of the insurance premium taxes available to the City are distributed to the Firefighters Supplemental Share Plan and held as a separate benefit for firefighters under the City’s defined benefit pension plan for police and firefighters. In addition, pursuant to Chapter 185, Florida Statutes, as amended, a portion of the insurance premium taxes available to the City are held as a separate benefit for police officers under the City’s defined benefit pension plan for police and firefighters. As a result, the insurance premium taxes are not considered Non-Ad Valorem Revenues for the Series 2020 Bonds.

**Charges for Services.** The City collects revenue from fees it charges for certain services it provides. Such fees include, without limitation: (i) fees received from the City’s community redevelopment agency for administrative services provided to such agency by the City, (ii) garbage and trash disposal and recycling fees, (iii) funds from internal services, (iv) charges for lien searches, lien collections, certifications and general photocopying, (v) planning and zoning fees, (vi) security system registration and monitoring fees, (vii) election filing fees, (viii) police towing and storage and other specific police department service fees, (ix) fire inspection and other specific fire department service fees, (x) fees for emergency medical services, and (xi) fees for the use of parks, playgrounds and related facilities and equipment.

***Intergovernmental Revenues.*** Intergovernmental revenues constitute amounts received by the City pursuant to federal, State and County statutory requirements or initiatives and local programs that are designed to fund specific needs and services within the City. Such revenues include, without limitation, amounts received from: (i) federal grants for emergency management, homeland security, economic development, transportation and technology; (ii) the State pursuant to (a) the State Revenue Sharing Act, (b) the gasoline tax refund under Chapter 206, Part I, Florida Statutes, as amended, (c) the half-cent sales tax under Chapter 218, Part VI, Florida Statutes, as amended, and (d) State grants for library services, emergency management and community affairs; (iii) Broward County resulting from business tax receipts and mobile home license fees, hazard materials cleanup and grants for emergency management, security and other City services; and (iv) museums, community colleges and other local entities. A portion of such revenues constitute Guaranteed Entitlement Revenues. Under the terms of the Bond Resolution, Guaranteed Entitlement Revenues are not included in the definition of Non-Ad Valorem Revenues. See “PLEDGED FUNDS - General” and “- Sources of Designated Revenues” herein.

***Licenses and Permits.*** Revenues from licenses and permits constitute amounts received by the City for fees charged (i) to obtain permits and pay business taxes to operate a business within the City and to satisfy penalties assessed in connection with certain licenses or permits, (ii) to obtain nonbusiness licenses and permits, and (iii) for certain registrations, inspections or certifications of use. Under the terms of the Bond Resolution, revenues received from taxes imposed on persons and entities for the privilege of operating a business within the City constitute a component of Designated Revenues and, as such, are not included in the definition of Non-Ad Valorem Revenues. See “PLEDGED FUNDS - General” and “- Sources of Designated Revenues” herein.

***Fines and Forfeitures.*** Revenues from fines and forfeitures constitute amounts received by the City from fines assessed by the courts, charges imposed for municipal code violations, confiscated money and property and fees charged for returned checks.

***Miscellaneous.*** Miscellaneous revenues include, without limitation, amounts received by the City from (i) interfund charges, fire assessment fees and payments made in lieu of taxes, including various pilot programs to provide certain services in the City where the entity providing such services was allowed to make certain payments in lieu of taxes otherwise required to be paid; (ii) the sale of surplus property; (iii) interest earnings on (a) the investment of moneys in the City’s General Fund, (b) current or delinquent taxes and (c) liens on property; (iv) rents and royalties from the City’s grant of licenses to provide certain services in the City and from its lease of certain property owned by the City, including, without limitation, fees received from its telecommunications license; and (v) contributions made to the City.

## **Non-Ad Valorem Revenues Collections**

The following table summarizes actual collections by the City of non-ad valorem funds for the Fiscal Years ended September 30, 2011 through September 30, 2019, budgeted collections for the Fiscal Year ending September 30, 2020, and the amount of such collections that would constitute Non-Ad Valorem Revenues under the Bond Resolution. See “SECURITY AND SOURCES OF PAYMENT - Pledged Funds - Non-Ad Valorem Revenues” herein. The availability of Non-Ad Valorem Revenues to be deposited into the Principal and Interest Account of the Debt Service Fund, as needed to cure a Debt Service Funding Deficiency, may be effectively limited by the City’s obligation to adopt a balanced budget, funding requirements for essential governmental services of the City and other limitations on the collection, appropriation or use of non-ad valorem funds by the City. Also see “PLEDGED FUNDS - General” and “THE CITY - Adjustments to Annual Budgets” herein. Unless otherwise expressly noted in the following table, no attempt has been made to quantify what portion of the non-ad valorem funds of the City will be affected by such limitations.

# **Non-Ad Valorem Revenues by Source<sup>(1)</sup>**

Fiscal Year Ended September 30,

Non Ad-Valorem Revenues	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	(Unaudited) <u>2019</u>	(Budgeted) <u>2020</u>
Public service taxes <sup>(2)</sup>	\$34,725,638	\$35,386,473	\$35,881,608	\$37,005,171	\$37,622,717	\$37,517,371	\$37,996,030	\$39,537,407	\$40,178,515	\$39,991,731
Franchise taxes	16,439,174	15,871,932	15,380,127	22,022,134	22,908,805	22,389,618	22,561,358	22,978,002	24,214,781	24,300,000
Insurance premium taxes	4,735,930	5,320,538	6,352,818	5,325,940	6,348,652	5,563,314	5,913,325	6,377,053	6,743,190	6,377,053
Licenses and Permits	3,122,525	3,029,521	3,188,765	2,851,851	2,598,064	3,187,277	3,151,476	3,293,314	3,538,903	3,770,200
Fines and Forfeitures	2,690,287	2,785,551	3,795,605	3,518,114	3,928,849	2,223,694	2,381,195	2,086,871	2,291,687	1,755,800
Intergovernmental	17,099,268	17,033,379	18,223,392	19,162,789	19,423,574	20,188,687	20,763,322	21,366,869	22,023,592	22,561,321
Charges for Services	19,426,937	20,138,971	20,410,205	21,282,698	23,105,065	23,318,716	23,227,000	23,524,591	24,141,593	23,178,734
Miscellaneous	<u>48,362,551</u>	<u>59,383,285</u>	<u>68,022,633</u>	<u>81,004,025</u>	<u>94,939,378</u>	<u>86,862,960</u>	<u>94,870,094</u>	<u>110,657,683</u>	<u>95,517,784</u>	<u>97,051,716</u>
TOTAL NON-AD VALOREM FUNDS	146,602,310	158,949,650	171,255,153	192,172,722	210,875,104	201,251,637	210,863,800	229,821,790	218,650,045	218,986,555
Less Amounts Not Legally Available <sup>(3)</sup>	(6,076,528)	(6,655,316)	(7,564,229)	(6,552,036)	(7,601,464)	(6,813,044)	(7,237,272)	(7,719,768)	(8,100,101)	(7,749,153)
Less Designated Revenues <sup>(4)</sup>	(40,776,100)	(41,360,709)	(42,043,556)	(42,815,302)	(43,221,662)	(43,680,828)	(44,102,833)	(45,747,184)	(46,508,994)	(45,973,003)
Less Debt Service Requirements <sup>(5)</sup>	<u>(3,167,048)</u>	<u>(3,007,054)</u>	<u>(28,918,003)</u>	<u>(24,584,312)</u>	<u>(23,968,431)</u>	<u>(24,424,658)</u>	<u>(24,594,326)</u>	<u>(24,876,741)</u>	<u>(25,130,651)</u>	<u>(25,130,652)</u>
TOTAL AVAILABLE NON-AD VALOREM REVENUES <sup>(6)</sup>	<u>\$ 96,582,634</u>	<u>\$107,926,571</u>	<u>\$ 92,729,365</u>	<u>\$118,221,072</u>	<u>\$136,083,547</u>	<u>\$126,333,107</u>	<u>\$134,929,369</u>	<u>\$151,478,097</u>	<u>\$138,910,299</u>	<u>\$140,133,747</u>

Source: City of Fort Lauderdale, Florida Department of Finance.



*Footnotes below are provided for the immediately preceding table on the immediately preceding page.*

- (1) Includes only non ad-valorem funds of the City that were deposited into the City's General Fund.
- (2) Also referred to as "utility taxes" or "utility services taxes" and includes Communications Services Tax Revenues.
- (3) Represents the insurance premium taxes available to the City that are held as a separate benefit for the City's firefighters and police officers, respectively, under the PFRS (as hereinafter defined) pursuant to Chapter 175, Florida Statutes, as amended (with respect to firefighters) and Chapter 185, Florida Statutes, as amended (with respect to police officers). See "PENSION PLANS - DEFINED Benefit Plans - Police and Firefighters Retirement System" herein. Also represents revenues received by the City from the one-cent municipal fuel tax collections that are not already deducted from the Guaranteed Entitlement Revenues. The one-cent municipal fuel tax collections are required to be used for transportation related purposes. See "PLEDGED FUNDS - Sources of Designated Revenues - Guaranteed Entitlement Revenues" herein.
- (4) Represents the Communications Services Tax Revenues, the Public Service Tax Revenues, the Guaranteed Entitlement Revenues and the Business Tax Revenues.
- (5) Increase beginning in Fiscal Year 2013 results from the pledge of Non-Ad Valorem Revenues to cure a Debt Service Funding Deficiency in connection with the issuance of the Series 2012 Bonds. See "SECURITY AND SOURCES OF PAYMENT - Pledged Funds - Non-Ad Valorem Revenues" herein.
- (6) Represents Non-Ad Valorem Revenues, as defined in the Bond Resolution.

### **Obligations Payable from Non-Ad Valorem Revenues**

The City has incurred indebtedness payable from its non-ad valorem funds which requires a portion of the Non-Ad Valorem Revenues to be used to pay such indebtedness. The portion of the Non-Ad Valorem Revenues used to pay such prior indebtedness of the City will not become Pledged Funds and, therefore, will not be available to satisfy Principal and Interest Requirements for the Series 2020 Bonds. See "SECURITY AND SOURCES OF PAYMENT - Issuance of Other Obligations" herein. The outstanding principal amount of the City's indebtedness payable from Non-Ad Valorem Revenues is currently \$7,865,600, with maximum annual debt service totaling \$2,804,843.

Set forth below is a description of the obligations that have been entered into by the City which are payable from and secured by the City's covenant to budget and appropriate, on an annual basis, legally available non-ad valorem revenues.

***Special Obligation Bonds, Series 2011A and Series 2011B.*** The City issued its Special Obligation Bond, Series 2011A in the aggregate principal amount of \$7,218,000 (the "Series 2011A Bond") and Special Obligation Bond, Series 2011B in the aggregate principal amount of \$2,546,000 (the "Series 2011B Bond" and, together with the Series 2011A Bond, the "Series 2011 Bonds") on September 9, 2011. The Series 2011A Bond was issued to finance a portion of the cost of acquiring, constructing, renovating, improving and equipping a list of twenty-seven (27) capital improvements within the City, as set forth in the resolution of the City Commission authorizing issuance of the Series 2011 Bonds. The Series 2011B Bond was issued to finance a portion of the cost of replacing the City's 800MHz Public Safety/Public Services Radio Communication System. The Series 2011A Bond is currently outstanding in the aggregate principal amount of \$3,771,000 and is scheduled to be paid through annual mandatory sinking fund prepayments through its final maturity on November 1, 2026. The Series 2011B Bond was paid in full on November 1, 2018.

***Special Obligation Refunding Bonds, Series 2010A and Series 2010B.*** The City issued its Special Obligation Refunding Bond, Series 2010A in the aggregate principal amount of \$14,015,000 (the "Series 2010A Bond") and Special Obligation Refunding Bond, Series 2010B in the aggregate principal amount of \$10,095,000 (the "Series 2010B Bond" and, together with the Series 2010A Bond, the "Series 2010 Bonds") on October 29, 2010. The Series 2010A Bond was issued to current refund the City's Special

Obligation Refunding Bond, Series 2008A, which was issued to refund various variable rate loans entered into by the City to finance various capital projects. The Series 2010B Bond was issued to refinance the City's Special Obligation Note, Series 2008B, which Note was entered into by the City to finance various capital improvements within the City. The Series 2010A Bond is currently outstanding in the aggregate principal amount of \$1,277,200, which is scheduled to be paid in full on September 1, 2020. The Series 2010B Bond is currently outstanding in the aggregate principal amount of \$2,817,400, with principal scheduled to be paid through annual mandatory sinking fund prepayments due each September 1, until final maturity on September 1, 2022.

Set forth below is a table that shows all of the currently outstanding debt of the City that is payable from legally available non-ad valorem funds of the City. Except for the Series 2020 Bonds and the Unrefunded Series 2012 Bonds, upon issuance of the Series 2020 Bonds, the City will not have any obligations outstanding that have a lien on, or are secured solely by, the Designated Revenues or any specific revenue source comprising the Designated Revenues.

#### **Outstanding Non-Ad Valorem Debt**

<u>Outstanding Obligation</u>	<u>Final Maturity</u>	<u>Outstanding Principal Amount</u>	<u>Percent of Total</u>	<u>Maximum Annual Debt Service</u>
Special Obligation Bond, Series 2011A	2026	\$3,771,000	47.94%	\$ 597,064
Special Obligation Bond, Series 2010A	2020	1,277,200	16.24	1,308,236
Special Obligation Bond, Series 2010B	2022	<u>2,817,400</u>	35.82	<u>989,543</u>
TOTAL		<u>\$7,865,600</u>	<u>100.00%</u>	<u>\$2,804,843</u>

Source: City of Fort Lauderdale, Florida Department of Finance.

In addition to the Series 2010 Bonds, the Series 2011A Bond, the Unrefunded Series 2012 Bonds and the Series 2020 Bonds to be issued, the City may incur other indebtedness in the future secured by the City's covenant to budget and appropriate legally available non-ad valorem funds. Further, the City may pledge as security for other obligations certain specified funds which constitute Non-Ad Valorem Revenues. Such Non-Ad Valorem Revenues would be required to be applied to said obligations and, to the extent so applied, would not be available for use as Non-Ad Valorem Revenues under the Bond Resolution. However, see "SECURITY AND SOURCES OF PAYMENT - Additional Bonds" and "- Issuance of Other Obligations" herein. The City does not have any current plans to issue obligations secured by its covenant to budget and appropriate legally available non-ad valorem funds.

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## Historical and Projected Debt Service Coverage

Set forth below is a table that shows the collection of Designated Revenues for Fiscal Years 2014 through 2019, the Designated Revenues budgeted for Fiscal Year 2020, and the debt service coverage of such Designated Revenues, based on the Maximum Principal and Interest Requirement for the Outstanding Series 2012 Bonds during such Fiscal Years and, for Fiscal Year 2020, prior to the issuance of the Series 2020 Bonds.

### Historical Designated Revenues, Debt Service and Debt Service Coverage

	<u>A</u>	<u>B</u>	<u>C=A/B</u>
<u>Fiscal Year</u>	Total Designated Revenues <sup>(1)</sup>	Obligations Secured by Designated Revenues (Series 2012 Bonds) <sup>(2)</sup>	Debt Service Coverage on Series 2012 Bonds <sup>(2)</sup>
2014	\$42,815,302	\$28,197,153	1.52x
2015	43,221,662	28,197,153	1.53
2016	43,680,828	28,197,153	1.55
2017	44,102,833	28,197,153	1.56
2018	45,747,184	28,197,153	1.62
2019 <sup>(3)</sup>	46,508,994	28,197,153	1.65
2020 <sup>(4)</sup>	46,588,234	28,197,153	1.65

Source: City of Fort Lauderdale, Florida Department of Finance.

- (1) Represents the Communications Services Tax Revenues, the Public Service Tax Revenues, the Guaranteed Entitlement Revenues and the Business Tax Revenues.
- (2) Represents the Maximum Principal and Interest Requirement for the Series 2012 Bonds prior to issuance of the Series 2020 Bonds. Such Maximum Principal and Interest Requirement is expected to decrease as a result of the issuance of the Series 2020 Bonds (which will increase the debt service coverage amounts). See "DEBT SERVICE SCHEDULE" herein. The Maximum Principal and Interest Requirement for the Series 2012 Bonds prior to issuance of the Series 2020 Bonds was scheduled to occur in Fiscal Year 2023.
- (3) Designated Revenues reflect the unaudited amount determined to have been collected for the Fiscal Year.
- (4) Designated Revenues reflect amount budgeted for the Fiscal Year.

Set forth below is a table that shows the Principal and Interest Requirements scheduled to be paid on the Series 2012 Bonds prior to issuance of the Series 2020 Bonds, the collection of Designated Revenues for Fiscal Year 2018 (the most recent year for which audited amounts are available), the coverage of such Principal and Interest Requirements on the Series 2012 Bonds, based on the Fiscal Year 2018 Designated Revenues collections, existing debt payable from non-ad valorem funds of the City and the total amount of debt that is payable from non-ad valorem funds of the City, including the Principal and Interest Requirements on the Series 2012 Bonds prior to issuance of the Series 2020 Bonds. Principal and Interest Requirements are only payable on any Bonds from Non-Ad Valorem Revenues under the conditions set forth in the Bond Resolution. See "SECURITY AND SOURCES OF PAYMENT - Pledged Funds" herein.

For a description of the existing debt payable from non-ad valorem funds of the City, see “PLEDGED FUNDS - Obligations Payable from Non-Ad Valorem Revenues” herein.

**Historical Designated Revenues,  
Existing Debt Service and Projected Coverage**

Series 2012 Bonds <sup>(1)</sup>							
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Designated Revenues <sup>(2)</sup></u>	<u>Designated Revenues Coverage</u>	<u>Existing Non-Ad Valorem Debt <sup>(3)</sup></u>	<u>Total Non-Ad Valorem Debt <sup>(1)(3)</sup></u>
2021	\$ 19,455,000	\$ 8,731,916	\$ 28,186,916	\$ 45,747,184	1.62x	\$1,586,559	\$ 29,773,476
2022	20,115,000	8,073,933	28,188,933	45,747,184	1.62	1,585,715	29,774,648
2023	20,840,000	7,357,153	28,197,153	45,747,184	1.62	596,858	28,794,011
2024	19,245,000	6,616,778	25,861,778	45,747,184	1.77	597,064	26,458,842
2025	17,295,000	5,896,515	23,191,515	45,747,184	1.97	596,793	23,788,307
2026	16,375,000	5,190,188	21,565,188	45,747,184	2.12	597,030	22,162,218
2027	16,520,000	4,462,808	20,982,808	45,747,184	2.18	596,761	21,579,570
2028	17,245,000	3,646,001	20,891,001	45,747,184	2.19	- 0 -	20,891,001
2029	20,195,000	2,683,232	22,878,232	45,747,184	2.00	- 0 -	22,878,232
2030	15,135,000	1,774,721	16,909,721	45,747,184	2.71	- 0 -	16,909,721
2031	13,055,000	1,049,815	14,104,815	45,747,184	3.24	- 0 -	14,104,815
2032	<u>13,885,000</u>	<u>357,053</u>	<u>14,242,053</u>	<u>45,747,184</u>	3.21	<u>- 0 -</u>	<u>14,242,053</u>
<b>TOTAL</b>	<b><u>\$209,360,000</u></b>	<b><u>\$55,840,113</u></b>	<b><u>\$265,200,113</u></b>	<b><u>\$548,966,208</u></b>		<b><u>\$6,156,780</u></b>	<b><u>\$271,356,894</u></b>

Source: City of Fort Lauderdale, Florida Department of Finance.

- (1) Represents Principal and Interest Requirements for the Series 2012 Bonds prior to issuance of the Series 2020 Bonds. Such Principal and Interest Requirements are expected to decrease as a result of the issuance of the Series 2020 Bonds (which will increase the Designated Revenues coverage amounts).
- (2) Represents Designated Revenues for the Fiscal Year ended September 30, 2018. See “PLEDGED FUNDS - Designated Revenues Collections” herein.
- (3) Consists of the Series 2010 Bonds and the Series 2011A Bond. See “PLEDGED FUNDS - Obligations Payable from Non-Ad Valorem Revenues” herein.

**THE CITY**

**General**

The City, located in the heart of a robust, diversified growth region on the southeast coast of Florida, contains approximately thirty-six (36) square miles and had an estimated population of approximately 186,220, as of September 30, 2019. The City was incorporated in 1911 and operates under a City Charter, which provides for a Commission-Manager form of government. The government consists

of a five (5) member City Commission elected by district, including a mayor elected at large. All elections are on a nonpartisan basis. The City Commission appoints a city manager. The current City Manager is Christopher J. Lagerbloom, who became the City Manager on January 1, 2019.

The City provides a full range of municipal services, including public safety (police and fire protection), planning and zoning, parks and recreation, water, sewer, sanitation and economic development services. Marine commerce and tourism are the City's top two (2) major economic industries, with manufacturing, industrial and commercial business and corporate and regional offices serving to diversify the City's economic base. For more information about the City, the services it provides, its budget and fiscal policies and the area economy, see "APPENDIX A - General Information regarding the City of Fort Lauderdale, Florida and Broward County, Florida."

### **Adjustments to Annual Budgets**

Similar to most governmental entities in the State, the effects of the economic downturn experienced throughout the United States and internationally approximately a decade ago produced decreases in total revenues collected by the City for several years. In response to projected revenue shortfalls for such years, the City took measures each year to increase projected revenues or decrease projected expenditures, as needed, to balance its budget. For example, projected revenue shortfalls ranged from approximately \$31.0 million for Fiscal Year 2011 to approximately \$48.4 million for Fiscal Year 2013. In each year the City was able to make adjustments in planned expenditures and transfers of revenues into its General Fund to address the projected shortfalls.

The City's economy began to improve following Fiscal Year 2013. Such improvement has continued each year thereafter and, assuming the absence of another significant economic downturn, is reasonably expected to continue. For the foreseeable future, the City does not anticipate the need to take extraordinary measures or to make extraordinary transfers of revenues into its General Fund to address any projected budgetary shortfalls. However, to the extent unforeseeable shortfalls in anticipated ad valorem revenues occur in the future, such shortfalls could require the City to re-allocate certain non-ad valorem funds. Such re-allocation, if made, could limit the amount of Non-Ad Valorem Revenues available for deposit into the Principal and Interest Account of the Debt Service Fund to cure any Debt Service Funding Deficiency. See "SECURITY AND SOURCES OF PAYMENT - Pledged Funds - Non-Ad Valorem Revenues" herein.

## **PENSION PLANS**

### **Defined Benefit Plans**

#### General Employees Retirement System

*General.* The General Employees Retirement System (the "GERS") is a single-employer defined benefit plan administered by an eight (8) member board of trustees (the "GERS Board of Trustees"). The GERS covers all City employees, except police and firefighters. Through collective bargaining with the general, supervisory and professional City employees, a new single-employer defined contribution pension plan was established for Teamster Union employees hired on or after October 1, 2007, supervisory union employees hired on or after November 7, 2007, and all other non-union employees hired on or after February 20, 2008. The GERS was then closed to new entrants.

Under Ordinance No. C-11-34 adopted by the City Commission on December 6, 2011, a Bonus Incentive Program was offered to members of the GERS eligible for either early or normal retirement as

of December 1, 2011. Eligible members were granted thirty (30) additional months of service for both benefit and eligibility purposes if, during the election period from December 7, 2011 through February 1, 2012, they elected to retire between December 14, 2011 and March 16, 2012. There were 134 members who elected to retire under the Bonus Incentive Program for GERS members. The impact of the Bonus Incentive Program reflects the replacement of twenty percent (20%) of the members who retired under the program with promotions of the highest-paid remaining active members. The salaries of expected promoted members were increased by five percent (5%).

The City's payroll for employees covered by the GERS after the plan change applicable to the September 30, 2013 actuarial valuation was approximately \$57,217,000. The total City payroll at that time was approximately 158,475,000. As of the September 30, 2019 valuation date (which is the most recent actuarial valuation for the GERS), employee membership data related to the GERS was as follows:

**GERS Employee Membership**

Retirees and beneficiaries currently receiving benefits	1,417
Terminated employees entitled to benefits but not yet receiving them	93
Fully, partially and non-vested active plan participants	610
Participants in DROP	<u>22</u>
Total	<u><u>2,142</u></u>

Source: City of Fort Lauderdale, Florida General Employees Retirement System Actuarial Report  
as of September 30, 2019, Gabriel Roeder Smith & Company, March 9, 2020.

Under the vesting provisions of the GERS, employees are entitled to one hundred percent (100%) of normal retirement benefits after five (5) years of service. Employees who are terminated prior to vesting are entitled to a refund of employee contributions, plus interest at three percent (3.0%) per year. Employees are eligible to retire after thirty (30) years of service, regardless of age, or at age fifty-five (55), with five (5) years of service. Members who continue in employment past normal retirement may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Plan (the "DROP"). Each participant of the GERS in the DROP has an account credited with benefits not received, plus interest. Participation in the DROP must end no later than thirty-six (36) months after normal retirement. Certain employees hired on or after October 1, 1983 electing reduced benefits are entitled to one hundred (100%) of normal retirement benefits after ten (10) years of service, beginning at age sixty-five (65).

Employees contribute from four to six percent (4.0% to 6.0%) of their earnings to the plan. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of September 30 each year. For Fiscal Year 2019, the City's contribution rate, as a percentage of annual covered payroll, was 20.53% or \$8,824,651. Based on the City's most recent actuarial report for the GERS prepared by Gabriel Roeder Smith & Company, dated March 9, 2020 (the "GERS Actuarial Report"), the required City contribution for the Fiscal Year ending September 30, 2020, as a percentage of annual covered payroll, will be 19.19%, a decrease of 1.34.% compared to 23.53% for the Fiscal Year ended September 30, 2019. The GERS Actuarial Report provided

that the City's dollar contribution would be \$8,164,058 for Fiscal Year 2020, compared to \$8,824,651 for Fiscal Year 2019.

The investment return assumption for the GERS is 7.20%. The GERS investment return assumption was lowered from 7.30% to 7.20% for the Fiscal Year ended September 30, 2019 valuation and will continue to be lowered in ten (10) basis point increments each year until 7.00% is reached (effective in the September 30, 2021 actuarial valuation). The assumption change increased the required contribution by about \$747,000.

Beginning in Fiscal Year 2013, the GERS Board of Trustees lowered the base of the amortization period for new unfunded actuarial accrued liability for the GERS from 29 years to 28 years. Such base has been lowered by one (1) year in each year following Fiscal Year 2013 and, unless determined otherwise by the GERS Board of Trustees, will continue to be lowered by one (1) year for each year in the future. As of September 30, 2019, such base has been lowered from 24 years to 23 years.

Annual Pension Cost and Net Pension Liability. Annual pension cost is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The annual pension costs for the GERS for the Fiscal Years ended September 30, 2015 through 2019 and ending September 30, 2020 are as follows:

**City of Fort Lauderdale, Florida**  
**GERS Annual Pension Fund Costs**

<u>Fiscal Year Ended September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Amount Contributed</u>	<u>Percent Contributed</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a Percent of Covered Payroll</u>
2015	\$15,501,180	\$15,501,180	100%	\$57,804,651	26.82%
2016	14,393,012	14,393,012	100	53,951,321	26.68
2017	14,650,881	14,650,881	100	47,494,154	30.85
2018	10,459,835	10,459,835	100	45,140,076	23.17
2019	8,824,651	8,824,651	100	42,975,708	20.53
2020*	8,164,058	8,164,058	100	42,540,322	19.19

Source: City of Fort Lauderdale, Florida General Employees Retirement System Actuarial Report as of September 30, 2019, Gabriel Roeder Smith & Company, March 9, 2020.

\* Estimated.

The City's net pension liability and related ratios for the GERS for the Fiscal Years ended September 30, 2017 through 2019, and estimated for the Fiscal Year ending September 30, 2020, are as follows:

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**City of Fort Lauderdale, Florida**  
**GERS Net Pension Liability**

	Fiscal Year Ended September 30			
	<u>2020<sup>(1)</sup></u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 8,383,056	\$ 8,740,748	\$ 9,080,935	\$ 9,607,674
Interest	49,343,862	49,004,369	48,592,554	46,437,709
Changes of Benefit Terms	—	—	—	—
Differences between Actual and Expected Experience	(938,593)	(6,046,993)	(7,758,188)	(1,676,483)
Assumption Changes <sup>(2)</sup>	6,862,035	6,715,780	6,581,878	14,797,404
Benefit Payments	(45,876,532)	(42,784,488)	(40,797,248)	(38,843,113)
Refunds of Employee Contributions	<u>(1,725)</u>	<u>(5,452)</u>	<u>(85,828)</u>	<u>(90,430)</u>
<b>Net Change in Total Pension Liability</b>	17,772,103	15,623,964	15,614,103	30,232,761
Total Pension Liability (Beginning of Year)	<u>690,499,384</u>	<u>674,875,420</u>	<u>659,261,317</u>	<u>629,028,556</u>
Total Pension Liability (End of Year) (a)	<u><u>\$708,271,487</u></u>	<u><u>\$690,499,384</u></u>	<u><u>\$674,875,420</u></u>	<u><u>\$659,261,317</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 8,164,058	\$ 8,824,651	\$ 10,459,835	\$ 14,650,881
Contributions - Employees	2,543,319	2,592,025	2,741,096	2,978,329
Net Investment Income	47,023,324	14,518,545	58,237,325	88,659,514
Benefit Payments	(45,876,532)	(42,784,488)	(40,797,248)	(38,843,113)
Refunds of Employee Contributions	(1,725)	(5,452)	(85,828)	(90,430)
Administrative Expense	<u>(544,417)</u>	<u>(544,417)</u>	<u>(472,181)</u>	<u>(445,475)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	11,308,027	(17,399,136)	30,082,999	66,909,706
Plan Fiduciary Net Position (Beginning of Year)	<u>666,877,340</u>	<u>684,276,476</u>	<u>654,193,477</u>	<u>587,283,771</u>
Plan Fiduciary Net Position (End of Year) (b)	<u><u>\$678,185,367</u></u>	<u><u>\$666,877,340</u></u>	<u><u>\$684,276,476</u></u>	<u><u>\$654,193,477</u></u>
City's Net Pension Liability (End of Year) (a) - (b)	\$ 30,086,120	\$ 23,622,044	\$ (9,401,056)	\$ 5,067,840
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	95.75%	96.58%	101.39%	99.23%
Covered Employee Payroll	\$ 42,540,322	\$ 42,975,708	\$ 45,140,076	\$ 47,494,154
<b>City's Net Position Liability as a Percentage of Covered-Employee Payroll</b>	70.72%	54.97%	-20.83%	10.67%

Source: City of Fort Lauderdale, Florida General Employees Retirement System Actuarial Report as of September 30, 2019, Gabriel Roeder Smith & Company, March 9, 2020.

Footnotes for the immediately preceding table are provided on the next page.



- (1) Estimated.
- (2) For a detailed description of the changes made in the assumptions for the GERS, reference is made to the Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida and the Actuarial Report for each of the years indicated, a copy of any of which may be obtained by contacting the City's Director of Finance at 100 North Andrews Avenue, Fort Lauderdale, Florida 33301, Telephone number: (954) 828-5167, Facsimile number: (954) 828-5168, Email address: [finance@fortlauderdale.gov](mailto:finance@fortlauderdale.gov).

### Police and Firefighters Retirement System

*General.* In addition to the GERS, the City provides pension coverage for all of its police and firefighters through the Police and Firefighters Retirement System (the "PFRS"). The PFRS is a single-employer defined benefit plan administered by an eight (8) member board of trustees. The City's payroll for employees covered by the PFRS applicable to the October 1, 2018 actuarial valuation (which is the most recent actuarial valuation for the PFRS) was approximately \$72,960,842. The total City payroll at that time was approximately \$206,456,122. As of the valuation date, employee membership data related to the PFRS was as follows:

#### **PFRS Employee Membership**

Retirees and beneficiaries currently receiving benefits	947
Terminated employees entitled to benefits but not yet receiving them	24
Fully, partially and non-vested active plan participants	793
Participants in DROP	<u>133</u>
Total	<u><u>1,897</u></u>

Source: City of Fort Lauderdale Police and Firefighters' Retirement System Actuarial Valuation Report as of October 1, 2018, Foster & Foster, Inc., April 11, 2019.

Under the vesting provisions of the PFRS, employees are entitled to one hundred percent (100%) of normal retirement benefits after ten (10) years of service. Employees who are terminated prior to vesting are entitled to a refund of employee contributions, plus interest at three percent (3.0%) per year. Employees are eligible to retire after twenty (20) years of service, regardless of age, or at age fifty-five (55), with ten (10) years of service. Members who continue in employment after completion of twenty (20) years of service may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant of the PFRS in the DROP has an account credited with benefits not received, plus interest. Participation in the DROP must end no later than sixty (60), seventy-two (72), eighty-four (84) or ninety-six (96) months after normal retirement, depending on years of service. DROP participants shall contribute ten percent (10.0%), one and three-quarters percent (1.75%) or one and one-half percent (1.50%) of their earnings to the PFRS, depending upon such participant's number of years of service and length of time participating in DROP. Employees covered by the PFRS do not receive a refund of contributions made while participating in DROP.

Effective October 1, 2018 for firefighters and October 1, 2017 for police officers, employees covered by the PFRS are required to contribute ten percent (10.0%) of their earnings to the plan, up from the eight and one-quarter percent (8.25%) to eight and one-half percent (8.50%) previously required. In

addition, contributions in the amount of \$6,380,918 were received from the State from fire and casualty insurance premium taxes. These on-behalf payments were also recognized as tax revenues and public safety expenditures in the General Fund. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of October 1 each year. According to the City's Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2018, for Fiscal Year 2018, the City's and the State's contribution rates, as percentages of annual covered payroll, were 26.49% (\$19,328,568) and 8.75% (\$6,680,918), respectively. See "APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year Ended September 30, 2018" and, in particular, Item 2 in Note 15 of the Notes to the Financial Statements. Based on the City's most recent actuarial report for the PFRS prepared by Foster & Foster, Inc., dated April 11, 2019 (the "PFRS Actuarial Report"), the required City contribution for the Fiscal Year ending September 30, 2020, as a percentage of annual covered payroll, will be 23.6%, a decrease of 3.2% compared to 26.8% for the Fiscal Year ended September 30, 2019. The PFRS Actuarial Report provides that the City's dollar contribution will be approximately \$17,923,079 for Fiscal Year 2020, as compared to \$19,559,898 for Fiscal Year 2019, with a contribution from the State estimated at \$4,790,890 in each year.

In connection with the ratification of the City's collective bargaining agreement with the International Association of Fire Fighters on June 16, 2015, the retirement benefits of the PFRS were modified for new City employees hired as firefighters. For the accrual of normal retirement benefits, the PFRS provides a formula of 3.38% of a firefighters' average final compensation during the highest two (2) years of creditable service, up to a maximum of eighty-one percent (81%) of such average final compensation. Firefighters under the PFRS may elect to have their full retirement benefits paid to their spouse for up to one (1) year following the firefighter's death, with sixty percent (60%) of such benefits paid to the spouse thereafter, until such spouse's death or remarriage. If a firefighter ceases to be employed by the City after ten (10) years of creditable service, such firefighter is entitled to have vested retirement benefits returned, plus three percent (3.0%) interest on the returned amount.

Effective June 16, 2015, all firefighters hired on or after October 1, 2014 shall, among other changes:

1. accrue retirement benefits at the rate of three percent (3.0%) of the firefighters' average final compensation, instead of 3.38%, up to a maximum of seventy-five percent (75%) of such compensation, instead of eighty-one percent (81%);
2. have their average final compensation calculated based on the firefighter's average compensation for the five (5) highest years of compensation during all of the firefighter's years of creditable service, instead of the two (2) highest years of compensation;
3. have retirement benefits payable for ten (10) years following employment, with a life annuity provided thereafter, instead of having full benefits paid during the life of the retiree, with certain benefits paid to the surviving spouse thereafter;
4. have the ninety-six (96) month maximum DROP participation reduced by one (1) month for every month of employment after twenty-five (25) years of creditable service; and
5. have vested retirement benefits returned to them if they leave City employment prior to normal retirement, but without the payment of interest on such vested retirement benefits, instead of being entitled to receive three percent (3.0%) interest.

In addition to the changes applicable to firefighters hired on or after October 1, 2014, as of June 16, 2015, all firefighters under the PFRS shall have the funds made available for firefighters pursuant to Florida Statutes, Chapter 175 retained by the City. The amount retained shall be based on the special formula set forth in the PFRS to determine the amount of Chapter 175 premium tax revenues that the City will be able to utilize to offset its funding requirements, effective for the plan year beginning on October 1, 2014. Prior to the June 16, 2015 changes, Florida Statutes, Chapter 175 premium tax revenues available to the City were deposited into the Firefighters Supplemental Share Plan and held as a separate benefit for the City's firefighters under the PFRS.

The changes in the PFRS described above for firefighters hired on and after October 1, 2014 were also adopted on December 3, 2013 for police officers hired after March 31, 2014. At such time the City also determined that, instead of depositing all of the premium tax revenues made available for police officers pursuant to Florida Statutes, Chapter 185 into a separate account for the benefit of the City's police officers, it would retain a portion of such premium tax revenues to offset its annual required contribution to the PFRS. Based on projections prepared by actuarial consultants for the City, it is anticipated that the revisions to the PFRS for firefighters, in connection with the approval of the firefighters' collective bargaining agreement on June 16, 2015, and for police officers, in connection with the approval of the police officers' collective bargaining agreements on December 3, 2013 (taking into consideration salary growth changes already approved for police officers), will generate a combined total of approximately \$198 million in pension savings over the thirty (30) year period following such revisions.

The investment return assumption for the PFRS for the most recent actuarial valuation is 7.35%, which was lowered from the 7.40% assumption used in the prior year's actuarial valuation. The board of trustees has approved a five (5) basis point decrease in the investment return assumption for the PFRS each year until the assumed rate reaches 7.0%. The assumption change increased the required contribution by approximately \$550,000. In addition, for the September 30, 2017 measurement date, the inflation assumption rate for the PFRS was updated from 2.30% to 2.75% and remained at 2.75% for the September 30, 2018 measurement date. For the Fiscal Year 2016 measurement period, the inflation assumption rate for the PFRS was lowered from 3.0% to 2.30% to match the long-term inflation assumption utilized by the investment consultant for the PFRS. For 2018, the inflation rate assumption of the investment advisor for the PFRS was 2.50%.

Annual Pension Cost and Net Pension Liability. The annual pension cost for the PFRS for the last five (5) Fiscal Years for which actuarial reports have been provided are as follows:

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**City of Fort Lauderdale, Florida**  
**PFRS Annual Pension Fund Costs**

<u>Fiscal Year Ended September 30</u>	<u>Actuarially Determined Contribution</u>	<u>Amount Contributed</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a Percent of Covered Payroll</u>
2014	\$19,012,474	\$19,012,474	—	\$67,279,327	28.26%
2015	18,913,469	18,913,469	—	68,064,001	27.79
2016	17,665,942	17,996,531	\$(330,589)	69,470,881	25.91
2017	21,265,207	21,604,408	(339,201)	71,050,792	30.41
2018	23,513,971	24,109,739	(595,768)	72,960,842	33.04

Source: Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year Ended September 30, 2018.

The City's net pension liability and related ratios for the PFRS for the Fiscal Years ended September 30, 2015 through 2018 are as follows:

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**City of Fort Lauderdale, Florida**  
**PFRS Net Pension Liability**

	Fiscal Year Ended September 30			
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>				
Service Cost	\$ 20,478,769	\$ 20,106,284	\$ 19,199,538	\$ 18,531,300
Interest	68,505,318	65,765,964	62,181,617	60,367,031
Share Plan Allocation	1,599,747	1,653,054	1,732,185	1,826,197
Changes of Benefit Terms	6,411	—	—	1,097,988
Differences between Actual and Expected Experience	(1,668,323)	(2,762,831)	(5,100,657)	(7,319,054)
Assumption Changes*	4,790,360	10,692,637	16,504,779	(2,194,981)
Contributions - Buy Back	2,371,335	24,749	73,763	43,865
Contributions - Transfer from General Plan	—	—	—	26,692
Benefit Payments - Including Employee Refunds	<u>(47,417,274)</u>	<u>(46,564,184)</u>	<u>(48,849,184)</u>	<u>(46,660,430)</u>
<b>Net Change in Total Pension Liability</b>	48,666,343	48,915,673	45,742,041	25,718,608
Total Pension Liability (Beginning of Year)	<u>928,971,000</u>	<u>880,055,327</u>	<u>834,313,286</u>	<u>808,594,678</u>
Total Pension Liability (End of Year) (a)	<u>\$977,637,343</u>	<u>\$928,971,000</u>	<u>\$880,055,327</u>	<u>\$834,313,286</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 19,328,568	\$ 17,325,393	\$ 13,867,934	\$ 15,999,916
Contributions - State	6,380,918	5,932,067	5,860,782	5,799,228
Contributions - Employees	6,838,045	5,901,142	5,732,925	5,584,263
Contributions - Buy Back	2,371,335	24,749	73,763	43,865
Contributions - Transfer from General Plan	—	—	—	26,692
Net Investment Income	61,903,958	96,510,340	63,676,001	5,969,880
Benefit Payments - Including Employee Refunds	<u>(47,417,274)</u>	<u>(46,564,184)</u>	<u>(48,849,184)</u>	<u>(46,660,430)</u>
Administrative Expense	<u>(648,453)</u>	<u>(619,575)</u>	<u>(651,146)</u>	<u>(692,348)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	48,757,097	78,509,932	39,711,075	(14,328,934)
Plan Fiduciary Net Position (Beginning of Year)	<u>892,770,476</u>	<u>814,260,544</u>	<u>774,549,469</u>	<u>788,878,402</u>
Plan Fiduciary Net Position (End of Year) (b)	<u>\$941,527,573</u>	<u>\$892,770,476</u>	<u>\$814,260,544</u>	<u>\$774,549,468</u>
City's Net Pension Liability (Year End) (a) - (b)	\$ 36,109,770	\$ 36,200,524	\$ 65,794,783	\$ 59,763,818
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	96.31%	96.10%	92.52%	92.84%
Covered Employee Payroll	\$ 72,960,842	\$ 71,050,792	\$ 69,470,181	\$ 68,064,001
<b>City's Net Position Liability as a Percentage of Covered-Employee Payroll</b>	49.49%	50.95%	94.71%	87.81%

Source: Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year Ended September 30, 2018.

*Footnote below is provided for the immediately preceding table on the immediately preceding page.*

- \* For a detailed description of the changes made in the assumptions for the PFRS, reference is made to the Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida and the Actuarial Report for each of the years indicated, a copy of any of which may be obtained by contacting the City's Director of Finance at 100 North Andrews Avenue, Fort Lauderdale, Florida 33301, Telephone number: (954) 828-5167, Facsimile number: (954) 828-5168, Email address: [finance@fortlauderdale.gov](mailto:finance@fortlauderdale.gov).

The benefit provisions and all other requirements of the City's defined benefit plans are established by ordinance enacted by the City Commission.

#### Additional Information

For more detailed information relating to the GERS and the PFRS, including, without limitation, a description of the actuarial methods and assumptions used to determine annual required contributions for the GERS and the PFRS, see "APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year ended September 30, 2018" and, in particular, Note 15 of the Notes to the Financial Statements and the information provided in the Required Supplementary Information.

The GERS issues a publicly available financial report that includes financial statements and required supplementary information. That report and other documents and information relating to the GERS may be obtained online at [www.citypension.com](http://www.citypension.com) or by writing the Board of Trustees for the GERS at the following address:

Board of Trustees of the City of Fort Lauderdale  
General Employees' Retirement System  
316 NE Fourth Street, Suite 2  
Fort Lauderdale, Florida 33301

The PFRS also issues a publicly available financial report that includes financial statements and required supplementary information. That report and other documents and information relating to the PFRS may be obtained online at [www.ftlaudpfpension.com](http://www.ftlaudpfpension.com) or by writing the Board of Trustees for the PFRS at the following address:

Board of Trustees of the City of Fort Lauderdale  
Police and Firefighters' Retirement System  
888 South Andrews Avenue, Suite 202  
Fort Lauderdale, Florida 33316

#### **Defined Contribution Plans**

##### General Employees Defined Contribution Plan

The General Employees Defined Contribution Plan is a single-employer defined contribution plan administered for the City by ICMA Retirement Corporation ("ICMA-RC"). The plan covers all City employees hired on or after October 1, 2007, except police and firefighters. The City's Fiscal Year 2018 payroll for employees covered by the plan was approximately \$43,320,567. The total City payroll for Fiscal Year 2018 was approximately \$206,456,122.

The City contribution requirement of nine percent (9%) on earnings of participants in the General Employees Defined Contribution Plan was paid on a biweekly basis and amounted to \$3,778,198 for Fiscal Year 2018. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry.

#### General Employees Special Class Plan

The General Employees Special Class Plan is a single-employer defined contribution plan administered for the City by ICMA-RC. The plan is available to City employees, except police and firefighters, as an alternative to participation in the GERS. The City's Fiscal Year 2018 payroll for employees covered by the plan was approximately \$64,105. The total City payroll for Fiscal Year 2018 was approximately \$206,456,122.

The City contribution requirement of 23.27% on earnings of participants in the General Employees Special Class Plan was paid on a biweekly basis and amounted to \$11,790 for Fiscal Year 2018. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. The plan is no longer available to new entrants.

#### Non-classified Employees Retirement Plan

The Non-classified Employees Retirement Plan is a single-employer defined contribution plan administered for the City by ICMA-RC. The plan covers certain non-classified City employees who have elected not to participate in the GERS. The City's Fiscal Year 2018 payroll for employees covered by the plan was approximately \$2,433,817. The total City payroll for Fiscal Year 2018 was approximately \$206,456,122.

The City contribution requirement of 19.84% on earnings of participants in the Non-classified Employees Retirement Plan was paid on a biweekly basis and amounted to \$452,979 for Fiscal Year 2018. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. Effective October 1, 2012, the plan was closed to new entrants.

The benefit provisions and all other requirements of the City's defined contribution plans are established by ordinance enacted by the City Commission.

### **GASB STATEMENT NO. 75**

#### Plan Description

In accordance with Section 112.0801, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retirees that is no greater than the cost at which coverage is available for active employees. In June 2015, the Governmental Accounting Standard's Board ("GASB") issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB 75"). GASB 75 replaces the requirements of GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," as amended, and GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." The objective of GASB 75 is to improve the financial reporting by state and local governments for postemployment benefits other than pensions ("OPEB") and improve information for OPEB that is provided by other entities. The provisions of GASB 75 are effective beginning with for the financial statements of the City for the Fiscal Year ended

September 30, 2018. While GASB 75 requires recognition and disclosure of the unfunded OPEB liability, there is no requirement that the liability of such plan be funded.

The City provides a single employer defined benefit post-employment health insurance benefit for its general employees, sworn police officers and certified firefighters. Employees entitled to the benefit are paid from \$100 to \$400 per month upon normal retirement for the purchase of health insurance. However, non-union management and confidential employees hired on or after October 1, 2012 are not eligible for OPEB contribution from the City. Employees hired under the Fraternal Order of Police and the Federation of Public Employees on or after April 1, 2014 also are no longer eligible for OPEB contribution from the City. In addition, Teamsters' employees hired on or after December 17, 2014 and employees hired under the International Association of Firefighters on or after June 16, 2015 are not eligible for OPEB contribution from the City. The OPEB contribution from the City for eligible employees continues until age sixty-five (65). The cost of the benefit is funded by the City on a pay-as-you-go basis.

In addition to the OPEB contribution from the City for eligible employees, pursuant to Section 112.0801, Florida Statutes, retiring general employees and certified firefighters are eligible to continue their participation in one of the City's health and/or dental insurance plans at the same premium applicable to active employees. Since retiree claims are expected to result in higher costs to the plans, on average, than those for active employees on an actuarial basis, there is an implicit subsidy included in the premiums for the retirees. Benefits constituting OPEB totaled \$6,767,763 for Fiscal Year 2019. Retiree implicit subsidies amounted to \$4,710,349 of that total.

The City established an OPEB Trust Fund on September 16, 2014 for the purpose of receiving and investing contributions made by the City to reduce the unfunded portion of the City's actuarially determined OPEB annual required contribution. The OPEB Trust Fund covers former City employees who are eligible for certain post employment benefits. The fund is administered by the City, with the City Commission serving as the Board of Trustees and a Trust Administrator responsible for daily administration. As of September 30, 2019, \$33,887,496 was invested in the OPEB Trust Fund.

As of September 30, 2019, the date of the most recent actuarial valuation, the City's OPEB plan participation consisted of the following:

**OPEB Plan Participation**

Active OPEB Plan Participants <u>not</u> currently eligible to retire	1,564
Active OPEB Plan Participants currently eligible to retire	<u>584</u>
Total Active OPEB Plan Participants entitled to but not yet receiving benefits	2,148
Inactive Employees and OPEB Plan Beneficiaries entitled to but not receiving benefits	0
Inactive Employees and OPEB Plan Beneficiaries currently receiving benefits	<u>564</u>
Total	<u><u>2,712</u></u>

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Source: City of Fort Lauderdale, Florida Actuarial Valuation Report (GASB 75) as of October 1, 2018 for the Fiscal Year Ended September 30, 2019, prepared by Jefferson Solutions, Inc., dated February 1, 2020.



## Funding of OPEB Plan

Provisions concerning OPEB and related City contribution requirements are established and may be amended by the City Commission. Historically, the City has been able to satisfy its annual OPEB obligation and currently expects that it will continue to have funds available to satisfy such obligation in the foreseeable future. Also, the City's practice historically has been to provide approximately \$1,000,000 each year toward the unfunded liability portion of its actuarially determined OPEB annual required contribution. Such practice provides for an annual increase in the OPEB annual required contribution. For September 30, 2019, OPEB contributions totaled \$13,059,613.

Set forth below is a description of the City's annual OPEB costs for the Fiscal Years ended September 30, 2017 through September 30, 2019 and the amount contributed annually by the City to such costs.

### Schedule of OPEB Contributions

	Fiscal Year Ended September 30		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contribution	\$ 3,405,477	\$ 3,668,737	\$ 4,542,287
Contribution in relation to Actuarially Determined Contribution	<u>13,059,613</u>	<u>11,607,707</u>	<u>4,742,839</u>
Contribution Excess / (Deficiency)	\$ <u>(9,654,136)</u>	\$ <u>(7,938,970)</u>	\$ <u>(200,552)</u>
Covered Employee Payroll	\$225,412,427	\$206,456,122	\$194,804,022
Contribution as a Percentage of Covered-Employee Payroll	5.79%	5.62%	2.43%

Source: Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year Ended September 30, 2018 and City of Fort Lauderdale, Florida Actuarial Valuation Report (GASB 75) as of October 1, 2018 for the Fiscal Year Ended September 30, 2019, prepared by Jefferson Solutions, Inc., dated February 1, 2020.

The City's net OPEB liability and related ratios for the Fiscal Years ended September 30, 2017 through September 30, 2019 are set forth in the table on the following page.

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**OPEB Schedule of Changes in the City's  
Net OPEB Liability and Related Ratios**

	Fiscal Year Ended September 30		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Total OPEB Liability</u></b>			
Service Cost	\$ 1,542,169	\$ 1,547,033	\$ 1,351,238
Interest	4,812,017	3,159,142	3,191,049
Differences Between Actual and Expected Experience	22,045,568	1,116,534	—
Assumption Changes*	287,437	—	—
Benefit Payments	<u>(6,767,763)</u>	<u>(2,318,660)</u>	<u>(2,487,539)</u>
<b>Net Change in Total OPEB Liability</b>	21,919,428	3,504,049	2,054,748
Total OPEB Liability (Beginning of Year)	<u>49,793,974</u>	<u>46,289,925</u>	<u>44,235,177</u>
Total OPEB Liability (End of Year) (a)	<u><u>\$71,713,402</u></u>	<u><u>\$49,793,974</u></u>	<u><u>\$46,289,925</u></u>
<b><u>Plan Fiduciary Net Position</u></b>			
Contributions - City	\$13,059,613	\$11,607,707	\$ 4,742,839
Net Investment Income	923,536	1,554,482	766,491
Benefit Payments	<u>(6,767,763)</u>	<u>(2,318,660)</u>	<u>(2,487,539)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	7,215,386	10,843,529	3,021,791
Plan Fiduciary Net Position (Beginning of Year)	<u>26,672,110</u>	<u>15,828,581</u>	<u>12,806,790</u>
Plan Fiduciary Net Position (End of Year) (b)	<u><u>\$33,887,496</u></u>	<u><u>\$26,672,110</u></u>	<u><u>\$15,828,581</u></u>
<b>City's Net OPEB Liability (End of Year) (a) - (b)</b>	\$37,825,906	\$23,121,864	\$30,461,344
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.25%	53.56%	34.19%
Covered Employee Payroll	\$225,412,427	\$206,456,122	\$194,804,022
City's Net OPEB Liability as a Percentage of Covered-Employee Payroll	16.78%	11.20%	15.64%

Source: Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year Ended September 30, 2018 and City of Fort Lauderdale, Florida Actuarial Valuation Report (GASB 75) as of October 1, 2018 for the Fiscal Year Ended September 30, 2019, prepared by Jefferson Solutions, Inc., dated February 1, 2020.

\* For a detailed description of the changes made in the assumptions for OPEB, reference is made to the City of Fort Lauderdale, Florida Actuarial Valuation Report (GASB 75) as of October 1, 2018 for the Fiscal Year Ended September 30, 2019, prepared by Jefferson Solutions, Inc., dated February 1, 2020, a copy of which may be obtained by contacting the City's Director of Finance at 100 North Andrews Avenue, Fort Lauderdale, Florida 33301, Telephone number: (954) 828-5167, Facsimile number: (954) 828-5168, Email address: [finance@fortlauderdale.gov](mailto:finance@fortlauderdale.gov).

## PFRS Post-Retirement Pay Step Plan.

*General.* In addition to the defined benefits for the City's police and firefighters described under "PENSION PLANS - Defined Benefit Plans - Police and Firefighters Retirement System" herein, the City has amended its pay structure for police and firefighters to provide for five (5) additional pay steps. The additional pay steps are known as the post-retirement pay steps (the "PPS") and became effective in Fiscal Year 2018. To be eligible for the PPS, a member of the PFRS must have attained a normal service retirement from the City (including the end of DROP) and separated from the City for a period of three (3) years. The value of any individual PPS shall be based on the normal retirement benefit of the member, exclusive of any amount paid from the DROP.

The initial PPS shall be equal to three percent (3.0%) of an eligible member's base retirement benefit. Each subsequent PPS shall be three percent (3.0%) of the preceding step. Each succeeding pay step will be calculated by multiplying the preceding amount by 1.03. The steps shall be payable annually and each step shall take effect every third year until five (5) steps have been achieved. Following attainment of the highest PPS, the PPS shall remain at that amount and shall not increase for the life of the member and any survivor. Future changes in the PPS occurring after the separation of a member from service shall not apply to the separated member.

Based on the GASB Statement No. 67 Disclosure Information prepared by Foster & Foster, Inc., dated March 2, 2020, employee membership data applicable to the October 1, 2018 actuarial valuation for the PPS (which is the most recent actuarial valuation for the PPS) was as follows:

### **PPS Employee Membership**

Inactive Plan Members and beneficiaries currently receiving benefits	134
Active plan Members	<u>793</u>
Total	<u><u>927</u></u>

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Source: City of Fort Lauderdale, Florida GASB Statement No. 67 Disclosure Information for Post Retirement Pay Steps Plan, prepared by Foster & Foster, Inc., dated March 2, 2020.

The City shall pay the PPS directly to eligible members based on the retirement benefit amount provided by the PFRS. However, the PPS was not established as a provision of, or a benefit under, the PFRS. The PPS is not entitled to be considered a retirement plan or as an accrued or vested benefit under the PFRS. Payment of the PPS requires a direct appropriation by the City, in the same manner as the employee payroll. The PPS is required to be funded through the OPEB Trust Fund, or any other direct appropriation of the City, and will not be an actuarial liability or obligation of the PFRS.

The PPS applies to any active bargaining member of the PFRS, including DROP participants, who were employed on or after October 1, 2017. Payment of PPS benefits are scheduled to begin in Fiscal Year 2021.

The PPS may be altered or eliminated in the future, based on negotiations between the City and the union representing the City's police and firefighters. However, any person who has qualified for the PPS prior to its alteration or elimination shall have a continued right to receive the benefit in the future. In the event a state or federal regulatory agency or court determines the PPS is a retirement plan or benefit under the PFRS or otherwise, the City and the union representing the City's police and firefighters have

agreed that the PPS will be immediately terminated and no longer be payable by the City. In such event, the City and the union representing the City's police and firefighters have agreed to bargain over the impact of terminating the PPS. If the PPS is terminated, the agreement for PFRS members to make certain increased employee pension contributions will also terminate.

Annual Cost and Net Liability. The annual cost and net liability for the PPS as of September 30, 2018 were as follows:

**City of Fort Lauderdale, Florida**  
**PPS Annual Costs**

Total PPS Liability	\$30,072,033
Net Position	<u>- 0 -</u>
Net PPS Liability	<u>\$30,072,033</u>

Source: City of Fort Lauderdale GASB Statement No. 67 Disclosure Information for Post Retirement Pay Steps Plan, prepared by Foster & Foster, Inc., dated March 2, 2020.

Additional Information

For more detailed information relating to the City's OPEB plan, including, without limitation, a description of the actuarial methods and assumptions used to determine annual contributions, see "APPENDIX B - Excerpts from Comprehensive Annual Financial Report of the City of Fort Lauderdale, Florida for the Fiscal Year ended September 30, 2018" and, in particular, Note 16 of the Notes to the Financial Statements and the information provided in the Required Supplementary Information. The OPEB Trust does not issue a separate financial report.

A more detailed description of the PPS, as well as a copy of the GASB Statement No. 67 Disclosure Information prepared by Foster & Foster, Inc., dated March 2, 2020, may be obtained by contacting the City's Director of Finance at 100 North Andrews Avenue, Fort Lauderdale, Florida 33301, Telephone number: (954) 828-5167, Facsimile number: (954) 828-5168, Email address: [finance@fortlauderdale.gov](mailto:finance@fortlauderdale.gov),

**INVESTMENT CONSIDERATIONS**

**Climate Change**

The State is naturally susceptible to the effects of extreme weather events and natural disasters, including floods, droughts and hurricanes. The occurrence of such events and natural disasters can produce significant negative ecological, environmental and economic impacts on coastal communities like the City. Such impacts can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels.

Numerous scientific studies on global climate change conclude that, among other effects on the global ecosystem, extreme and abnormal temperature fluctuations have occurred globally and, without the implementation of measures to address the phenomenon, will continue to occur. Such occurrences have been determined by scientific studies to be the primary reason for current and projected increases in sea levels and for extreme weather events to occur in higher frequency and intensity. Projected changes in weather and tidal patterns place coastal areas like the City at risk of substantial wind or flood damage over

time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, global climate change increases the potential of considerable financial loss to the City, including, without limitation, substantial losses in tax revenues. In addition, many residents, businesses and governmental operations could be severely disabled for significant periods of time or displaced, and the City could be required to mitigate these effects at a potentially material cost.

The City is keenly aware of the risks from hurricanes and sea level rise, as are officials at the County and throughout South Florida. In an effort to address the repercussions of climate change in Southeast Florida communities, the first Southeast Florida Climate Leadership Summit was held in the City in 2009. Local elected officials from throughout the region came together at the Summit to discuss challenges and strategies for responding to the impacts of climate change. The Summit resulted in the formation of the Southeast Florida Regional Climate Compact (the “Compact”). The Compact was executed by Broward, Miami-Dade, Monroe and Palm Beach Counties in January 2010 to coordinate climate change mitigation and adaptation activities across county lines. Among other benefits of its participation in the Compact, the City was instrumental in the development of the climate change strategies described in the Compact’s Regional Climate Action Plan (the “RCAP”). The RCAP was the result of a two (2) year collaborative process involving nearly one hundred (100) subject matter experts representing public and private sectors, universities and not-for-profit organizations.

In November 2012 the City was the first municipality to adopt the Mayors’ Climate Action Pledge in support of the RCAP. Following the City, thirty-four (34) municipalities in Broward, Miami-Dade, Monroe and Palm Beach Counties have officially adopted the Mayors’ Climate Action Pledge to document their commitment to implement measures and develop objectives designed to reduce global warming and the negative impacts of climate change, in support of the goals, objectives, strategies and actions described in the RCAP. The RCAP, adopted for Broward County in October 2012, may be viewed on the Compact’s website at: <http://southeastfloridaclimatecompact.org/>.

The City uses a series of documents to develop, among other things, local policy making, ordinances, building code provisions and infrastructure improvement in support of the initiatives described in the RCAP. Efforts are made to factor climate change impacts, and specifically sea level rise, into all of the City’s functional plans and operations. The City endeavors to implement programs and projects to respond to those anticipated impacts and to update its infrastructure accordingly. Innovations such as tidal control valves, stormwater preserves, pervious paving bioswales are examples of sustainable public works and projects currently being planned or implemented by the City.

In April 2013, the City Commission unanimously approved *Fast Forward Fort Lauderdale 2035*, providing a multi-year vision for the City. Such multi-year vision may be viewed on the City’s website at: <https://www.fortlauderdale.gov/home/showdocument?id=4202>. The first set of goals and objectives to facilitate implementation of the vision are contained in the City’s five-year strategic plan, *Press Play Fort Lauderdale 2018*. The City’s five-year strategic plan may be viewed on the City’s website at: <https://www.fortlauderdale.gov/home/showdocument?id=10999>. Included as an integral component of the City’s five-year strategic plan is a Sustainability Action Plan. The City’s Sustainability Action Plan focuses on system-wide goals to promote resiliency, with accompanying scorecards that track the implementation of individual adaptation and mitigation strategies. A more detailed description of the Sustainability Action Plan is available on the City’s website at:

<https://gyr.fortlauderdale.gov/greener-government/sustainability-action-plan>.

Projections of the effects of global climate change on the City are complex and depend on many factors that are outside the control of the City. The various scientific studies that forecast climate change

and its adverse effects, including severe storms, sea level rise and flooding risks, are based on assumptions contained in such studies. Actual events, however, may vary materially from such forecasts. In addition, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is not able to forecast when sea level rise or other adverse effects of climate change (e.g., the occurrence and frequency of 100-year storm events, hurricanes, and king tides) will occur. In particular, the City is not able to predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the City and the local economy during the term of the Series 2020 Bonds. While the negative effects of climate change may be avoided or lessened by the City's past and future investment in adaptation and mitigation strategies, the City cannot provide any assurance about the net effects of those strategies and whether the City will be required to take additional adaptation or mitigation measures. If necessary, such additional measures could require significant capital resources in excess of the resources already contemplated to be spent on combating the negative impacts of climate change.

## **Cybersecurity**

Computer networks and systems used for information transmission and collection are essential to the efficient operations of the City. Protecting the assets of City systems and storing information of customers, constituents and employees is considered of vital importance to the City. Cybersecurity is rapidly evolving and the City regularly investigates new software and hardware designed to protect the integrity of system assets and information. Policies and procedures have been implemented and training is provided to employees to increase the level of security within the City's infrastructure.

**Protocols.** The City currently utilizes a federal government approved information security framework to guide the development and growth of its cybersecurity protections. In addition, the City uses Gartner Research, one of the world leaders in providing business and technology systems research and advisory services, for implementing best practices. For its core infrastructure, the City relies on, among other protections, a combination of industry leading, enterprise grade firewalls, network access controls, intrusion detection and protection systems, vulnerability management, email and web filtering, endpoint protections, and encryption. Proactive assessment of internal and external systems is conducted regularly, with real time monitoring solutions and the use of computer security best practices. The City provides yearly mandated security training for all City staff, ongoing instruction and certifications for technical staff, and participation in industry acknowledged educational conferences and training. The City reviews its cybersecurity protocols frequently to stay abreast of emerging and effective procedures and measures.

**Threat Response.** The City can respond to cybersecurity threats in many ways, depending on the severity and mode of attack. The City has internal internet technology staff that it can use to respond to a cybersecurity threat, including, without limitation, network administrators, database administrators, system administrators and analysts and field technicians. Additionally, the City has internet security vendors as managed service providers and on retainer via cyber insurance to provide industry expertise that can be quickly accessed to respond to and remedy a cybersecurity incident. Budgetary funds are also available to secure the services of other professional consultants to respond to a cybersecurity incident, if needed. The City's Information Security team monitors computer and network logs for cybersecurity issues, constantly scanning infrastructure for vulnerabilities. In addition, the City has other systems to monitor inbound and outbound traffic and to respond automatically with counter measures when cybersecurity abnormalities occur. Furthermore, the City is seeking a managed service provider for a 24x7 security operation center.

The City regularly refines and seeks to improve its cybersecurity risk management policies and procedures and regularly trains employees to comply with cybersecurity regulatory requirements. It also

maintains cyber risk insurance to help mitigate its exposure to security attacks that are known to cripple an organization's technology system and/or fraudulently confiscate funds. Cybersecurity safeguards are tested annually by an outside service provider along with weekly internal testing and monitoring of the network.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will ensure against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the City's computer network and the confidentiality, integrity, or availability of the City's computer system or information. The potential disruption, access, modification, disclosure or destruction of information could result in the interruption of City commerce, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, and the loss of confidence in City functions, which could adversely affect City revenues or cause a material disruption in the City's operations or the appropriate provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial and in excess of the maximum amount of the City's cyber risk insurance policy. Further, the litigation to which the City could be exposed following a cybersecurity breach could be significant, which could cause the City to incur material costs related to such legal claims or proceedings.

### **Utility Infrastructure**

Since December 2019, the City has experienced a series of sewer line breaks in several neighborhoods, resulting in approximately 200 million gallons of wastewater discharge being spilled into City streets and waterways and creating a need for the City to undertake sewer line repairs and environmental remediation. The City managed and responded to these incidents with an "all hands on deck" effort, which involved multiple City agencies implementing the National Incident Management System approach to emergency events. The breaks in the sewer lines have been fixed by utilizing various emergency repairs, while long-term corrections and sewer line replacements are being implemented. The Florida Department of Environmental Protection has announced that it is fining the City approximately \$1.8 million for the series of sewer line breaks the City has experienced since December.

The City is proactively addressing the sewer system infrastructure needs through the construction of a new, redundant sewer main and force main replacements at an approximate cost of \$60 million. Funding for these projects will be provided from proceeds of the City's Water and Sewer Revenue Bonds issued in 2018 in the amount of \$196 million. Approximately \$81.3 million of the proceeds of the 2018 Water and Sewer Revenue Bonds had originally been allocated for sewer system general repairs. A portion of such allocation has been reassigned to address the City's emergent sewer needs. The 2018 Water and Sewer Revenue Bonds were part of the City's implementation of its Comprehensive Utility Strategic Master Plan (CUSMP) completed in 2017, which originally estimated that \$1.2 billion would be needed over the ensuing 20 years to update and maintain the City's water and sewer system.

In addition to its sewer system needs, the City has a detailed plan to improve its water transmission, treatment and distribution facilities as well.

The City is also taking action to address its stormwater needs, which have become more pressing as a result of the consequences of climate change. As part of its stormwater master plan, the City is planning to commence work in seven neighborhoods determined to be most prone to flooding. The City estimates that this work will cost approximately \$200 million over the next five years. The City is currently developing a new rate-setting methodology that is expected to provide the revenues needed to support its planned long-term borrowings for the required stormwater system improvements. While its

long-term financing plans are readied, the City has obtained a \$70.5 million line of credit to provide interim financing for its stormwater needs.

The City estimates that more than \$600 million will be required within the next five years to address its water, sewer and stormwater infrastructure needs. The funding for these projects is expected to be derived from the City's water and sewer enterprise fund and its stormwater enterprise fund, respectively, or from borrowings currently contemplated to address water, sewer and stormwater infrastructure needs.

### **Infectious Disease Outbreak**

In December, 2019 a respiratory disease caused by a novel strain of coronavirus was detected in China. The disease has since spread to other countries, including the United States of America, producing sickness and deaths in the places where it has spread. The disease was declared a Public Health Emergency of International Concern on January 30, 2020 and named "COVID-19" on February 11, 2020, each by the World Health Organization. Currently, no proven cure or effective treatment exists for COVID-19 and no vaccine to limit contraction of the disease is available.

To address the health concerns presented by COVID-19, state and local governments have implemented unprecedented, formal restrictions to limit human contact. During the month of March, 2020, emergency declarations were issued by the federal government, the State, Broward County, Florida and the City. Pursuant to such declarations, far-reaching social distancing measures were adopted, which generally required the closure of all public areas and facilities, public and private schools, private businesses that are not critical or essential businesses and the prohibition of all gatherings involving attendance of more than ten (10) people. Additionally, individuals throughout Broward County have been strongly urged to remain in their homes, other than to engage in essential activities. The measures adopted pursuant to the emergency declarations are expected to remain in place until either the middle or the end of April, 2020, depending on the measure, unless extended. Further measures may be implemented if evidence demonstrates that COVID-19 continues to present a threat to the health, safety and welfare of the residents of the City.

The outbreak of COVID-19 has affected travel, commerce and financial markets globally, and is widely expected to have a significant impact on economies worldwide. While the potential impact of COVID-19 on the City cannot be predicted with any reasonable degree of certainty at this time, the continued spread of the disease, containment, and efforts designed to mitigate its effects could negatively impact the financial and operating condition of the City, including the collection of certain revenues comprising the Pledged Funds. No assurance can be given that the changes produced by the outbreak of COVID-19 will not materially adversely impact the revenues expected to be available to pay principal of and interest on the Series 2020 Bonds. See "PLEDGED FUNDS" herein.

### **LITIGATION**

There is no litigation or administrative proceeding, other than as is disclosed in this Official Statement, of any nature, now pending or, to the best knowledge of the City, threatened against the City which, in the opinion of the City Attorney, will have any material adverse effect on any of the Pledged Funds. At the time of the delivery of the Series 2020 Bonds, the City will deliver a certificate to the effect that no litigation or other proceedings are pending or, to the best knowledge of the City, threatened against the City in any way (i) restraining or enjoining the issuance, sale or delivery of the Series 2020 Bonds or (ii) questioning or affecting the validity of the Series 2020 Bonds or any proceedings of the City taken with



respect to the authorization, sale, execution or issuance of the Series 2020 Bonds or of the pledge of any moneys or other security provided for the Series 2020 Bonds.

The City experiences routine litigation and claims incidental to the conduct of its municipal affairs. In the opinion of the City, there are no lawsuits presently pending or, to the best of the City's knowledge, threatened, the adverse outcome of which would impair the City's ability to perform its obligations to the owners of the Series 2020 Bonds.

## **LEGAL MATTERS**

Certain legal matters incident to the issuance of the Series 2020 Bonds, including their legality and enforceability and whether interest on the Series 2020 Bonds is excludable from gross income for federal income tax purposes, are subject to the legal opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel, whose legal services as Bond Counsel have been retained by the City. The signed legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX D, dated and premised on law in effect as of the original delivery of the Series 2020 Bonds, will be delivered to the City and the Underwriters on the date of issuance of the Series 2020 Bonds.

The actual legal opinion to be delivered may vary from the form attached hereto to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of the opinion by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date of issuance.

Certain legal matters incident to the issuance of the Series 2020 Bonds relating to disclosure will be passed on for the City by the Law Offices of Steve E. Bullock, P.A., Miramar, Florida, whose legal services as Disclosure Counsel have been retained by the City. The signed legal opinion, dated and premised on law in effect as of the date of original delivery of the Series 2020 Bonds, will be delivered to the City and the Underwriters on the date of issuance of the Series 2020 Bonds.

The proposed text of the legal opinion of Disclosure Counsel is set forth as APPENDIX E to this Official Statement. The actual legal opinion to be delivered may vary from the text attached hereto if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Disclosure Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date of issuance.

Certain legal matters will be passed on for the City by Alain E. Boileau, Esquire, Fort Lauderdale, Florida, City Attorney.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Series 2020 Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2020 Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Bond Resolution and the Series 2020 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery and to general principles of equity (whether sought in a court of law or equity).

## TAX MATTERS

### General

In the opinion of Greenberg Traurig, P.A., the Series 2020 Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220, Florida Statutes. INTEREST ON THE SERIES 2020 BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR U.S. FEDERAL INCOME TAX PURPOSES. In general, prospective purchasers of the Series 2020 Bonds should consult their tax advisors regarding the U.S. federal, state, local, and foreign tax consequences of acquisition, ownership, and disposition of Series 2020 Bonds. For example, the legal defeasance of the Series 2020 Bonds may result in a deemed sale or exchange of the Series 2020 Bonds under certain circumstances, with concomitant tax consequences.

The following summary is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, a particular owner of Series 2020 Bonds, and is generally limited to U.S. Owners except as set forth below. This summary is based upon the Internal Revenue Code of 1986, as amended (the “Code”), the Treasury Regulations promulgated or proposed thereunder, and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change or differing interpretations, possibly on a retroactive basis. There can be no assurances that the Internal Revenue Service (the “IRS”) will agree with such statements and conclusions. As used in this summary, “U.S. Owners” are beneficial Owners of the Series 2020 Bonds that for U.S. federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state or the District of Columbia, and certain estates or trusts with specific connections to the United States. As used in this summary, the term “Non-U.S. Owner” means a beneficial Owner of Series 2020 Bonds that is not a U.S. Owner.

In particular, this summary does not address (a) special classes of taxpayers that are subject to special treatment under the U.S. federal income tax laws, such as S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the United States, broker-dealers, traders in securities, controlled foreign corporations, passive foreign investment companies, and tax-exempt organizations, (b) persons that own Series 2020 Bonds as a hedge against, or as obligations that are hedged against, currency risk, or that are part of a hedge, straddle, conversion, or other integrated transaction, or (c) persons whose functional currency is not the U.S. dollar. Unless specifically addressed herein, this summary does not address U.S. federal estate and gift tax consequences, U.S. federal alternative minimum tax consequences, or consequences under the tax laws of any state, local, or non-U.S. jurisdiction. In addition, this summary also does not address the tax consequences to an Owner of Series 2020 Bonds held

through a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes. **Partnerships holding Series 2020 Bonds, and partners in such partnerships, should consult their tax advisors regarding the tax consequences of an investment in the Series 2020 Bonds, including their status as U.S. Owners.**

Further, this discussion is limited to persons purchasing the Series 2020 Bonds for cash in this original offering at their “issue prices” (as described below) and who hold such Series 2020 Bonds as capital assets within the meaning of Code Section 1221. Owners that purchase the Series 2020 Bonds at prices other than their respective issue prices or after their original execution and delivery should consult their tax advisors regarding other tax considerations, such as market discount, as to all of which Bond Counsel expresses no opinion.

### **Certain U.S. Federal Income Tax Consequences to U.S. Owners**

**Interest.** In general, interest paid or accrued on the Series 2020 Bonds, including qualified stated interest on Discount Series 2020 Bonds (as defined below), if any, generally will be taxable to a U.S. Owner as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for federal income tax purposes.

Under recently enacted legislation known as the Tax Cuts and Jobs Act, U.S. Owners that use an accrual method of accounting for U.S. federal income tax purposes generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements. This rule generally is effective for tax years beginning after December 31, 2017, (or, for debt securities issued with original issue discount, for tax years beginning after December 31, 2018). Accrual method U.S. Owners should consult their tax advisors regarding the potential applicability of this rule to their particular situation.

**Original Issue Discount and Original Issue Premium.** Certain of the Series 2020 Bonds (“Discount Series 2020 Bonds”) may be treated as issued with original issue discount (“OID”). OID is the excess of the “stated redemption price at maturity” over the “issue price” of a Discount Series 2020 Bond, provided that the excess equals or exceeds a statutory de minimis amount (one-quarter of one percent of the Discount Series 2020 Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity or, if required by applicable Treasury Regulations, to an earlier call date). For obligations issued for money in a public offering, the issue price is the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering.

For U.S. federal income tax purposes, OID accrues to the owner of a Discount Series 2020 Bond over the period to maturity based on a constant yield method. The portion of OID that accrues during the ownership period of a Discount Series 2020 Bond (i) is interest includable in the U.S. Owner’s gross income for U.S. federal income tax purposes, and (ii) is added to the Owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale, or other disposition of that Discount Series 2020 Bond. The effect of OID is to cause a U.S. Owner to recognize taxable interest income over time prior to its receipt.

Certain of the Series 2020 Bonds (“Premium Series 2020 Bonds”) may be offered and sold to the public at a price in excess of such Premium Series 2020 Bond’s stated redemption price at maturity (or earlier for certain Premium Series 2020 Bonds callable prior to maturity). That excess generally constitutes amortizable bond premium to a U.S. Owner. The U.S. Owner may elect (which election will apply to all debt instruments, other than instruments the interest on which is excludable from gross income, held by the

Owner at the beginning of the first taxable year for which the election applies or is thereafter acquired and is irrevocable without the consent of the IRS) in accordance with the applicable provisions of Code Section 171, to amortize that premium as an offset to interest income on the Premium Series 2020 Bond using a constant yield method over the remaining term of the Premium Series 2020 Bond (or, if required by applicable Treasury Regulations, to an earlier call date). No portion of that bond premium is deductible by the Owner of a Premium Bond; instead, the Owner's tax basis in the Premium Series 2020 Bond is reduced by the amount of amortized bond premium. Bond premium on a Premium Series 2020 Bond held by a U.S. Owner who does not elect to amortize the premium will decrease the gain or increase the loss otherwise recognized on the disposition of the Premium Series 2020 Bond.

**Owners of Discount Series 2020 Bonds and Premium Series 2020 Bonds should consult their tax advisers regarding the determination for U.S. federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount Series 2020 Bonds or Premium Series 2020 Bonds, other U.S. federal tax consequences regarding OID and bond premium, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.**

***Disposition of the Series 2020 Bonds.*** Upon the sale, exchange, retirement, or other taxable disposition of a Series 2020 Bond, a U.S. Owner, in general, will recognize gain or loss equal to the difference between (a) the amount realized from the sale, exchange, retirement, or other disposition (except to the extent that the amount realized is attributable to accrued and unpaid stated interest, which will be treated as a payment of interest and taxed in the manner described above under "Interest" to the extent not previously included in income), and (b) the Owner's adjusted tax basis, or applicable portion of the adjusted tax basis, in the Series 2020 Bond. The Owner's adjusted tax basis generally will equal the Owner's cost of the Series 2020 Bond, increased by any OID previously included by the Owner in income with respect to the Series 2020 Bond, and reduced by any principal payments (and any other payments on the Series 2020 Bonds not treated as qualified stated interest) and by any bond premium previously amortized as described above under "Original Issue Discount and Original Issue Premium." Any such gain or loss generally will be long-term capital gain or loss, provided that the Series 2020 Bonds have been held for more than one year at the time of disposition. Net long-term capital gain recognized by individual or other non-corporate U.S. Owners generally will be subject to tax at a lower rate than that for net short-term capital gain or ordinary income. The deductibility of capital losses is subject to limitations.

***Additional Tax on Net Investment Income.*** A 3.8% tax is imposed on the "net investment income" of certain U.S. citizens and residents, and on the undistributed "net investment income" of certain estates and trusts. Among other items, "net investment income" generally includes gross income from interest and certain net gain from the sale, exchange, redemption, or other taxable disposition of a debt instrument that produces interest, minus certain deductions. **A U.S. Owner that is an individual, estate, or trust should consult its tax advisor regarding the applicability of this additional tax.**

***Information Reporting and Backup Withholding.*** The Paying Agent must report annually to the IRS and to each U.S. Owner any interest (including OID, if any) paid on, and the proceeds from the sale or other taxable disposition of, the Series 2020 Bonds and the amount of tax withheld, for each calendar year, except as to certain exempt recipients. In addition, a non-corporate U.S. Owner of the Series 2020 Bonds may be subject to backup withholding (currently at a rate of 24%) with respect to "reportable payments," which include interest paid on the Series 2020 Bonds and the gross proceeds of a sale, exchange, redemption, or retirement of the Series 2020 Bonds, unless the Owner provides an accurate taxpayer identification number and certifies on an IRS Form W-9, under penalties of perjury, that the Owner is not subject to backup withholding and otherwise complies with applicable requirements of the backup rules or otherwise establishes an exemption.

## Certain U.S. Federal Income Tax Consequences to Non-U.S. Owners

**Interest.** Subject to the discussion below under “Application of Foreign Account Tax Compliance Act,” interest (including OID, if any) on any Series 2020 Bond owned by a Non-U.S. Owner is generally not subject to U.S. federal income or withholding tax, provided that:

- the Non-U.S. Owner does not own, actually or constructively, 10% or more of the total combined voting power of all classes of voting stock of the City, and is not a controlled foreign corporation related to the City, directly or indirectly, through stock ownership;
- the Non-U.S. Owner is not a bank receiving such interest in the manner described in Code Section 881(c)(3)(A); and
- the Non-U.S. Owner certifies on IRS Form W-8BEN or W-8BEN-E, under penalties of perjury, that it is not a United States person. Special certification rules apply to Bonds that are held through foreign intermediaries.

If, however, a Non-U.S. Owner is engaged in a trade or business in the United States, and if interest on the Series 2020 Bonds is effectively connected with the conduct of such trade or business (and, if an income tax treaty applies, the interest is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States), such interest will be subject to U.S. federal income tax in a manner similar to that for Series 2020 Bonds owned by a U.S. Owner, as described above, and, in the case of a Non-U.S. Owner that is a foreign corporation, may also be subject to an additional branch profits tax (currently imposed at a rate of 30%, or a lower applicable treaty rate) on its effectively connected earnings and profits, subject to adjustments. **Non-U.S. Owners should consult their tax advisors regarding the tax consequences of owning the Series 2020 Bonds.**

**Disposition of the Series 2020 Bonds.** Subject to the discussion below under “Application of Foreign Account Tax Compliance Act,” a Non-U.S. Owner generally will not be subject to U.S. federal income or withholding tax on any amount of gain recognized by the Non-U.S. Owner upon the sale, exchange, retirement, or other taxable disposition of a Series 2020 Bond unless:

- the gain is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Owner (and, if an income tax treaty applies, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Owner in the United States); or
- in the case of an individual, the Non-U.S. Owner is present in the United States for 183 days or more in the taxable year in which the sale, exchange, retirement, or other taxable disposition takes place and certain other conditions are met.

**Application of Foreign Account Tax Compliance Act.** The Foreign Account Tax Compliance Act (“FATCA”) generally imposes a 30% withholding tax on interest payments and proceeds from the sale of interest-bearing obligations for payments made after the relevant effective date to (i) certain foreign financial institutions that fail to certify their FATCA information and (ii) investment funds and non-financial foreign entities if certain disclosure requirements are not satisfied related to direct and indirect United States shareholders and/or United States account holders.

Under applicable Treasury Regulations, a 30% FATCA withholding tax generally will be imposed, subject to certain exceptions, on payments of (i) interest on Series 2020 Bonds and (ii) gross proceeds from

the sale or other disposition of Series 2020 Bonds on or after January 1, 2019, where such payments are made to persons described in the immediately preceding paragraph.

With respect to payments made to a “foreign financial institution” (generally including an investment fund) either as a beneficial owner or as an intermediary, the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with an agreement with the U.S. government (a “FATCA Agreement”) or (ii) is required by and complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an “IGA”), in either case to, among other things, collect and provide to the United States or other relevant tax authorities certain information regarding U.S. account holders of such institution. With respect to payment made to a foreign entity that is not a financial institution (as a beneficial owner), the FATCA withholding tax generally will be imposed, subject to certain exceptions, unless such entity provides to the withholding agent a certification that such entity does not have any “substantial” U.S. Owner (generally, any specified U.S. person that owns, directly or indirectly, more than a specified percentage of such entity) or identifies its “substantial” U.S. Owners.

If the Series 2020 Bonds are held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, subject to certain exceptions, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign institution) generally will be required to withhold the 30% FATCA tax on the payment of dividends or the items described above made to (i) a person (including an individual) that fails to comply with certain information requests, or (ii) a foreign financial institution that has not entered into (and is not otherwise subject to) a FATCA Agreement, and that is not required to comply with FATCA pursuant to applicable foreign law enacted in connection with an IGA. Coordinating rules may limit duplicative withholding where the withholding described above under “Interest or Information Reporting and Backup Withholding” also applies.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments made on Series 2020 Bonds because of a failure by the investor (or an entity or intermediary through which an investor holds the Series 2020 Bonds) to comply with FATCA, none of the City, any paying agent, or any person would, pursuant to the terms of the Series 2020 Bonds, be required to pay additional amounts with respect to any Series 2020 Bonds because of the deduction or withholding of such tax. **Non-U.S. Owners should consult their tax advisors regarding the application of FATCA to the ownership or disposition of Series 2020 Bonds.**

## CONTINUING DISCLOSURE

For the benefit of the holders and beneficial owners from time to time of the Series 2020 Bonds, the City will covenant, in accordance with and as the only obligated person with respect to the Series 2020 Bonds under Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), to provide or cause to be provided certain financial information and operating data relating to the City, not later than 243 days following the end of each Fiscal Year (the “Annual Report”), and notices of material events, in such manner as may be required for purposes of paragraph (b)(5) of the Rule. The Annual Report and notices of material events will be electronically filed by the City with the Municipal Securities Rulemaking Board at <http://emma.msrb.org/>. The specific nature of the information to be contained in the Annual Report and the notices of material events are contained in “APPENDIX F - Form of Continuing Disclosure Commitment.” The covenants of the Continuing Disclosure Commitment have been made in order to assist the Underwriters in complying with clause (b)(5) of the Rule.

Within the last five (5) years the City has complied in all material respects with its previous undertakings made with respect to the Rule and is currently in compliance in all material respects with such

undertakings. Any failure to comply with the provisions of the Continuing Disclosure Commitment shall not constitute a default under the Bond Resolution and any failure of the City to comply with its previous continuing disclosure undertakings are not defaults under the authorizing resolutions or continuing disclosure commitments pursuant to which prior continuing disclosure undertakings were created.

In order to provide certain continuing disclosure with respect to the Series 2020 Bonds in accordance with the Rule, the City will retain the services of Digital Assurance Certification, L.L.C. (“DAC”) to serve as Dissemination Agent pursuant to the City’s Continuing Disclosure Commitment. The obligation of DAC to deliver information at the times and with the contents described in the Continuing Disclosure Commitment is limited by, and in all respects subject to, the receipt by DAC of such information from the City in the time periods required for its delivery. The specific obligations and responsibilities of DAC with respect to the continuing disclosure requirements of the Rule and its duties and limitations of liability as Dissemination Agent under the Continuing Disclosure Commitment are described in “APPENDIX F - Form of Continuing Disclosure Commitment.”

## **FINANCIAL STATEMENTS**

Excerpts from the Comprehensive Annual Financial Report of the City for the Fiscal Year ended September 30, 2018 (the “CAFR”) and the report of Crowe LLP, independent certified public accountants, in connection therewith, dated May 29, 2019, are included in APPENDIX B to this Official Statement as part of the public records of the City. The entire CAFR may be viewed on the City’s website at: <https://www.fortlauderdale.gov/home/showdocument?id=37345>.

The consent of Crowe LLP was not requested for the reproduction of its audit report in this Official Statement. The auditor has performed no services in connection with the preparation of this Official Statement and is not associated with the offering of the Series 2020 Bonds.

## **INVESTMENT POLICY**

The City adopted a detailed written investment policy on September 6, 2000, which has been amended several times. The City’s current investment policy was approved on July 9, 2019 (the “Investment Policy”). The Investment Policy was adopted and exists in compliance with Section 218.415, Florida Statutes, as amended.

The Investment Policy applies to all cash and investments held or controlled by the City and shall be identified as “general operating funds” of the City, with the exception of funds needed to meet current expenses, the City’s pension funds, including those funds received pursuant to Chapters 175 and 185, Florida Statutes, as amended, OPEB funds, deferred compensation and Section 401(a) Plans, Cemetery System Trust Funds, and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues, which have statutory investment requirements conflicting with the Investment Policy and funds held by State agencies (e.g., the Florida Department of Revenue), are not subject to the provisions of the Investment Policy. The general operating funds, which are characterized as: funds in excess of those needed for the purpose of meeting operational and reserve expenses, are governed by the Investment Policy.

The objectives of the Investment Policy are: (i) safety of principal, (ii) maintenance of liquidity and (iii) return on investment, with safety of principal being the expressly stated foremost objective and return on investment the least important of the three (3) objectives. The City may engage up to four (4) investment managers to assist in managing the City’s investment portfolio. The City may also engage an

investment advisor to oversee the activities of the City's investment managers. Such investment managers and investment advisor must be registered under the Investment Advisors Act of 1940.

The Investment Policy provides a list of the types of securities in which the general operating funds may be invested, with limitations provided for certain categories of investment and for each type of security listed, including limitations as to maximum allowable percentages, minimum rating requirements and maximum maturities. The Investment Policy also provides a list of investments which are not permitted, unless specifically authorized by statute and with the prior approval of the City Commission. After the Treasurer of the City or the City's investment managers have determined the approximate maturity date, based on cash flow needs and market conditions, and has analyzed and selected one or more optimal types of investments, in accordance with the authorizations and limitations set forth in the Investment Policy, all investment transactions shall be subject to competitive bid, either electronically or manually, and a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers on the securities in question. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

The Investment Policy may be modified from time to time by the City Commission. The Investment Policy is available on the City's website at:

<https://www.fortlauderdale.gov/home/showdocument?id=29499>.

## **RATINGS**

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") and Moody's Investors Service, Inc. ("Moody's") have assigned ratings of "\_\_\_\_," with a "\_\_\_\_" outlook," and "\_\_\_\_," with a "\_\_\_\_" outlook," respectively, in connection with the issuance of the Series 2020 Bonds. Such ratings and outlooks reflect the view of such organizations. An explanation of the significance of such ratings and outlooks may be obtained only from S&P and Moody's, respectively. An explanation of the rating and outlook assigned by S&P may be obtained from S&P at 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041, (212) 438-2124. An explanation of the rating and outlook assigned by Moody's may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, 23<sup>rd</sup> Floor, New York, New York 10007, (212) 553-0300.

Generally, a rating agency bases its rating and outlook, if assigned, on the information and materials furnished to it and on investigations, studies and assumptions of its own. A securities rating and outlook is not a recommendation to buy, sell or hold securities. There is no assurance that the rating and outlook provided by S&P and Moody's, respectively, will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings or outlooks may have an adverse effect on the market price of the Series 2020 Bonds.

## **FINANCIAL ADVISOR**

The City has retained PFM Financial Advisors LLC, Coral Gables, Florida, as financial advisor with respect to the authorization and issuance of the Series 2020 Bonds (the "Financial Advisor"). The Financial Advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2020 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement.



The Financial Advisor is an independent, registered municipal advisory firm. The Financial Advisor is not engaged in the business of underwriting, marketing or trading of municipal securities. Investors should not base any investment decision on the fact that the Financial Advisor has advised the City on matters relating to the issuance of the Series 2020 Bonds.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor relating to the computation of forecasted receipts of principal and interest on the Defeasance Obligations and uninvested cash to pay and redeem the Refunded Bonds, and the yields on both the Defeasance Obligations and the Series 2020 Bonds, was verified by The Arbitrage Group, Inc., as the Verification Agent. Such computations were based solely upon assumptions and information supplied by the Financial Advisor.

The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations included in the schedules provided by the Financial Advisor. The Verification Agent has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted results.

### **UNDERWRITING**

The Series 2020 Bonds are being purchased by \_\_\_\_\_ (the “Underwriters”), subject to certain terms and conditions set forth in the Official Notice of Bond Sale, including the approval of certain legal matters by Bond Counsel, delivery of a certificate from the City regarding information set forth in this Official Statement, and the existence of no material adverse change in the condition of the City from that set forth in this Official Statement.

The net aggregate purchase price payable by the Underwriters for the Series 2020 Bonds is \$ \_\_\_\_\_ (equal to the principal amount of the Series 2020 Bonds, [plus/minus a net original issue premium/discount] of \$ \_\_\_\_\_, minus an Underwriters’ discount of \$ \_\_\_\_\_). The Series 2020 Bonds are offered for sale to the public at the prices or yields set forth on the inside cover page of this Official Statement. The Series 2020 Bonds may be offered and sold to certain dealers at prices lower than or yields higher than such offering prices or yields, and such public offering prices and yields may be changed, from time to time, by the Underwriters.

### **CONTINGENT FEES**

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2020 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters are each contingent upon the issuance of the Series 2020 Bonds.

### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS**

Section 517.051, Florida Statutes, and Rule 3E400.003, Florida Administrative Code, requires the City to disclose each and every default as to payment of principal and interest after December 31, 1975 with respect to obligations issued or guaranteed by the City. Rule 3E400.003 further provides, however, that if the City in good faith believes that such disclosure would not be considered material by reasonable investors, such disclosure may be omitted. Certain obligations issued by the City in which the City has

acted merely as a conduit for payment do not constitute an actual debt, liability or obligation of the City, but are instead secured by payments to be made from certain users of bond financed property. Because such other obligations are not dependent upon the City for repayment, they do not affect or reflect the strength of the City. Accordingly, any prior default with respect to such obligations issued by the City would not in the City's judgment be considered material by reasonable investors in the Series 2020 Bonds. Accordingly, the City has not taken affirmative steps to contact the various trustees of conduit bond issues of the City to determine the existence of prior defaults.

Although no affirmative steps have been taken to determine if any defaults occurred with conduit issues of the City, the City has been provided notice of the occurrence of a default with respect to one of its prior conduit issues. The City's \$3,675,000 Industrial Development Revenue Bonds, Series 1982 (Days Inn of America, Inc. Project) (the "Days Inn Bonds") went into default as to the payment of principal and interest on September 15, 1991. On November 3, 1997, First Union National Bank, as Indenture Trustee for the Days Inn Bonds, issued a "Notice of Final Distribution" as to the Days Inn Bonds. The Days Inn Bonds were special, limited obligations of the City payable solely from the revenues and other amounts derived by the City from the loan agreement with the borrower of the proceeds of the Days Inn Bonds or otherwise from the project in respect of which the Days Inn Bonds were issued. Neither the faith and credit nor the taxing power of the City was pledged to the payment of the Days Inn Bonds. There was no lien upon any property owned by or situated within the jurisdictional limits of the City, except the project in respect of which the Days Inn Bonds were issued. For the foregoing reasons, the City has concluded that all disclosures required by the aforementioned Rule pertaining to the Days Inn Bonds are not deemed material to a reasonable investor.

Except as described in the preceding paragraph, to the best knowledge of the Director of Finance of the City, the City has not received actual notice of a default in the payment of principal or interest after December 31, 1975 with respect to any obligations issued or guaranteed by the City.

#### **AUTHORIZATION OF OFFICIAL STATEMENT**

The delivery of this Official Statement has been duly authorized by the City Commission. At the time of the delivery of the Series 2020 Bonds, the Mayor and City Manager of the City will furnish a certificate to the effect that (except for information in this Official Statement relating to DTC, its operations and the book-entry only system, as to which no opinion will be expressed) nothing has come to their attention which would lead them to believe that this Official Statement, as of its date and as of the date of delivery of the Series 2020 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which this Official Statement is intended to be used, or which is necessary to make the statements contained herein, in the light of the circumstances under which they were made, not misleading.

A limited number of copies of the final Official Statement will be provided, at the City's expense, on a timely basis.

#### **CONCLUDING STATEMENT**

All information included herein has been provided by the City, except where attributed to other sources. The summaries of and references to all documents, statutes, reports, and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such reference or summary is qualified in its entirety by reference to each such document, statute, report or other instrument. The information herein has been compiled from official and other sources and, while not guaranteed by the City, is believed to be correct. To the extent that any statements made in this Official Statement and the

appendices attached hereto involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as statements of fact, and no representation is made that any of the estimates will be realized.

This Official Statement has been duly executed and delivered by the Mayor, the City Manager and the Director of Finance of the City of Fort Lauderdale, Florida.

CITY OF FORT LAUDERDALE, FLORIDA

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Mayor

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City Manager

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Director of Finance

## **APPENDIX A**

### **General Information regarding the City of Fort Lauderdale, Florida and Broward County, Florida**

## **GENERAL INFORMATION**

### **Introduction**

Founded in 1911, the City of Fort Lauderdale (the “City”) is located in the heart of a robust, diversified growth region on the southeast coast of Florida midway between Miami and West Palm Beach. The City encompasses approximately 36 square miles with a population of approximately 186,220, as of September 30, 2019. Fort Lauderdale ranks as the eighth largest city in Florida and the largest municipality in Broward County, a metropolitan area that includes 31 cities and more than 1.8 million people.

Embraced by the Atlantic Ocean, New River and a myriad of scenic inland waterways, Fort Lauderdale truly lives up to its designation as the *Venice of America*. With an average temperature of 77 degrees, nearly seven miles of beautiful beaches and 3,000 hours of sunshine per year, Fort Lauderdale attracts millions of visitors each year for business, recreation and relaxation.

The City offers an array of cultural, recreational and entertainment amenities, combined with an exceptional economic climate and an outstanding quality of life. Fort Lauderdale features a thriving uptown and downtown business district; a revitalized beachfront; picturesque Riverwalk; vibrant arts, science and historic district; and an array of upscale shopping, dining and entertainment venues.

All of these assets combine to make Fort Lauderdale a year round, world-class family resort and business center.

### **Vision**

The City is committed to improving productivity, streamlining expenses and developing a stronger, more effective organization. The City has embraced a vision that is based on fiscal responsibility, accountability, high ethical standards and quality delivery of services. It is a vision that rewards excellence, not mediocrity, and, above all, places the people of Fort Lauderdale first.

As the City moves forward, it will continue to work in partnership with its most important asset - its citizens - to develop the strategies necessary to ensure a safe and secure community, provide quality programs and services, enhance quality of life, protect the environment, promote smart growth, and maintain fiscal responsibility.

By remaining focused on its mission, the City is confident that it can address the challenges that lie ahead, and work to preserve and enhance the unique characteristics that make Fort Lauderdale such a special City.

### **Administration**

The City has been operating under a Commission-Manager form of government since 1925. The City Commission is comprised of the Mayor, who is elected at-large, and four Commissioners, who are elected in non-partisan district races. Pursuant to a Charter amendment approved by the voters of the City on March 12, 2019, elections take place every four years, in conjunction with the general election. Each elected official is eligible to serve three consecutive four-year terms. The next election will take place on November 3, 2020. As the City’s legislative body, the City Commission sets policy, enacts ordinances, adopts resolutions and makes appointments to advisory boards and committees.

The City Manager is appointed by and reports directly to the City Commission. As Chief Executive Officer, the City Manager is responsible for directing the City's day-to-day operations and carrying out the policies set forth by the City Commission. Christopher J. Lagerbloom, Fort Lauderdale's current City Manager, began his service as City Manager on January 1, 2019.

The City's departmental structure is comprised of the offices of the City Commission, City Manager, City Attorney, City Auditor and City Clerk, along with the following nine departments that are responsible for the provision and delivery of municipal services: Finance, Fire-Rescue, Human Resources, Information Technology Services, Parks and Recreation, Police, Public Works, Sustainable Development, and Transportation and Mobility.

As of September 30, 2019, the City employed a full-time work force of approximately 2,551 full-time employees, more than 2,200 of which are represented by four bargaining agents: Fraternal Order of Police, Lodge 31 ("FOP"), International Brotherhood of Teamsters Local 769 ("Teamsters"), Federation of Public Employees ("Federation") and International Association of Fire Fighters ("IAFF"). In 2019 the City ratified a new collective bargaining agreement with Federation, which will govern through September 30, 2020, and with Teamsters, which will govern through September 30, 2022.

The City has entered into two (2) collective bargaining agreements with FOP on behalf of (i) Police Officers and Sergeants and (ii) Police Lieutenants and Captains. The current agreements have an effective date of October 1, 2017 and expire on September 30, 2020. In addition, the City has entered into two (2) collective bargaining agreements with IAFF on behalf of (i) Firefighters and (ii) Battalion Chiefs. The current agreements with IAFF also have an effective date of October 1, 2017 and expire on September 30, 2020.

The City's Fiscal Year 2020 adopted operating budget is \$832,654,705, including balances and transfers, through which the City provides a full range of municipal programs and services. The Fiscal Year 2020 operating budget is approximately \$47.6 million more than the adopted budget for Fiscal Year 2019 of \$785,015,992, including balances and transfers, or an approximately 6.1% increase. The Fiscal Year 2020 budget is premised upon the following:

- Providing superior public safety including intelligence-led policing to reduce crime;
- Providing community service programs that meet a variety of interests and needs;
- Creating public-private partnerships with mutual economic and service benefit;
- Replacing assets and rehabilitating city-owned buildings based on comparative cost of required maintenance for safety and performance efficiency;
- Improving the public image and physical appearance of the City with proper maintenance of buildings, public rights-of-way, and code enforcement of private properties; and
- Enhancing employee skills and opportunities to attract and maintain the best qualified staff ensuring the highest level of public service possible.

## **Resumes**

Mayor Dean J. Trantalis was elected Mayor of the City on March 13, 2018. Prior to his election as Mayor of the City, Mayor Trantalis served on the City Commission from 2003 to 2006 and from 2013

until his ascension to the mayor's office. While on the City Commission, he served as vice mayor on two occasions, from 2005 to 2006 and from 2016 to 2017, and was selected by his colleagues to represent the City on the board of directors of the Broward League of Cities, the Broward County Homeless Continuum of Care Task Force and the Broward County-Palm Beach County Joint C-51 Reservoir Work Group. Born and raised in Norwich, Connecticut, Mayor Trantalis attended high school at Norwich Free Academy before moving on to Boston University, where he majored in political science and graduated cum laude and with distinction. He received a Juris Doctorate in 1979 from Stetson University School of Law, while completing international law courses in Eastern Europe, Russia and London. Mayor Trantalis was admitted to the Connecticut and Florida Bar Associations in 1980 and has practiced law in Broward County since 1982. He currently maintains a successful general law practice in Broward County with some emphasis in the areas of real estate, probate, estate planning, bankruptcy, and corporate matters. Mayor Trantalis is a member of the Federal Bar and the National Association of Bankruptcy Attorneys.

Mayor Trantalis has been extremely active in the community, serving on numerous boards and committees, including Americans for Equality, where he served as co-chair, the Fort Lauderdale Citizen Police Review Board, Broward House, the Dolphin Democrats, the Riviera Towers Co-Operative Board, the Broward County Planning Council, and the John Graves Foundation Board of Trustees. Mayor Trantalis has received multiple awards and honors for his work, including the Small Business Award from the Greater Fort Lauderdale Chamber of Commerce, an inaugural honoree of the Diversity Honors awards presented by the Harvey Milk Foundation, a Community Champion honoree by the Broward County Commission and the Broward County Human Rights Board, and a lifetime achievement award by the Harvey Milk Foundation and the Pride Center at Equality Park.

Vice Mayor Robert L. McKinzie was appointed by the City Commission on November 4, 2014 to replace Commissioner Bobby B. Dubose. He was elected to the City Commission on February 10, 2015 and reelected on January 16, 2018. Vice Mayor McKinzie received his Bachelor of Science in Business Administration from Bethune-Cookman University. A native of Fort Lauderdale, Vice Mayor McKinzie has devoted his time to serve many civic and community organizations. He has served on the Board of Directors for the Central Broward Kiwanis, as Vice Chair of the Board of Trustees, First Baptist Church Piney Grove, as a member of the Associate Board of Trustees, Bethune-Cookman University, as a member of the Broward County Alumni Association of Bethune-Cookman University, and as a member of the Leadership Broward Class XI. In the past he has also served as a member of the Board of Directors of the Broward County Minority Builders, as a member of the Broward County Housing Finance Authority (immediate Past Chair), and as a member of the Broward County School Board Consultants Review Committee. He also serves as a volunteer for the Boys and Girls Club and is a youth mentor. He is also a member, and in the past served as president, of Omega Psi Phi Fraternity, Inc. Vice Mayor McKinzie owns and operates Harper and Sons Construction, Inc., a general contracting firm specializing in affordable housing and construction management.

Commissioner Steven Glassman was elected to the City Commission on March 13, 2018. Commissioner Glassman was born in New York City and raised on Long Island. After receiving a Bachelor's and Master's Degree, he settled in Buffalo, New York where he was an educator for eighteen years. He moved to the Fort Lauderdale area with his spouse of forty-five years in 1994. He served as an administrator for the Broward County Cultural Division for eleven years, where he worked closely with elected officials and business leaders to further the quality of life in Broward County's major cities through the arts and culture. This work included serving on Advisory Boards in the cities of Hollywood, Miramar and Pembroke Pines. In addition, Commissioner Glassman has served on the City's Beach Redevelopment Advisory Board for three years and on the City's Planning and Zoning Board for six years. He has spent many years in various civic leadership positions, including serving as President of the Broward Trust for Historic Preservation and as President of the Central Beach Alliance for seven years. Commissioner

Glassman has also served as President of several beach condominium associations, including his current six-year tenure at the Sapphire Condominium.

Commissioner Heather Moraitis was elected to the City Commission on January 16, 2018. Commissioner Moraitis was born in Fort Lauderdale and graduated from the University of Florida with a Master's degree in Education. She was an education consultant for Jack and Jill Children's Center, helping relocate the center from Sistrunk Boulevard to its current location on Broward Boulevard. Commissioner Moraitis also taught elementary school at Westminster Academy before serving as its Director of Development, and worked for the U.S. Navy in Italy overseeing two child development centers.

Commissioner Moraitis has been active in the community for many years. She was the President of the Junior League of Greater Fort Lauderdale where she worked with a group to launch the Fort Lauderdale Independence Training & Education (FLITE) Center for youth aging out of foster care. During her time in the Junior League, she led a team to write a nutrition program for second grade students which was implemented in Broward County Public Schools. Among her other affiliations, Commissioner Moraitis participated in Leadership Broward, Lifeworks Leadership, Women in Leadership, and the Greater Fort Lauderdale Chamber of Commerce Leadership Fort Lauderdale. Commissioner Moraitis is a member of the Greater Fort Lauderdale Chamber of Commerce, Navy League Fort Lauderdale Council and prior member of the City of Fort Lauderdale Marine Advisory Board. She also currently serves on the Board of Directors of the Coral Ridge Isles Homeowner's Association. Among her recognitions and awards, she has received the Governor's Points of Light Award and the Florida Department of Education Commissioner's Business Recognition Award.

Commissioner Benjamin "Ben" Sorensen was elected to the City Commission on March 13, 2018. A third generation Presbyterian minister, Commissioner Sorensen is a former volunteer Chaplain for the City's Police Department and a current volunteer Chaplain for the City of Hollywood, Florida Police Department. He serves on the Board of Directors of the Leadership Broward Foundation and on the Advisory Board of the Salvation Army of Broward County. He is also a founding member of Mission United, a program of the United Way of Broward County that focuses on reducing veteran homelessness in Fort Lauderdale and helping veterans and their families, a former member of the Broward County Human Rights Board, a former Guardian Ad Litem First Responder and a former member of the Board of Directors of the Greater Fort Lauderdale Chamber of Commerce and the Downtown Council Board of Governors.

In 2007, Commissioner Sorensen co-founded and currently serves as Vice President of Optimum Associates, LLC, which provides leadership, sales and management training to large corporations, small businesses and non-profit organizations. Commissioner Sorensen has earned six degrees: a Master of Science of Strategic Intelligence from the National Intelligence University, a Doctor of Ministry from Amridge University, a Master of Divinity from Amridge University, a Juris Doctor from Georgetown University Law Center, a Master of Arts of Leadership and Liberal Studies from Duquesne University, and a Bachelor of Arts from Emory University. While at Georgetown University, Commissioner Sorensen studied International Trade Law under current United States Supreme Court Chief Justice John Roberts.

Commissioner Sorensen is the third generation in his family to serve in the United States Armed Forces. He currently serves in the Navy Reserve as a Lieutenant Commander specializing in intelligence. Commissioner Sorensen has earned multiple awards for his military service, including the Navy and Marine Corps Achievement Medal. He has also received multiple awards and honors for his service in the community, including being named a Paul Harris Fellow by the Rotary Foundation of Rotary International in 2019 and being a 2019 Leadership Broward Fun Lunch Honoree.



Christopher J. Lagerbloom, ICMA-CM - City Manager for the City of Fort Lauderdale (January 2019 - Present), Mr. Lagerbloom began his career with the City in February 2016 as Assistant City Manager, where he was responsible for overseeing the day-to-day operations of the City's Parks and Recreation, Public Works, Sustainable Development, and Transportation and Mobility departments. During his tenure as Assistant City Manager, Mr. Lagerbloom spearheaded several major projects, including improving operations and enhancing service delivery in the Department of Sustainable Development, advancing the massive "Go Big, Go Fast!" water and sewer infrastructure improvement project, working closely with Parks and Recreation on a facilities improvement bond, and leading discussions with Broward County for a possible shared City/County downtown governmental complex.

Mr. Lagerbloom previously served as City Manager of Milton, Georgia, a municipality incorporated in 2006. He was named City Manager of Milton in 2009 and successfully built a progressive and dynamic city government, focusing on cutting edge service delivery, innovative problem solving, and results-driven operational strategies. Under his leadership, Milton captured numerous national accolades, including being named the city with the "Best Quality of Life" in Georgia, one of America's 100 Safest Cities, a Certified Green Community, and a Certified City of Ethics. Mr. Lagerbloom also developed an innovative service delivery model focusing on hybrid public-private partnerships that enabled Milton to increase services and generate millions of dollars in savings. Prior to being named City Manager of Milton, Mr. Lagerbloom served as Interim City Manager from 2007 - 2008. He also helped to establish the inaugural City of Milton Public Safety Department, serving as the city's first Police and Fire Chief. He earlier served in the Police Department of the City of Alpharetta, Georgia, where he worked his way up the ranks from Police Officer to Police Captain.

Mr. Lagerbloom's professional and civic affiliations include earning the ICMA Credentialed Manager (ICMA-CM) designation in 2014 from the International City/County Management Association, graduating from the University of Virginia Senior Executive Institute in 2013, and being recognized as both a Paul Harris Fellow and member of the Paul Harris Society of Rotary International. Mr. Lagerbloom holds a Bachelor of Science degree in criminal justice from Georgia State University and a Master of Public Administration degree from Columbus State University.

Alain E. Boileau, Esquire - City Attorney for the City of Fort Lauderdale (August 2018 - Present), is an AV-rated litigation and appellate attorney with over 20 years of experience representing and counseling governmental entities and private parties in diverse areas of the law, including governmental general liability and legislative issues, police professional liability, land use, civil rights, contracts, code enforcement, employment disputes, personal injury, insurance defense and construction litigation. Mr. Boileau has represented the City and its employees since 2001, previously as special counsel and, most recently, as an Assistant City Attorney since February 2014, and as the Interim City Attorney since March 2018. Mr. Boileau is admitted to practice in all state courts in Florida, the United States District Court for the Southern District of Florida, the Eleventh Circuit Court of Appeals, and in the United States Supreme Court.

Prior to joining the City Attorney's Office, Mr. Boileau was a partner and shareholder in the Fort Lauderdale law firm of McIntosh Schwartz PL and prior to that position, a partner in the Fort Lauderdale office of Adorno & Yoss, LLP. Among his professional affiliations, Mr. Boileau is a member of the Labor and Employment Law Section of the American Bar Association, the Labor and Employment Section of the Florida Bar, and the Greater Fort Lauderdale Chamber of Commerce. Mr. Boileau received his Bachelor of Arts degree from Florida International University in 1993 and his Juris Doctor degree from Nova Southeastern University in 1998.

John C. Herbst, CPA, CGFO, CGMA - City Auditor for the City of Fort Lauderdale (August 2006 - Present), is the first individual to hold the position of independent City Auditor created through a charter revision in 2004. Mr. Herbst has over 34 years of diversified audit, accounting and finance experience in both the public and private sectors. Prior to coming to the City of Fort Lauderdale, he held several positions with the City of Jacksonville, Florida, including Chief Financial Officer for the Jacksonville Housing Commission, Director of Finance for the Jacksonville Children's Commission and Principal Budget Analyst for the City of Jacksonville. Mr. Herbst holds a Bachelor of Business Administration in Accounting from Bernard M. Baruch College - City University of New York and a Master of Business Administration from the University of North Florida. In addition to being a Florida licensed Certified Public Accountant, he also holds the designation of Certified Government Finance Officer from the Florida Government Finance Officers Association.

Jeffrey A. Modarelli - City Clerk for the City of Fort Lauderdale (November 2015 - Present), has over 21 years municipal experience with the City of Fort Lauderdale. Prior to becoming City Clerk, Mr. Modarelli served as Senior Assistant City Clerk/Assistant City Clerk for over 8 years. He has also served the City as Business Enterprises Director, Economic Development Director and Public Information Director. He holds a Bachelor of Science and Master of Public Administration, both from Florida State University.

Susan Grant, CPA - Director of Finance for the City of Fort Lauderdale (December 2019 - Present), has over 26 years of experience in public management, 24 of which were spent on the senior management team of the City of Coral Springs, Florida. In Coral Springs, Ms. Grant served as deputy city manager, director of financial services, director of human resources and city controller. During her tenure in senior management in Coral Springs, Ms. Grant helped guide the city in the successful pursuit of many prestigious awards, including the 2007 Malcolm Baldrige Award and Florida Governor's Sterling Awards in 2003 and 1997. The City of Coral Springs was the first organization to win the Sterling Award twice. Ms. Grant also served as an examiner for both awards and currently serves as a judge for the Florida Governor's Sterling Award.

As deputy city manager for Coral Springs, Ms. Grant oversaw the city's financial services, budget, human resources, information technology, marketing and communications departments and the Office of the City Clerk. As director of financial services for Coral Springs, Ms. Grant managed all divisions, including accounting, water billing, accounts payable, payroll, risk management, treasury, and purchasing. Her responsibilities as human resources director for Coral Springs included recruitment and selection, policy formation and interpretation, training and development, classification and compensation, rewards and recognition, employee relations (including labor negotiations), and pension and benefits administration (including management of self-insured health plans). Before entering public service, Ms. Grant worked as a chief financial officer, senior financial analyst and senior accountant in the private sector. She holds a Bachelor of Science in Accounting from the University of Florida.

Linda A. Short, CGFO, CPM - Deputy Director of Finance for the City of Fort Lauderdale (February 2014 - Present), has over 24 years of accounting and finance experience with both the public and private sectors. Ms. Short joined the City as its Controller in May 2012 until accepting the position as the City's Deputy Director of Finance in February 2014. Prior to joining the City, Ms. Short was the Assistant Finance Director for the City of Palm Bay, Florida. Ms. Short holds a Bachelor of Science in Accounting from Saint Leo University. Additionally, she holds the designations of Certified Government Finance Officer ("CGFO") from the Florida Government Finance Officers Association ("FGFOA") and Certified Public Manager from the Florida Center for Public Management at Florida State University. She has served as Vice President and President of the South Chapter of the FGFOA and is currently serving on the CGFO Certification Committee for the FGFOA.

Pamela Winston, CGFO - Treasurer for the City of Fort Lauderdale (September 2018 - Present), has over 16 years of accounting and finance experience in the public sector. Ms. Winston joined the City as a Staff Auditor in the City Auditor's office in June 2007. She also served in the Housing and Community Development Division as an Accountant II before transitioning to the Finance Department as a Senior Accountant in 2012. In her role as Senior Accountant, she worked in the Treasury Division as the debt and investment manager and thereafter in Central Accounting, assisting with accounting and financial reporting, until assuming her current position. She has served as a reviewer for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Award. Ms. Winston holds a Bachelor of Business Administration in Accounting from Georgia Southwestern University. She also holds a Master of Business Administration in Human Resources from Walden University. Additionally, she holds the designation of Certified Government Finance Officer from the Florida Government Finance Officers Association.

Laura L. Garcia, CGFO - Controller for the City of Fort Lauderdale (February 2014 - Present), has over 29 years of banking, accounting and finance experience with both the public and private sectors. Ms. Garcia joined the City as a Senior Accountant in January 2013 and was promoted to Controller in February 2014. Prior to joining the City, Ms. Garcia was the Budget Administrator for the City of Palm Bay, Florida. Ms. Garcia holds a Bachelor of Business Administration from Universidad Metropolitana (UMET). She currently serves as a reviewer for the Government Finance Officers Association (GFOA) Award for Outstanding Achievement - Popular Annual Financial Reporting Program. She also holds the designation of Certified Government Finance Officer from the Florida Government Finance Officers Association.

## **Economy and Business**

An advantageous economic climate coupled with an exceptional quality of life is helping the City establish itself as a world-class center for international commerce and one of the most desirable locations for new, expanding or relocating businesses. Once known strictly as a tourism-based economy, Fort Lauderdale now supports a diverse range of industries, including marine, manufacturing, finance, healthcare, insurance, real estate, high technology, avionics/aerospace, film and television production.

Marine Industry. The marine industry is the largest industry in the Greater Fort Lauderdale area, accounting for more than 136,000 jobs, an estimated economic impact of approximately \$8.9 million in Broward County and approximately \$12.0 billion of total economic impact in South Florida. The City hosts the Fort Lauderdale International Boat Show which has an estimated regional economic impact of \$857.3 million. With more than 300 miles of waterways, marinas and marine manufacturing and repair facilities, Greater Fort Lauderdale is a world-renowned port of call for the yachting industry.

Tourism. Tourism is the second largest industry for the Greater Fort Lauderdale area, employing more than 180,000 individuals in the area in 2018. New hotels and related venues are consistently being constructed and renovated in South Florida to accommodate the area's extensive tourism industry. The Greater Fort Lauderdale Convention and Visitors Bureau reports that the area hosted more than 14.0 million visitors in 2018 and such visitors spent an estimated \$14.2 billion. Based on hotel bed tax revenues, tourism generated \$86.9 million in tax revenues in 2018, an increase of approximately 33.5% from 2017 and the highest amount ever collected of such revenues.

Trade and Business Development. Fort Lauderdale has emerged as one of the fastest growing markets for global trade, with more than forty percent (40%) of local businesses engaged in or supporting international commerce. The City also remains at the forefront of South Florida's emerging *InternetCoast*, a region that is home to more than 6,000 high technology firms. In addition, a growing list of nationally-

recognized corporations have established business operations in Fort Lauderdale with corporate or Latin American headquarters, including: AT&T, AutoNation, BankAtlantic, Citicorp, Citrix Systems, Galaxy Latin America, Hewlett-Packard, Microsoft Latin American, Motorola Latin America, Republic Industries, South African Airways, Spherion Corporation, [SportsLine.com](http://SportsLine.com) , and Voicestream Wireless.

National publications have noted Fort Lauderdale's economic vitality and fertile environment for trade and business development. The Wall Street Journal recently profiled the City in a report that highlighted the array of upscale hotels, resorts and residential properties recently developed along the City's beachfront. Such developments have strengthened the City's national reputation as a premiere destination to live, work or visit. In addition to the Wall Street Journal, over 63 media sources and industry publications have included the City among others receiving complimentary national designations. For example, Fort Lauderdale has been named: All-America City by the National Civic League, Top 10 Best Downtowns by [Livability.com](http://Livability.com), Top 10 Most Exciting Places in Florida and Top 10 Most Exciting Mid-Sized Cities in America by Movoto National Real Estate, Top 10 American Dream Cities by Xavier University and The Burghard Group, Top 10 Best U.S. Cities for Small Businesses by [Biz2Credit.com](http://Biz2Credit.com), Top 10 Best Cities for Millennial Job Seekers in Florida by [NerdWallet.com](http://NerdWallet.com), Most Diverse City in Florida and Best City to Find a Job in Florida by [WalletHub.com](http://WalletHub.com), one of the Best Places for Business and Careers and one of the Happiest Cities for Young Professionals by *Forbes Magazine* and Top 10 Best Places to Retire by *Money Magazine*.

## **Growth and Development**

During the last several years, Fort Lauderdale experienced growth and development at a pace that rivaled any other period in its history. Such growth slowed during the economic downturn but has increased from the slower period experienced in 2009 through 2011. Projections for population growth in the City were recently revised to reflect slightly slower growth than was projected previously. Economic growth and development, however, is expected to continue at a relatively high rate.

In the coming years, to meet the challenge of maintaining consistent growth and development in the face of change and continued competition, the City plans to concentrate on strengthening the assets that diversify the City's economy, while focusing on quality of life issues. The City expects to improve its infrastructure and neighborhoods and to expand transit, cultural and recreational opportunities. The success of such concentration and focus will play an integral role in helping the City continue the successful growth and development it has experienced historically. Many of these efforts are identified by existing studies and plans that have been implemented or are expected to be implemented in the near future. The results of the implementation of certain of these efforts are visible through various public and private investments in public spaces, parks, streets, waterways, transit and other urban amenities and infrastructure improvements that have occurred throughout the City in recent years.

Fiscal Health. Following the recovery period that began after the economic downturn, the City's economy has continued on a positive trajectory over the last five (5) years, with noteworthy increases in the taxable property tax base within the City. As a result, the City has maintained its very low operating millage rate of 4.1193 mills for thirteen (13) consecutive years. During Fiscal Year 2018, the taxable property tax base in the City totaled \$36.1 billion, an increase of approximately 7.69% from the prior year final valuation. For Fiscal Year 2020, the taxable property tax base in the City is expected to increase by close to 8.22% to almost \$39.1 billion. The projected increase in the City's Fiscal Year 2020 taxable property tax base is expected to result in more than \$10.2 million of additional revenue for Fiscal Year 2020.

Consistent with the City's historic practice of conducting a fire assessment allocation study and moving to full cost recovery every three years, the City's fire assessment fee is also scheduled to be adjusted in Fiscal Year 2020. The City's Fiscal Year 2020 adopted budget includes an increase to the fire assessment fee of \$55 per year per single family residence to \$311 for full cost recovery. This adjustment will generate approximately \$8.8 million in additional revenue annually. The City's budget for Fiscal Year 2020 continues to be structurally balanced, to support sound financial and operational policies, and to provide safeguards for maintaining a healthy fiscal outlook.

The adopted budget for Fiscal Year 2020 is a strategic budget that aligns financial and human resources with the City's 2035 Vision - "*Fast Forward Fort Lauderdale*," the City's Five-Year Strategic Plan - "*Press Play Fort Lauderdale*," the City Commission's Annual Action Plan, and various priorities identified by the residents of the City. The Fiscal Year 2020 budget provides for investments in public safety, mobility, infrastructure maintenance, high performance management and continuous quality improvement. The City's Five-Year Community Investment Plan is the fiscal blueprint for both major and minor infrastructure improvements, new construction and capital maintenance projects designed to protect and preserve the City's exceptional quality of life, standards and objectives.

The City's outlook for the future is favorable, with continued improvement in economic conditions (and resulting growth in revenues and optimism) anticipated. Healthy growth in real estate values is expected to continue. Current trends suggest that the City is well prepared to manage its fiscal challenges, meet its commitments and take advantage of opportunities for growth and further positive development as they arise. The City plans to stay on its current course and is committed to making intelligent decisions about where and how its resources are invested. Hard-earned tax dollars are being spent responsibly by experienced and industrious City officials and staff to advance the City's most positive goals and objectives. The City expects to continue to be a leader in effective municipal governance, while maintaining a high quality of life for its residents.

Downtown. Development has continued to occur in downtown Fort Lauderdale, as growth in the area has increased. Numerous commercial, residential and mixed-use projects have been completed or are in various stages of development. These projects have increased and are expected to continue to increase the tax base of the downtown area of the City and will help to create a vibrant urban lifestyle for residents and visitors in South Florida.

Beach Area. Several significant residential/hotel projects are either under construction or have been approved for construction on the barrier island. Additionally, a very large scale development project at the existing 38.6 acre (16 acres of dry land) Bahia Mar site has been approved by the City. Plans for the Bahia Mar development consist of seven high-rise buildings with 651 rental apartments, one high-rise hotel with 256 rooms, one five-story grocery-parking-office building, an above-ground parking garage, a yachting amenities complex, a small building that serves as a parking garage entrance, a two-story restaurant, a strip of one- and two-story buildings that serve as a marina village with kiosks and outdoor eating and a 1,900-space underground, two-level parking garage. A public promenade is planned to wrap around the peninsular property. The extensive, multi-phased development is expected to take ten years to complete. The site plan and long-term lease agreement for the project were recently approved.

Fort Lauderdale Community Redevelopment Agency ("CRA"). Historically, the CRA has consisted of three redevelopment areas, the Central Beach Community Redevelopment Area, the Central City Community Redevelopment Area and the Northwest-Progresso-Flagler Heights Community Redevelopment Area. The central beach area of the City has experienced a revitalization resulting from the investment by the CRA in improvements to inspire commercial and residential development in that area. However, the Central Beach Community Redevelopment Area of the CRA expires in Fiscal Year 2020.

Investments by the CRA in the Central City Community Redevelopment Area and in the Northwest-Progresso-Flagler Heights Community Redevelopment Area have also inspired commercial and residential development in those areas. In addition, several large improvement projects are currently planned or underway in the Northwest-Progresso-Flagler Heights Community Redevelopment Area. Additional projects for development in the Central City Community Redevelopment Area are also being planned. Within the two remaining redevelopment areas of the CRA, an estimated \$126 million worth of projects are currently planned or have commenced. The Northwest-Progresso-Flagler Heights Community Redevelopment Area of the CRA is currently scheduled to expire in Fiscal Year 2026 and the Central City Community Redevelopment Area of the CRA is currently scheduled to expire in Fiscal Year 2042.

WaterWorks 2011. *WaterWorks 2011*, the City's comprehensive, originally estimated \$500 million (in Fiscal Year 2001 dollars) water and sewer infrastructure modernization project, completed design and/or construction work for 330 water system projects, valued at \$178.8 million, and 367 sewer system projects, valued at \$321.3 million, by the end of Fiscal Year 2010. Improvements to the City's water and sewer system under *WaterWorks 2011* have resulted in (i) a significant upgrade of the City's Peele-Dixie Water Treatment Plant, which upgrade was designed to improve the quality and reliability of drinking water for all of the City's water customers, and (ii) the extension of the sanitary sewer system to the vast majority of the areas of the City that did not receive sanitary sewer system service prior to the implementation of *WaterWorks 2011*.

## **Transportation**

The City offers an extensive transportation network that includes Fort Lauderdale/Hollywood International Airport, Port Everglades, Fort Lauderdale Executive Airport, a Water Taxi system, two major railways and an extensive highway and mass transit system.

Surface Transportation. The City is served by three bus lines, two railroads (Florida East Coast Railway and CSX) and major freight carriers. The road system in Broward County totals approximately 4,800 miles and includes more than 140 miles of interstate and other expressways (I-95, I-75, I-595, Florida Turnpike and Sawgrass Expressway) and approximately 375 miles of divided highways. The County operated bus system includes an active fleet of 275 transit vehicles that serve approximately 40 million passengers annually.

Tri-Rail, a commuter rail system, provides service along a 72-mile corridor from Miami-Dade County to Palm Beach County. Tri-Rail recently completed the expansion of its system to double tracks along the entire corridor, enabling an expanded schedule and increased ridership. Connecting buses are available at all stations, with designated shuttles at Fort Lauderdale/Hollywood Airport and other regional airports. The Amtrak Silver Service links Fort Lauderdale to the rest of the nation, including daily trips to New York.

Brightline is an express intercity rail system that was developed and operated by "All Aboard Florida," a subsidiary of Florida East Coast Industries. In November 2018 Brightline was renamed Virgin Trains USA ("Virgin Trains") following a strategic partnership with the United Kingdom's major transportation entity, the Virgin Group. Virgin Trains is the United States' only privately owned and operated intercity passenger railroad. Virgin Trains is expected ultimately to connect Miami to Orlando, with intermediate stations in Fort Lauderdale and West Palm Beach. As currently contemplated, Virgin Trains will provide Floridians and visitors a viable, high quality transportation alternative to congested highways and airport terminals.

The rail service now known as Virgin Trains began service from Fort Lauderdale to West Palm Beach in January 2018, which was extended to Miami in May 2018. Service to Orlando is currently projected to begin during calendar year 2022.

Virgin Trains' downtown Fort Lauderdale station provides a new gateway into the City and Broward County. The station and train service advances Fort Lauderdale's position as a fully connected "City of Tomorrow." The 60,000 square foot station and platform includes a modern, multi-story lobby, an elevated passenger lounge area for travelers, and parking facilities. The Fort Lauderdale station for Virgin Trains: (i) connects to the Sun Trolley, Broward County Transit system, and the planned Tri-Rail station; (ii) stimulates a currently underutilized area, driving new visitors into downtown Fort Lauderdale and the surrounding art, entertainment, cultural and shopping destinations; and (iii) produces millions of dollars in economic impact for the City and Broward County through the generation of additional tax revenue and the creation of hundreds of new jobs.

Fort Lauderdale/Hollywood International Airport. Fort Lauderdale/Hollywood International Airport ranks as one of the fastest growing airports in the United States, with over 35.9 million travelers passing through the airport annually. More than 700 flights depart from Fort Lauderdale/Hollywood International Airport daily on 26 different airlines to more than 140 destinations in the United States, Latin America, Canada and the Caribbean. Fort Lauderdale/Hollywood International Airport is ranked 21<sup>st</sup> in the United States, based on the number of passengers served. The airport serves more cities in the United States than any other airport in South Florida and is the second largest carrier of international passengers in Florida. Passenger traffic at the airport is expected to grow between 1.0% to 3.0% each year for the next several years.

Fort Lauderdale/Hollywood International Airport serves as a major economic force for greater Fort Lauderdale, contributing an estimated \$13.2 billion in total annual economic impact and generating more than 12,500 jobs at the airport and an additional 135,000 jobs through ancillary services. The airport is located three miles from downtown Fort Lauderdale, with easy access to I-95, I-595 and Port Everglades.

Fort Lauderdale Executive Airport. Owned and operated by the City, Fort Lauderdale Executive Airport ranks as one of the nation's 10 busiest general aviation airports. Fort Lauderdale Executive Airport generates approximately \$7.0 million in annual revenue and \$2.1 million in annual tax revenues from airport leases. Total annual economic activity of Fort Lauderdale Executive Airport, as determined by the Florida Department of Transportation, is \$815,788,400. Fort Lauderdale Executive Airport generates a total of approximately 8,900 jobs. The facility operates a 200 acre Industrial Airpark, with approximately 2.0 million square feet of office and warehouse space. Fort Lauderdale Executive Airport is home to 6 full service, fixed-base operators, 700 aircraft, 115 jets and 40 helicopters. The facility handles approximately 150,000 takeoffs and landings per year.

Fort Lauderdale Executive Airport recently constructed a new, high-tech control tower that enables the airport's approximately 500 flights per day to be handled more safely and efficiently. At a cost of \$16.4 million, the new control tower is 117 feet tall and is equipped with the latest radar, communications and weather technology. Complete views of the entire airfield are provided from the tower's 525 square foot top floor.

Fort Lauderdale Executive Airport also serves as the hub site for the City's Foreign-Trade Zone #241. The Foreign-Trade Zone, which includes five sites and encompasses nearly 915 acres, offers businesses significant cost savings and economic incentives, while promoting job retention and growth for the City and surrounding communities.

Downtown Helistop. The Downtown Fort Lauderdale John Fuhrer Helistop is designed to accommodate intermediate category general aviation helicopters with a maximum takeoff weight of 11,900 pounds and a 46-foot rotor diameter. Used extensively by corporate and charter operators, the state-of-the-art facility is situated above the City Park Mall parking garage in the heart of the City's downtown area. The Helistop features a landing area and one helicopter parking position on a 14,500 square-foot elevated platform. A fully furnished lobby provides travelers with a comfortable area to converse and conduct business, along with access to plentiful parking and convenient ground transportation.

Port Everglades. Port Everglades, the deepest commercial port in the United States south of Norfolk, Virginia and one of the world's leading international cruise ports, is located in Broward County and administered by a separate governing body with separate taxing authority. The port generates approximately \$29 billion in business activity annually and, through its cruise travel and international trade activity, annually provides approximately 11,700 jobs locally and over 224,000 jobs statewide. The port handles nearly 4.0 million cruise ship passengers annually and more than 22.0 million tons of cargo. The port generates annual revenue of approximately \$1 billion without utilizing any local property tax dollars.

Port Everglades is home to Florida's first Foreign-Trade Zone (FTZ), where foreign components can be assembled, packaged and shipped without usual customs duties. The FTZ now includes five sites within and outside the boundaries of Port Everglades and encompasses a total of 250 acres. Port Everglades has launched an aggressive 20-year, \$1.6 billion expansion project. Major capital projects recently completed or currently underway have created 7,000 jobs directly and 135,000 indirect jobs.

Water Taxi. Fort Lauderdale features a unique Water Taxi system, which transports passengers to and from the downtown area via the City's New River and network of inland waterways.

## **Education**

The Broward County Public School system is an operating and taxing entity that is separate from the City and the County. The Broward County School District (the "District") has a student enrollment that is the second largest in the State and the sixth largest in the United States. By virtue of its accreditation by AdvancEd, (formerly the Southern Association of Colleges and Schools), the District is the second largest fully accredited school system in the nation and is Florida's first fully accredited school system since 1962. The District serves over 271,500 students in pre-kindergarten through grade 12 and 175,000 adult students in 241 schools and education centers (comprised of 136 elementary schools, 36 middle schools, 30 high schools, 39 adult/vocational schools and other centers) and 89 charter schools. The District is Broward County's largest single employer. As of June 30, 2018, the District had approximately 26,607 permanent employees, including over 14,313 classroom instructors. The District's General Fund, its primary operating fund, has an annual operating budget of \$2.33 billion for its fiscal year ending June 30, 2020.

There are three four-year colleges and universities in Broward County: Florida Atlantic University and Florida International University, which are public, and Nova Southeastern University, which is private. Florida Atlantic University and Florida International University are two of the nine universities in the State of Florida University system. The campuses of Florida Atlantic University and Florida International University are located in downtown Fort Lauderdale, as is the campus of Broward College (formerly Broward Community College). Broward College, Prospect Hall College, City College, Fort Lauderdale College, the Art Institute of Fort Lauderdale, and Keiser Institute of Technology are each two-year colleges located in Broward County. There are also seven educational institutions in the County with degree or certificate programs providing vocational and technical education.



## **Quality of Life**

Fort Lauderdale offers an outstanding quality of life, highlighted by a semi-tropical climate, rich natural beauty and an array of cultural, entertainment and educational amenities. World famous Fort Lauderdale Beach offers premier opportunities for recreation, relaxation and enjoyment. The picturesque Riverwalk serves as the cornerstone of the City's arts, science, cultural and historic district which features the Broward Center for the Performing Arts, Museum of Discovery and Science, Museum of Art and Old Fort Lauderdale Village and Museum. Las Olas Boulevard has gained international acclaim as Fort Lauderdale's centerpiece of fashion, fine dining and entertainment. In addition, the City's downtown area is home to Broward College, Florida Atlantic University, Florida International University, the award-winning Broward County Main Library, and to federal, county and Broward County School District offices.

Through the cooperative efforts of residents, businesses and local government, Fort Lauderdale has evolved into a City that offers the best of both worlds - an attractive business environment and an outstanding quality of life. With an average daily temperature of 77 degrees during the winter months and 89 degrees in the summer, outdoor activities are endless, with golf courses, parks, playgrounds and miles of coral reefs available to residents and visitors of Fort Lauderdale. Activities enjoyed in the area include boating, scuba diving, snorkeling, fishing and a multitude of other outdoor and indoor recreational pursuits. The Fort Lauderdale area provides to residents and visitors professional sports teams in football, baseball, basketball, hockey and soccer and world-class swimming and diving events hosted at the International Swimming Hall of Fame/ Fort Lauderdale Aquatic Complex.

For more information about the City of Fort Lauderdale, please visit the City's website at [www.fortlauderdale.gov](http://www.fortlauderdale.gov).

## **Population**

From its origination in 1911 with a population of 300 people, Fort Lauderdale has grown to an estimated 186,220 people, as of September 30, 2019, and is currently ranked eighth among cities within the State of Florida.

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**City of Fort Lauderdale, Florida**  
**Population, Personal Income and Unemployment<sup>(1)</sup>**

<u>Fiscal Year Ended September 30</u>	<u>Fort Lauderdale Population</u>	<u>Broward County Population</u>	<u>Broward County Personal Income<sup>(2)</sup></u>	<u>County Per Capita Personal Income</u>	<u>Unemploy- ment Rate</u>
2009	180,100	1,756,500	\$71,994,871	\$40,988	10.9%
2010	180,400	1,742,900	73,590,969	42,223	12.1
2011 <sup>(3)</sup>	165,500	1,748,100	72,752,112	41,618	10.7
2012	166,200	1,753,162	76,133,577	43,426	8.5
2013	170,065	1,815,137	78,687,882	43,351	5.2
2014	171,544	1,838,844	80,525,783	43,792	5.2
2015	175,123	1,827,367	80,905,552	44,274	4.9
2016	176,747	1,854,513	85,167,498	45,924	4.6
2017	179,063	1,873,970	89,572,271	47,798	3.3
2018	182,827	1,897,976	94,239,376	49,653	2.8

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Source: City of Fort Lauderdale, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2018.

- (1) Fort Lauderdale population obtained from the Bureau of Economic and Business Research, University of Florida. Broward County population and personal income obtained from the Bureau of Economic Analysis, United States Department of Commerce. Unemployment rates obtained from the Bureau of Labor Statistics, United States Department of Labor.
- (2) Personal income in thousands of dollars.
- (3) Reduction in population for Fiscal Year 2011 is the result of lower population estimates provided from the United States census conducted for 2010.

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**City of Fort Lauderdale, Florida**  
**General Revenues by Source<sup>(1)</sup>**

<u>Fiscal Year Ended Sept. 30</u>	<u>Property Taxes <sup>(2)</sup></u>	<u>Utility Taxes</u>	<u>Franchise Taxes</u>	<u>Insurance Premium Taxes</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeitures</u>	<u>Inter- Govern- mental</u>	<u>Charges for Services</u>	<u>Other</u>	<u>Total <sup>(3)</sup></u>
2009	\$124,597	\$35,441	\$18,059	\$4,410	\$ 8,374	\$2,518	\$49,339	\$16,746	\$53,414	\$312,899
2010	112,812	34,754	18,225	4,817	8,032	2,534	50,969	17,859	52,772	302,774
2011	101,788	34,726	16,439	4,736	13,734	3,769	50,171	19,639	51,915	296,916
2012	96,618	35,386	15,872	5,321	14,913	3,537	51,666	20,401	67,503	311,216
2013	99,537	35,882	15,380	6,353	17,375	5,019	42,816	20,651	76,084	319,098
2014	102,486	37,005	22,022	5,326	17,292	5,406	47,636	21,612	90,254	349,039
2015	108,208	37,623	22,909	6,646	23,167	5,186	45,648	23,591	104,707	377,684
2016	117,778	37,517	22,390	5,563	21,232	5,564	45,973	23,827	96,855	376,699
2017	128,121	37,996	22,561	5,913	24,574	4,007	44,537	23,473	109,311	400,493
2018	135,946	39,537	22,978	6,377	26,792	4,766	46,202	23,721	109,860	415,905

Source: City of Fort Lauderdale, Florida Comprehensive Annual Financial Report, September 30, 2018.

- (1) Includes all governmental fund types. Amounts reflected are in thousands of dollars.
- (2) Includes the amount of ad valorem tax revenues generated by the City for operations and general obligation debt obligations, which excludes the amount levied but not collected as a result of discounts available pursuant to applicable law. Certain general obligation indebtedness of the City was retired during calendar year 2017, which provided for a higher percentage of total ad valorem tax revenue collections to be attributed to operations for Fiscal Year 2018.
- (3) Totals may not add due to rounding.

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**City of Fort Lauderdale, Florida**  
**Property Tax Millage Rate<sup>(1)</sup>**  
**Direct and Overlapping Governments**

OVERLAPPING RATES <sup>(2)</sup>														
FORT LAUDERDALE					OTHER TAXING DISTRICTS					SPECIAL DISTRICTS <sup>(3)</sup>				
FISCAL YEAR ENDED SEPTEMBER 30	TAX ROLL YEAR	OPERATING	DEBT SERVICE	TOTAL CITY	BROWARD COUNTY	BROWARD COUNTY SCHOOLS	SO. FLORIDA WATER MANAGEMENT DISTRICT	FLORIDA INLAND NAVIGATION DISTRICT	BROWARD CHILDREN'S SERVICES COUNCIL	TOTAL CITY-WIDE	DOWNTOWN DEVELOPMENT AUTHORITY			
											OPERATING	DEBT SERVICE	NORTH BROWARD HOSPITAL DISTRICT	HILLSBORO INLET
2009	2008	4.1193	0.1302	4.2495	5.3145	7.4170	0.6240	0.0345	0.3754	18.0149	0.4802	0.4289	1.7059	0.0860
2010	2009	4.1193	0.1343	4.2536	5.3889	7.4310	0.6240	0.0345	0.4243	18.1563	0.4970	0.4313	1.7059	0.0860
2011	2010	4.1193	0.2173	4.3366	5.5530	7.6310	0.6240	0.0345	0.4696	18.6487	0.4970	0.4313	1.8750	0.0860
2012	2011	4.1193	0.1695	4.2888	5.5530	7.4180	0.4363	0.0345	0.4789	18.2095	0.5171	0.4489	1.8750	0.0860
2013	2012	4.1193	0.2149	4.3342	5.5530	7.4560	0.4289	0.0345	0.4902	18.2968	0.5020	0.5302	1.8564	0.0860
2014	2013	4.1193	0.2070	4.3263	5.7230	7.4800	0.4110	0.0345	0.4882	18.4630	0.5080	0.5366	1.7554	0.0860
2015	2014	4.1193	0.1958	4.3151	5.7230	7.4380	0.3842	0.0345	0.4882	18.3830	0.5882	0.5366	1.5939	0.0860
2016	2015	4.1193	0.1759	4.2952	5.7230	7.2740	0.3551	0.0320	0.4882	18.1675	0.5173	0.5232	1.4425	0.0860
2017	2016	4.1193	0.1610	4.2803	5.6690	6.9063	0.3307	0.0320	0.4882	17.7065	0.5525	0.4749	1.3462	0.0860
2018	2017	4.1193	0.0691	4.1884	5.6690	6.5394	0.3100	0.0320	0.4882	17.2270	0.5272	0.4099	1.2483	0.0860

Source: Broward County Property Appraiser.

- (1) State law requires all counties to assess at 100% valuation and limits millage for operating purposes to ten mills.
- (2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners (e.g., the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district).
- (3) Special Districts are taxing entities that levy taxes on limited areas within the City of Fort Lauderdale city limits.

**City of Fort Lauderdale, Florida  
Building Permit Activity**

<u>Fiscal Year Ended</u>	<u>Building Permits Issued</u>	<u>Estimated Building Permit Value</u>
9/30/10	21,543	\$ 421,617,819
9/30/11	23,166	783,220,377
9/30/12	22,404	589,997,269
9/30/13	23,095	676,757,795
9/30/14	23,581	808,189,242
9/30/15	26,342	820,600,925
9/30/16*	25,529	1,071,225,706
9/30/17*	26,047	1,285,338,122
9/30/18*	27,066	1,286,035,551
9/30/19*	28,872	1,230,227,621

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Source: City of Fort Lauderdale, Florida, Department of Sustainable Development, Building Services Division.

- \* More significant increase than in prior years is the result of changes in the City's building code that generated an increase in applications to obtain building permits for large developments prior to the effective date of the new building code provisions. The number of building permits issued in recent years has continued to increase following an increase in economic activity in the City.

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## **APPENDIX B**

**Excerpts from Comprehensive Annual Financial Report**

**of the City of Fort Lauderdale, Florida**

**for the Fiscal Year Ended September 30, 2018**

## **APPENDIX C**

### **The Resolution**

## **APPENDIX D**

### **Proposed Form of Opinion of Bond Counsel**



## **APPENDIX E**

### **Proposed Form of Opinion of Disclosure Counsel**

Date of Delivery

City Commission of the  
City of Fort Lauderdale, Florida  
100 North Andrews Avenue  
Fort Lauderdale, Florida 33301

\$ \_\_\_\_\_  
**City of Fort Lauderdale, Florida**  
**Taxable Special Obligation Refunding Bonds**  
**Series 2020**

Ladies and Gentlemen:

We have served as Disclosure Counsel in connection with the issuance by the City of Fort Lauderdale, Florida (the "City") of its \$ \_\_\_\_\_ in aggregate principal amount of Taxable Special Obligation Refunding Bonds, Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued with the terms, for the purposes and subject to the conditions set forth in Resolution No. 12-1979 adopted by the City Commission of the City (the "City Commission") on September 5, 2012 (the "Bond Resolution") and Resolution No. 20-\_\_\_\_\_ adopted by the City Commission on \_\_\_\_\_, 2020 (the "Series 2020 Resolution" and, together with the Bond Resolution, the "Resolution"), as described in the Official Statement dated \_\_\_\_\_, 2020 relating to the Series 2020 Bonds (the "Official Statement"). All capitalized terms used in this opinion that are not defined herein and not normally capitalized shall have the meaning ascribed to such terms in the Official Statement.

In connection with the issuance and delivery of this opinion, we have considered such matters of law and fact and have relied upon such certificates and other information furnished to us as we have deemed appropriate. We are not expressing any opinion or views herein on the authorization, issuance, delivery or validity of the Series 2020 Bonds. To the extent the opinion expressed herein relates to or is dependent upon the determination that the proceedings and actions related to the authorization, issuance and sale of the Series 2020 Bonds are lawful and valid under the laws of the State of Florida, or that the Series 2020 Bonds are valid and binding obligations of the City enforceable in accordance with their terms, or that interest on the Series 2020 Bonds is exempt from taxation under the laws of the State of Florida, we understand that you are relying upon the opinions delivered on the date hereof of Greenberg Traurig, P.A. and no opinion is expressed herein as to such matters.

The scope of our engagement with respect to the issuance of the Series 2020 Bonds was not to establish factual matters and, because of the wholly or partially non-legal character of many of the determinations involved in the preparation of the Official Statement, we are not passing on and do not assume any responsibility for, except as set forth in the last sentence of this paragraph, the accuracy or completeness of the contents of the Official Statement (including, without limitation, its appendices) and we make no representation that we have independently verified the accuracy, completeness or fairness of such statements. As your counsel, we have participated in the preparation of the Official Statement and in discussions and conferences with officers of the City, Bond Counsel for the City and the Financial

Advisor for the City, in which the contents of the Official Statement and related matters were discussed. Solely on the basis of our participation in the preparation of the Official Statement, our examination of certificates, documents, instruments and records relating to the City and the issuance of the Series 2020 Bonds and the above-mentioned discussions, nothing has come to our attention which would lead us to believe that the Official Statement (except for the financial, statistical and demographic data and information in the Official Statement, including, without limitation, the appendices thereto, and the information relating to DTC, its operations and the book-entry only system, as to which no opinion is expressed) contains an untrue statement of a material fact or omits to state a material fact that is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

In reaching the conclusions expressed herein we have, with your concurrence, assumed and relied on the genuineness and authenticity of all signatures not witnessed by us, the authenticity of all documents, records, instruments and letters submitted to us as originals, the conformity to originals of all items submitted to us as certified or photostatic copies, the legal capacity and authority of the persons who executed such items, the accuracy of all warranties, representations and statements of fact contained in the documents and instruments submitted to us, and the continuing accuracy on this date of any certificates or other items supplied to us regarding the matters addressed herein, which assumptions we have not verified. As to questions of fact material to our opinion, we have relied upon and assumed the correctness of the public records and certificates by, and representations of, public officials and other officers, and representatives of the parties to this transaction. We have no actual knowledge of any factual information that would lead us to form a legal opinion that the public records or certificates which we have relied upon contain any untrue statement of a material fact.

The opinion expressed herein is based upon existing law as of the date hereof and we express no opinion herein as of any subsequent date or with respect to any pending legislation. We assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinion expressed herein after the date hereof. The opinion expressed herein represents our professional judgment, is not a guarantee of result, and is limited to the laws of the State of Florida and the United States of America.

The opinion expressed herein is furnished by us as Disclosure Counsel to our client, the City, and solely for the use of the addressee named above. Such opinion shall not extend to, and may not be relied upon by, any other persons, firms, or corporations without our prior written consent. The opinion expressed herein is limited to the matters set forth herein, and to the documents referred to herein, and does not extend to any other agreements, documents or instruments executed by the City, and no other opinion should be inferred beyond the matters expressly stated herein.

Respectfully submitted,

LAW OFFICES OF STEVE E. BULLOCK, P.A.

## **APPENDIX F**

### **Form of Continuing Disclosure Commitment**

## CONTINUING DISCLOSURE COMMITMENT

This CONTINUING DISCLOSURE COMMITMENT, dated as of \_\_\_\_\_, 2020, is executed and delivered by the CITY OF FORT LAUDERDALE, FLORIDA (the “City”), a municipal corporation and public body corporate and politic, duly organized and existing under the Constitution and laws of the State of Florida (the “City”), in connection with the issuance of \$\_\_\_\_\_ in aggregate principal amount of City of Fort Lauderdale, Florida Taxable Special Obligation Refunding Bonds, Series 2020 (the “Series 2020 Bonds”). The Series 2020 Bonds are being issued pursuant to, among other authorizations, Resolution No. 12-1979 adopted by the City Commission of the City (the “City Commission”) on September 5, 2012 (the “Bond Resolution”) and Resolution No. 20-\_\_\_\_\_ adopted by the City Commission on \_\_\_\_\_, 2020 (the “Series 2020 Resolution” and, together with the Bond Resolution, the “Resolution”). The City covenants and agrees as follows:

SECTION 1. Purpose of Disclosure Commitment. This Disclosure Commitment is being executed and delivered by the City in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission (the “SEC”). This Disclosure Commitment, together with Section 609 of the Bond Resolution and Section 11 of the Series 2020 Resolution (collectively, the “Disclosure Agreement”) shall constitute the continuing disclosure agreement of the City in accordance with the requirements of the Rule for the benefit of the Beneficial Owners.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Commitment, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Commitment.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2020 Bonds (including persons holding Series 2020 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2020 Bonds for federal income tax purposes.

“Business Day” shall mean any day other than a Saturday, Sunday or a day when banks in the City of New York, New York, or in the City of Fort Lauderdale, Florida, or in the city in which the principal offices of the Bond Registrar are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

“Dissemination Agent” shall mean Digital Assurance Certification, L.L.C., or any successor or alternate Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services,

failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Dissemination Agent from the performance of its obligations under the Disclosure Agreement.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Commitment.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2020 Bonds required to comply with the Rule in connection with the offering of the Series 2020 Bonds.

“Repository” shall mean any municipal securities information repository approved from time to time by the SEC, or otherwise established by law or regulation, where information is required to be filed in accordance with the Rule and initially shall constitute the entity set forth on Exhibit A of this Disclosure Commitment.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the 243<sup>rd</sup> day following the end of each Fiscal Year, commencing with the Fiscal Year ended September 30, 2019, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Commitment. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Commitment; provided, however, that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if the audited financial statements are not available by that date. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than ten (10) Business Days prior to the date the Annual Report is to be filed with each Repository, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If the City is unable to provide to the Repository an Annual Report by the date required in subsection (a) of this Section, or if the City shall fail to provide the Annual Report to the Dissemination Agent in time for the Dissemination Agent to deliver the Annual Report to the Repository by the date required in subsection (a) of this Section, the City or the Dissemination Agent, as applicable, shall send a notice to each Repository in substantially the form attached as Exhibit B to this Disclosure Commitment.

(c) If the audited financial statements of the City are prepared but not available prior to the date the Annual Report is required to be filed, the City may provide an electronic copy of its unaudited financial statements to the Dissemination Agent and shall, when the audited financial statements of the City are available, provide in a timely manner an electronic copy of such audited financial statements to the Dissemination Agent, accompanied by any required documentation, in

each case, for filing with the MSRB. Compliance with the provisions of this Section 3(c) shall constitute the City's filing of the Annual Report until the audited financial statements of the City are filed.

(d) In addition to filing the notice required by subsection (b) of this Section, as applicable, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository and verify the filing specifications of such Repository; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to the Disclosure Agreement, stating the date it was provided and listing each Repository to which it was provided.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, which may be a part of the City's Comprehensive Annual Financial Report. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report may contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement for the Series 2020 Bonds, if available, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent such information is not otherwise included as part of the Annual Report, updated information from that set forth in the Official Statement for the Series 2020 Bonds (i) under the captions "PLEDGED FUNDS - Designated Revenues Collections" and "PLEDGED FUNDS - Non-Ad Valorem Revenues Collections," (ii) comprising the annual pension cost and funding status information under the caption "PENSION PLANS," and (iii) comprising the annual cost and contribution information under the caption "GASB STATEMENT NO. 75."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to each Repository or to the SEC. If the document included by reference is a final official statement, such final official statement must be available in electronic format from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2020 Bonds in a timely manner not in excess of ten (10) Business Days of the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;
3. Unscheduled draws on the debt service reserves reflecting financial difficulties;
4. Unscheduled draws on the credit enhancements reflecting financial difficulties.
5. Substitution of the credit or liquidity providers or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2020 Bonds, or other material events affecting the tax status of the Series 2020 Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Series 2020 Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;

*Note: for the purposes of the event identified in this subsection 5(a)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.*

13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;



14. Appointment of a successor or additional Bond Registrar, Paying Agent or trustee or the change of name of a Bond Registrar, Paying Agent or trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) Notice to the Dissemination Agent of any Listed Event shall be in writing. Such notice shall (i) identify the Listed Event that has occurred; (ii) include the text of the disclosure that the City desires to make; (iii) contain the written authorization of the City for the Dissemination Agent to disseminate such information, and (iv) identify the date the City desires the Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10<sup>th</sup>) Business Day after the occurrence of the Listed Event).

(c) The Dissemination Agent is not obligated to notify the City of an event that may constitute a Listed Event. In the event the Dissemination Agent so notifies the City, the City shall, within two (2) Business Days of receipt of such notice (but in any event not later than the tenth (10<sup>th</sup>) Business Day after the occurrence of the Listed Event, if the City determines that a Listed Event has occurred), instruct the Dissemination Agent that a Listed Event either (i) has not occurred and no filing is to be made or (ii) has occurred and the Dissemination Agent shall be provided notice thereof in the manner provided in Section 5(b).

SECTION 6. Termination of Reporting Obligation. The obligations of the City under the Disclosure Agreement shall remain in effect only for such period that the Series 2020 Bonds are outstanding in accordance with their terms and the terms of the Bond Resolution and the City remains an obligated person with respect to the Series 2020 Bonds within the meaning of the Rule. The obligation of the City to provide the Annual Report and notices of Listed Events shall terminate if and when the City no longer remains such an obligated person. The Disclosure Agreement also shall terminate upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Agreement, the City may amend the Disclosure Agreement, and non-compliance with any provision of the Disclosure Agreement may be waived, provided the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) hereof (unless the amendment or waiver is necessary or appropriate for the City to achieve compliance with any applicable federal law or rule, or to cure any ambiguity, inconsistency, formal defect or omission in the provisions of the Disclosure Agreement), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2020 Bonds, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2020 Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2020 Bonds in the same manner as provided in the Bond Resolution for amendments to the Bond Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners.

In the event of any amendment or waiver of a provision of the Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 8. Additional Information. Nothing in the Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Commitment or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Disclosure Agreement, the City shall have no obligation under the Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Remedy for Breach. The Disclosure Agreement shall be solely for the benefit of the Beneficial Owners from time to time of the Series 2020 Bonds. The exclusive remedy for any breach of the Disclosure Agreement by the City shall be limited, to the extent permitted by law, to a right of Beneficial Owners to institute and maintain, or to cause to be instituted and maintained, such proceedings as may be authorized at law or in equity to obtain the specific performance by the City of its obligations under the Disclosure Agreement. Any holder or beneficial owner may exercise individually any such right to require the City to specifically perform its obligation to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Notwithstanding any other provisions of the Bond Resolution or the Disclosure Agreement, any failure by the City to comply with any provision of the Disclosure Agreement shall not constitute a default under the Series 2020 Bonds or under the Resolution.

SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The services provided by the Dissemination Agent under or pursuant to the Disclosure Agreement shall solely relate to the execution of instructions received by the Dissemination Agent from the City and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”). The Dissemination Agent shall not provide any advice or recommendation to the City or anyone on the City’s behalf regarding the “issuance of municipal securities” or any “municipal financial product,” as such

terms are defined in Dodd-Frank, and nothing in the Disclosure Agreement shall be interpreted to the contrary.

(b) For purposes of satisfying the reporting requirements of the Disclosure Agreement, the City has delegated to the Dissemination Agent the duties, functions and responsibilities of disclosing information undertaken by the City in the Disclosure Agreement. The City may, from time to time, appoint or engage an alternate or substitute Dissemination Agent to assist it in carrying out its obligations under the Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor, alternate or substitute Dissemination Agent. The Dissemination Agent (other than the City) shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to the Disclosure Agreement.

(c) Any information received by the Dissemination Agent before 6:00 p.m. Eastern time on any Business Day that it is required to file with the MSRB pursuant to the terms of the Disclosure Agreement will be filed by the Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same Business Day; provided, however, the Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event, provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

(d) The Dissemination Agent shall have only such duties as are specifically set forth in the Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2020 Bonds.

SECTION 11. Extent of Covenants; No Personal Liability. All covenants, stipulations, obligations and agreements of the City contained in the Disclosure Agreement are and shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized by law. No covenant, stipulation, obligation or agreement of the City contained in the Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the City in other than that person's official capacity.

SECTION 12. Obligated Persons. If any person, other than the City, becomes an "obligated person" with respect to the Series 2020 Bonds within the meaning of the Rule, the City shall use its best efforts to require such "obligated person" to comply with all provisions of the Rule applicable to such "obligated person."

SECTION 13. Electronic Filing. Any filing under the Disclosure Agreement with a Repository shall be made in compliance with the formal rules, notices or releases for such filings, as established by the SEC or the MSRB and, until established otherwise by such rules, notices or releases, any filing under the Disclosure Agreement shall be made electronically at <http://emma.msrb.org/> in accordance with the procedures of the MSRB for such filings.

SECTION 14. Beneficiaries. The Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 15. Severability. In case any section or provision of the Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Headings. The headings preceding the text of the sections of this Disclosure Commitment are solely for convenience of reference and shall not affect the meaning, construction or effect of any of the provisions of the Disclosure Agreement.

IN WITNESS WHEREOF, the City has caused this Disclosure Commitment to be executed by its duly authorized officer and delivered to the Participating Underwriter in connection with the original issuance and delivery of the Series 2020 Bonds, all as of the date set forth above, and the Beneficial Owners from time to time shall be deemed to have accepted the Disclosure Agreement, as contained in Section 609 of the Bond Resolution, Section 11 of the Series 2020 Resolution and further described and specified herein, in accordance with the Rule.

CITY OF FORT LAUDERDALE, FLORIDA

By: \_\_\_\_\_  
SUSAN GRANT, Director of Finance

## EXHIBIT A

Municipal Securities Information Repositories approved by the United States Securities and Exchange Commission:

Municipal Securities Rulemaking Board:

<http://emma.msrb.org/>

A list of names and addresses of all designated Municipal Securities Information Repositories as of any point in time is available by visiting the SEC's website at <http://www.sec.gov/info/municipal.shtml>.

EXHIBIT B

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Fort Lauderdale, Florida

Name of Bond Issue: Taxable Special Obligation Refunding Bonds, Series 2020 (the "Series 2020 Bonds")

Date of Issuance: \_\_\_\_\_, 2020

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the Series 2020 Bonds, as required by Section 609 of the Bond Resolution and Section 11 of the Series 2020 Resolution, each adopted by the City Commission of the City in connection with the issuance of the Series 2020 Bonds. The City anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

[Dissemination Agent]

By: \_\_\_\_\_  
Name:  
Title: