
CITY OF POMPANO BEACH, FLORIDA

ORDINANCE NO. 2018-58

Enacted On June 26, 2018

Authorizing and Securing
General Obligation Bonds, Series 2018

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| SECTION 1. DEFINITIONS; AUTHORITY FOR THIS 2018 SERIES ORDINANCE; 2018 SERIES ORDINANCE CONSTITUTES CONTRACT | 2 |
| SECTION 2. FINDINGS..... | 2 |
| SECTION 3. APPROVAL AND AUTHORIZATION OF THE SERIES 2018 BONDS; APPROVAL AND AUTHORIZATION OF THE SERIES 2018 PROJECTS | 4 |
| SECTION 4. REDEMPTION PROVISIONS..... | 5 |
| SECTION 5. EXECUTION AND AUTHENTICATION OF THE SERIES 2018 BONDS | 5 |
| SECTION 6. SALE OF THE SERIES 2018 BONDS; OFFICIAL NOTICE OF SALE; SUMMARY NOTICE OF SALE | 6 |
| SECTION 7. APPLICATION OF PROCEEDS OF THE SERIES 2018 BONDS | 7 |
| SECTION 8. PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT | 7 |
| SECTION 9. APPOINTMENT OF PAYING AGENT AND BOND REGISTRAR..... | 8 |
| SECTION 10. INSURANCE MATTERS..... | 8 |
| SECTION 11. CONTINUING DISCLOSURE..... | 8 |
| SECTION 12. GENERAL AUTHORITY..... | 8 |
| SECTION 13. SEVERABILITY AND INVALID PROVISIONS | 9 |
| SECTION 14. MASTER ORDINANCE TO CONTINUE IN FORCE..... | 9 |
| SECTION 15. EFFECTIVE DATE | 9 |

EXHIBITS

| | | |
|-----------|---|-----|
| EXHIBIT A | SERIES 2018 PROJECTS..... | A-1 |
| EXHIBIT B | FORM OF PRELIMINARY OFFICIAL STATEMENT | B-1 |
| EXHIBIT C | FORMS OF OFFICIAL NOTICE OF SALE AND SUMMARY NOTICE OF SALE | C-1 |
| EXHIBIT D | FORM OF AWARD CERTIFICATE | D-1 |
| EXHIBIT E | FORM OF CONTINUING DISCLOSURE CERTIFICATE | E-1 |

ORDINANCE NO. 2018-58

**CITY OF POMPANO BEACH
Broward County, Florida**

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, PROVIDING FOR THE ISSUANCE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2018 IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$108,000,000 TO BE APPLIED, TOGETHER WITH OTHER LEGALLY AVAILABLE FUNDS OF THE CITY, IF ANY, TO FINANCE, REIMBURSE AND REFINANCE THE COST OF ACQUIRING, CONSTRUCTING, EQUIPPING, RENOVATING, REPLACING AND IMPROVING CERTAIN PROJECTS APPROVED BY THE QUALIFIED ELECTORS OF THE CITY VOTING IN A BOND REFERENDUM HELD IN THE CITY; PROVIDED, HOWEVER THE AGGREGATE PRINCIPAL AMOUNT OF THE GENERAL OBLIGATION BONDS, SERIES 2018 TO BE ISSUED IN CONNECTION WITH (1) THE PUBLIC SAFETY PROJECTS (DEFINED HEREIN) SHALL NOT EXCEED \$18,000,000, (2) PARKS, RECREATION AND LEISURE PROJECTS (DEFINED HEREIN) SHALL NOT EXCEED \$47,000,000, AND (3) THE STREETS, SIDEWALKS, BRIDGES AND STREETSCAPING PROJECTS (DEFINED HEREIN) SHALL NOT EXCEED \$43,000,000; FIXING CERTAIN TERMS AND DETAILS OF THE GENERAL OBLIGATION BONDS, SERIES 2018; AUTHORIZING EXECUTION AND DELIVERY OF THE GENERAL OBLIGATION BONDS, SERIES 2018; DELEGATING AUTHORITY TO DETERMINE WHETHER TO INCLUDE CERTAIN PROJECT COMPONENTS IN THE PROJECTS TO BE FINANCED BY THE GENERAL OBLIGATION BONDS, SERIES 2018; AUTHORIZING THE PUBLIC SALE OF THE SERIES 2018 BONDS AND THE USE OF THE PRELIMINARY OFFICIAL STATEMENT, OFFICIAL NOTICE OF SALE AND SUMMARY NOTICE OF SALE IN CONNECTION THEREWITH; DELEGATING AUTHORITY TO THE CITY MANAGER OF THE CITY, IN CONSULTATION WITH THE CITY'S FINANCIAL ADVISOR, TO ACCEPT, PURSUANT TO A COMPETITIVE PUBLIC SALE PROCESS, THE BID OR BIDS OF THE LOWEST QUALIFIED BIDDER OR BIDDERS FOR THE PURCHASE OF THE SERIES 2018 BONDS, SUBJECT TO CERTAIN PARAMETERS AND OTHER MATTERS SET FORTH HEREIN; DIRECTING THE APPLICATION OF THE PROCEEDS OF THE GENERAL OBLIGATION BONDS, SERIES 2018; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CERTIFICATE DEEMING THE PRELIMINARY OFFICIAL STATEMENT FINAL; APPOINTING U.S. BANK NATIONAL ASSOCIATION AS THE INITIAL PAYING AGENT AND

BOND REGISTRAR FOR THE GENERAL OBLIGATION BONDS, SERIES 2018; APPROVING THE FORM OF AND AUTHORIZING EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE WITH RESPECT TO THE GENERAL OBLIGATION BONDS, SERIES 2018; PROVIDING FOR THE APPOINTMENT OF A DISSEMINATION AGENT; AUTHORIZING OTHER REQUIRED ACTIONS; AUTHORIZING THE PROPER OFFICIALS OF THE CITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE MATTERS PROVIDED FOR HEREIN; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1. DEFINITIONS; AUTHORITY FOR THIS 2018 SERIES ORDINANCE; 2018 SERIES ORDINANCE CONSTITUTES CONTRACT. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Master Ordinance (hereinafter defined), unless otherwise provided or unless the context otherwise clearly requires. In the event any of the Series 2018 Bonds are issued as Taxable Bonds, the provisions of Chapter 159, Part VII, Florida Statutes shall be deemed to be a part of the Act, notwithstanding anything to the contrary in the Master Ordinance. The City is authorized to adopt this Series Ordinance (the “2018 Series Ordinance”) under the authority granted by the provisions of the Act, Ordinance No. 2018-49 enacted by the City on April 24, 2018 (the “Master Ordinance”) and the Bond Referendum. This 2018 Series Ordinance is a Series Ordinance with respect to the Series 2018 Bonds within the meaning of the Master Ordinance. In consideration of the purchase of the Series 2018 Bonds by those who shall own the same from time to time, this 2018 Series Ordinance shall be deemed to be and shall constitute a contract between the City and such owners of the Series 2018 Bonds. To the extent necessary to effectuate the terms and conditions hereof, the Master Ordinance is hereby incorporated herein by this reference.

SECTION 2. FINDINGS. It is hereby found and determined that:

A. Pursuant to the Referendum Resolution, the City, among other matters, authorized the issuance of its Bonds in connection with the Projects set forth in the Referendum Resolution, subject to the approval of a majority of the qualified electors of the City voting in the Bond Referendum authorized and called to be held in the City pursuant to the Referendum Resolution.

B. The Projects were described on Exhibit A to the Referendum Resolution and grouped into three categories, referred to, respectively as (i) the “Public Safety Projects” (which consist generally of police, fire, emergency management and lifeguard facilities and related costs); (ii) the “Parks, Recreation and Leisure Projects” (which consist generally of parks, recreation and leisure facilities and related costs); and (iii) the “Streets, Sidewalks, Bridges and Streetscaping Projects” (which consist generally of streets, sidewalks, bridges and streetscaping, related utilities and drainage and related costs).

C. Pursuant to the Referendum Resolution, three separate ballot questions were presented and separately voted on in the Bond Referendum, corresponding to the Public Safety Projects, the Parks, Recreation and Leisure Projects, and the Streets, Sidewalks, Bridges and Streetscaping Projects, respectively.

D. The Bond Referendum was held on March 13, 2018 and a majority of the votes cast by the qualified electors within the City voting in the Bond Referendum approved the issuance of the general obligation bonds that were the subject of the Bond Referendum for each of the Public Safety Projects, the Parks, Recreation and Leisure Projects, and the Streets, Sidewalks, Bridges and Streetscaping Projects.

E. In accordance with the Act, the City certified the returns of the Bond Referendum pursuant to Resolution No. 2018-109 adopted on March 27, 2018.

F. Pursuant to the Act and the Bond Referendum, the City is authorized to (i) issue the Bonds in one or more Series for the purpose of financing, reimbursing and refinancing, together with other legally available funds of the City, if any, the cost of acquiring, constructing, equipping, renovating, replacing and improving the Projects; provided, however the aggregate principal amount of the Bonds (excluding Bonds issued for refunding purposes) to be issued in connection with (1) the Public Safety Projects shall not exceed \$46,000,000, (2) the Parks, Recreation and Leisure Projects shall not exceed \$56,000,000 and (3) the Streets, Sidewalks, Bridges and Streetscaping Projects shall not exceed \$79,000,000; and (ii) pledge the Ad Valorem Taxes levied in the City to the payment of the Bonds.

G. The City enacted the Master Ordinance authorizing the Bonds, in general terms, to finance the Costs of the Projects and providing, among other matters, for each Series of the Bonds to be further authorized by one or more Series Ordinances. The City now desires to provide for the issuance of its General Obligation Bonds, Series 2018 in an aggregate principal amount not exceeding \$108,000,000 (the "Series 2018 Bonds"), pursuant to the Master Ordinance and this 2018 Series Ordinance (collectively, the "Ordinance"), subject to the terms and conditions of the Ordinance, for the purposes set forth in Section 3(a) of this 2018 Series Ordinance, and to determine the terms and details thereof.

H. The City hereby determines that it would be in the best interests of the City that the Series 2018 Bonds be sold on a competitive basis pursuant to a public sale, subject to certain parameters and other matters set forth herein. To facilitate such public sale, there have been prepared (i) the Preliminary Official Statement relating to the Series 2018 Bonds, a form of which is attached hereto as Exhibit B (the "Preliminary Official Statement"), and (ii) an Official Notice of Sale ("Official Notice of Sale") and Summary Notice of Sale ("Summary Notice of Sale"), forms of which are attached hereto as composite Exhibit C.

I. The City Commission hereby determines that it is necessary and desirable for the promotion of various municipal purposes and for the health, safety and welfare of the residents of the City, and serves a paramount public purpose, for the City to undertake the Series 2018 Projects (hereinafter defined) and to issue the Series 2018 Bonds to finance or reimburse, all or in part, the

cost thereof, together with other legally available funds, as provided for herein (with any benefit to private parties from the Series 2018 Projects being incidental for purposes of the Florida Constitution).

SECTION 3. APPROVAL AND AUTHORIZATION OF THE SERIES 2018 BONDS; APPROVAL AND AUTHORIZATION OF THE SERIES 2018 PROJECTS.

(a) Subject to the provisions of Section 6 hereof and Section 7 hereof, the City hereby authorizes and approves the issuance of (i) a Series of Bonds in the initial aggregate principal amount of not exceeding \$108,000,000 to be known as the "City of Pompano Beach, Florida General Obligation Bonds, Series 2018" to be applied, together with legally available funds of the City, if any, to: (i) finance (including through reimbursement) the Costs of the Series 2018 Projects, subject to the provisions of Section 3(c) and 3(d) below; provided, however, the aggregate principal amount of the Series 2018 Bonds to be issued in connection with (1) the Public Safety Projects shall not exceed \$18,000,000, (2) the Parks, Recreation and Leisure Projects shall not exceed \$47,000,000 and (3) the Streets, Sidewalks, Bridges and Streetscaping Projects shall not exceed \$43,000,000; (ii) pay capitalized interest on the Series 2018 Bonds, if determined appropriate pursuant to Section 7 hereof; and (iii) pay Costs of issuance of the Series 2018 Bonds, which may include the premium for an Insurance Policy with respect to all or any maturities of the Series 2018 Bonds.

(b) The Series 2018 Bonds shall be issued in at least one Series of Tax-Exempt Bonds and, subject to the provisions of subsection (e) below, may also be issued as one or more Series of Taxable Bonds. The Series 2018 Bonds shall be held pursuant to a book-entry system of registration in accordance with Section 211 of the Master Ordinance. All provisions, covenants, pledges and conditions of the Ordinance shall be applicable to the Series 2018 Bonds. The Series 2018 Bonds shall be initially issued as a single registered bond for each maturity (or each separate interest rate within a maturity). The Series 2018 Bonds will be dated as of their date of issuance or such other date specified in the Official Statement (hereinafter defined), shall be issued in denominations of \$5,000 or integral multiples thereof, and will bear interest payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2019, or such other date specified in the Official Statement. Subject to Section 6 hereof, the Series 2018 Bonds shall mature not later than July 1, 2048 and shall bear interest at a rate per annum not exceeding the maximum rate permitted by law.

(c) The Projects currently contemplated to be financed by the Series 2018 Bonds are set forth on Exhibit A hereto (the "Series 2018 Projects"). The City shall include the components of the Series 2018 Projects in its approved five-year capital improvement plan, as same may be adopted from time to time.

(d) The City hereby determines, as permitted by the Referendum Resolution, that it is in the best interest of the City and better serves City purposes to modify the description of (i) the Mitchell Moore Park Improvements from those described in Exhibit A to the Referendum Resolution to those described on Exhibit A hereto; and (ii) the SE 5th Street Bridge Improvements from those described in Exhibit A to the Referendum Resolution to those described on Exhibit A hereto.

(e) Notwithstanding anything to the contrary herein, the Series 2018 Projects described on Exhibit A hereto may be modified prior to the date of the Preliminary Official Statement (hereinafter defined), as hereafter described. The City Manager of the City (the “City Manager”) is hereby authorized to determine, in consultation with the City Attorney of the City (the “City Attorney”) and Bond Counsel to the City (“Bond Counsel”), whether to delete any components of the Series 2018 Projects listed on Exhibit A hereto in the event such components are not in sufficiently final form to be financed (in which case any such deleted components may be financed, including through reimbursement, by a future Series of Bonds and/or legally available funds of the City, as shall be evidenced by future proceedings of the City Commission, including the enactment of a related Series Ordinance). In addition, the City Manager, in consultation with the City Attorney and Bond Counsel, may determine which portion of the Series 2018 Bonds, if any, shall be issued as Taxable Bonds in order to provide the City with flexibility to use the components of the Series 2018 Project to be financed with such Taxable Bonds in a manner that would not otherwise meet the requirements of the Code. The determination as to the final list of the components of the Series 2018 Projects, and whether any of the Series 2018 Bonds are issued as Taxable Bonds, shall be evidenced in the Preliminary Official Statement. The execution on behalf of the City of the final Official Statement as of its date shall constitute conclusive evidence of the approval of such matters by the City.

(f) As contemplated by the Referendum Resolution, following the date of the Official Statement, the City may, in its sole discretion, by official action evidenced by a resolution or ordinance of the City Commission adopted or enacted from time to time, modify or amend all or any portion of the components included in the Series 2018 Projects to (1) delete one or more of the listed items if the City determines it is not feasible or is otherwise not in the best interest of the City to pursue or (2) substitute or modify one or more of the listed items, if the City determines such substitution or modification better serves City purposes, provided such modified or substituted facility, improvement or equipment shall be included in the City’s five-year capital improvement program, as adopted from time to time, and be related to (i) police, fire, emergency management or lifeguard services with respect to the Public Safety Projects, (ii) parks, community centers, piers, amphitheaters, pavilions, ballfields or other recreation and leisure purposes with respect to the Parks, Recreation and Leisure Projects, and (iii) streets, streetscaping, landscaping, sidewalks, lighting, related utilities and drainage, parking, or bridges with respect to the Streets, Sidewalks, Bridges and Streetscaping Projects.

SECTION 4. REDEMPTION PROVISIONS. Subject to the requirements of Section 6 hereof, the Series 2018 Bonds shall be subject to mandatory sinking fund redemption, if issued as Term Bonds, and may be subject to extraordinary redemption and/or optional redemption, if at all, in such manner and at such times so as to produce the best market acceptance for the Series 2018 Bonds, all as shall be provided in the final Official Notice of Sale. The Series 2018 Bonds may be issued as Serial Bonds and/or Term Bonds, and any Term Bonds shall have such Amortization Requirements as shall be set forth in the Official Statement.

SECTION 5. EXECUTION AND AUTHENTICATION OF THE SERIES 2018 BONDS. The Mayor or his designee is hereby authorized and directed to execute, and/or to cause his facsimile signature to be placed on, and the City Clerk or her designee is hereby authorized and

directed to attest by manual or facsimile signature, each of the Series 2018 Bonds and such officers are further authorized and directed to cause the corporate seal of the City to be imprinted or reproduced thereon and to deliver the Series 2018 Bonds to the Bond Registrar for authentication and delivery. The form of the Series 2018 Bonds shall be substantially in the form of the Bonds set forth as an exhibit to the Master Ordinance. Execution of the Series 2018 Bonds by the Mayor shall constitute conclusive approval thereof.

SECTION 6. SALE OF THE SERIES 2018 BONDS; OFFICIAL NOTICE OF SALE; SUMMARY NOTICE OF SALE. The Official Notice of Sale and Summary Notice of Sale, in substantially the forms attached as Exhibit C, are hereby authorized and approved, with such changes, modifications and deletions, consistent with the Parameters (hereinafter defined), as the City Manager, upon advice of the City Attorney, Bond Counsel and the City's Financial Advisor (the "Financial Advisor"), shall deem necessary and appropriate. The use and distribution of the final Official Notice of Sale and Summary Notice of Sale in connection with the public sale of the Series 2018 Bonds is hereby approved and authorized. Notice of the public sale of the Series 2018 Bonds shall be published in summary form in the manner required by Section 218.385, Florida Statutes at least one time at least 10 days prior to the date of sale in one or more newspapers or financial journals published within or outside the State of Florida in accordance with said Section 218.385.

The City Manager, in consultation with the Financial Advisor, is hereby authorized and directed to make the initial determinations of the following with respect to the Series 2018 Bonds: (i) the maturity dates; (ii) the aggregate par amount (and the allocation of the aggregate par amount to each of the three categories of the Series 2018 Projects); (iii) the dated date; (iv) the first Interest Payment Date; (v) the redemption provisions, if any; and (vi) whether to capitalize interest on the Series 2018 Bonds, the period of time, if any, during which interest shall be capitalized (subject to the limitations of applicable law and, in connection with Series 2018 Bonds issued as Tax-Exempt Bonds, the Code) and the amount, if any, of interest to be capitalized (the "Capitalized Interest Amount"), subject in all respects to the Parameters set forth herein, and to cause the same to be set forth in the final Official Notice of Sale. The City Manager, in consultation with the City Attorney, Bond Counsel and the Financial Advisor, is also authorized to determine the date of the public sale of the Series 2018 Bonds.

There is hereby delegated to the City Manager, in consultation with the Financial Advisor, the authority to sell the Series 2018 Bonds to the lowest qualified bidder or bidders in accordance with the Parameters (referred to herein as the "Underwriter(s)"). The sale of the Series 2018 Bonds to the Underwriter(s) shall be evidenced by the execution by the City Manager or his designee of the award certificate substantially in the form attached hereto as Exhibit D (the "Award Certificate").

For purposes of this Ordinance, the "Parameters" shall be as follows: (i) the original aggregate principal amount of the Series 2018 Bonds shall not exceed \$108,000,000 (provided that the aggregate principal amount of the Series 2018 Bonds to be issued in connection with Public Safety Projects shall not exceed \$18,000,000, the Parks, Recreation and Leisure Projects shall not exceed \$47,000,000, and the Streets, Sidewalks, Bridges and Streetscaping Projects shall not exceed \$43,000,000); (ii) the true interest cost rate per annum shall not exceed 5.00%; (iii) the final maturity date of the Series 2018 Bonds shall not be later than July 1, 2048; (iv) the purchase price shall not be

less than 99% of the original aggregate principal amount of the Series 2018 Bonds; (v) the Series 2018 Bonds shall be subject to mandatory sinking fund redemption, if issued as Term Bonds, and may be subject to extraordinary redemption and/or optional redemption, if at all, in such manner and at such times so as to produce the best market acceptance for the Series 2018 Bonds, all as shall be provided in the final Official Notice of Sale; and (vi) the Series 2018 Bonds may be sold with original issue premium only if such sale with original issue premium shall meet the requirements of the Code with respect to Series 2018 Bonds issued as Tax-Exempt Bonds.

The execution by the City Manager or his designee of the Award Certificate on behalf of the City shall constitute conclusive evidence that the Parameters have been met.

SECTION 7. APPLICATION OF PROCEEDS OF THE SERIES 2018 BONDS.

The proceeds derived from the sale of the Series 2018 Bonds shall be applied simultaneously with the delivery thereof for the purposes provided for herein. The City hereby establishes three separate accounts in the Construction Fund, designated as the “2018 Public Safety Projects Construction Account,” the “2018 Parks, Recreation and Leisure Projects Construction Account” and the “2018 Streets, Sidewalks, Bridges and Streetscaping Projects Construction Account,” respectively. Amounts in (i) the 2018 Public Safety Projects Construction Account shall be applied solely for the purpose of paying Costs of the Public Safety Projects; (ii) the 2018 Parks, Recreation and Leisure Projects Construction Account shall be applied solely for the purpose of paying Costs of the Parks, Recreation and Leisure Projects; and (iii) the 2018 Streets, Sidewalks, Bridges and Streetscaping Projects Construction Account shall be applied solely for the purpose of paying Costs of the Streets, Sidewalks, Bridges and Streetscaping Projects. The City shall maintain such records and implement such procedures as necessary to evidence compliance with the foregoing, including, without, limitation, as part of the requisition process referenced in subsection (b) of Section 406 of the Master Ordinance. Any excess amounts remaining in each of such accounts upon completion of the portions of the Series 2018 Projects to be funded from such account shall be transferred to the Ad Valorem Taxes Fund. Capitalized Interest, if any, shall be paid from proceeds of the Series 2018 Bonds and the Capitalized Interest Amount shall be deposited into the Ad Valorem Taxes Fund on the date of issuance of the Series 2018 Bonds.

The specific amounts to be deposited in the funds and accounts created under the Ordinance shall be as set forth in a certificate executed by the City Manager or his designee and delivered at the time of issuance of the Series 2018 Bonds.

SECTION 8. PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT. The Preliminary Official Statement relating to the Series 2018 Bonds in substantially the form attached hereto as Exhibit B (the “Preliminary Official Statement”), with such insertions, deletions, modifications and changes as may be approved by the City Manager, in consultation with the City Attorney, Bond Counsel, Disclosure Counsel to the City and the Financial Advisor, is hereby approved with respect to the information therein contained. The distribution and use of the Preliminary Official Statement in connection with the public offering for sale of the Series 2018 Bonds is hereby authorized. The execution by the City Manager or his designee of a certificate deeming the Preliminary Official Statement final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 is hereby authorized. The City Manager or his designee is hereby

authorized and directed to execute and the City Clerk or her designee is hereby authorized and directed to attest a final Official Statement to be dated the date of the award of the Series 2018 Bonds to the underwriter(s) (the "Official Statement"), and, upon such execution, to deliver the same to the underwriter(s) for use in connection with the sale and distribution of the Series 2018 Bonds. The Official Statement shall contain such information as necessary to confirm the details of the Series 2018 Bonds. The execution and delivery of the Official Statement by the City Manager or his designee shall constitute conclusive evidence of the approval thereof. The City hereby authorizes the Official Statement and the information contained therein to be used in connection with the offering and sale of the Series 2018 Bonds.

SECTION 9. APPOINTMENT OF PAYING AGENT AND BOND REGISTRAR. U.S. Bank National Association is hereby appointed to serve as initial Paying Agent and Bond Registrar for the Series 2018 Bonds and hereby accepts the duties imposed by the Ordinance upon the Paying Agent and Bond Registrar for the Series 2018 Bonds.

SECTION 10. INSURANCE MATTERS. The City Manager, in consultation with the City's Financial Advisor, shall determine whether to permit bidders to have the option to provide an Insurance Policy insuring all or any maturities of the Series 2018 Bonds, which determination shall be set forth in the final Official Notice of Sale. In the event an Insurance Policy is obtained for the Series 2018 Bonds, the applicable Insurer shall have the rights set forth in the Master Ordinance with respect to the Series 2018 Bonds subject to the Insurance Policy, including the consent rights set forth in Section 706 of the Master Ordinance.

SECTION 11. CONTINUING DISCLOSURE. The Continuing Disclosure Certificate relating to the Series 2018 Bonds, substantially in the form attached as Exhibit E, is hereby authorized and approved, with such insertions, modifications and deletions as are approved by the City Manager. The City Manager or his designee is hereby authorized and directed to execute, and the City Clerk or his or her designee is hereby authorized and directed to attest, without further act of the City, the Continuing Disclosure Certificate. The execution and delivery of the Continuing Disclosure Certificate by the City Manager shall constitute conclusive evidence of the approval thereof. The Obligated Person with respect to the Continuing Disclosure Certificate is the City. The City Manager is hereby authorized to appoint a firm to serve as initial dissemination agent under the Continuing Disclosure Certificate and execution of the Continuing Disclosure Certificate by the City Manager shall be conclusive evidence of such appointment.

SECTION 12. GENERAL AUTHORITY. The Mayor, City Manager, City Clerk and any other proper officials of the City are hereby authorized and directed to do all acts and things required of them by the Ordinance (including this 2018 Series Ordinance), the Official Statement, the Series 2018 Bonds, the Official Notice of Sale, the Continuing Disclosure Certificate or that may otherwise be desirable or consistent with accomplishing the full, punctual and complete performance of all the terms, covenants and agreements contained in any of the foregoing and each member, employee, attorney and officer of the City is hereby authorized and directed to execute and deliver any and all papers and instruments and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

SECTION 13. SEVERABILITY AND INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of the other provisions hereof or of the Series 2018 Bonds.

SECTION 14. MASTER ORDINANCE TO CONTINUE IN FORCE. Except as herein expressly provided as to the Series 2018 Bonds, the Master Ordinance and all the terms and provisions thereof, are and shall remain in full force and effect.

SECTION 15. EFFECTIVE DATE. This 2018 Series Ordinance shall be effective as the date of its passage and enactment.

PASSED AND ADOPTED on first reading this 12th day of June, 2018.

PASSED AND ENACTED on second reading this 26th day of June, 2018.

LAMAR FISHER, MAYOR

ATTEST:

ASCELETA HAMMOND, CITY CLERK

EXHIBIT A

SERIES 2018 PROJECTS

All costs are estimates only and may be greater or less for each component, and include costs of design, engineering and other professional services and reserves for contingencies. The components of the Series 2018 Projects are subject to modification as provided for in the 2018 Series Ordinance to which this Exhibit A is attached.

Public Safety Projects (footnotes at end)

| <u>Description</u> | <u>Estimated Costs</u> |
|---|------------------------|
| Beach Lifeguard Headquarters Renovation: Design, construct and equip replacement of four (4) existing lifeguard towers on the City's public beach with new lifeguard towers and renovate and equip the existing Ocean Rescue Building located at 50 North Pompano Beach Boulevard. | \$1,430,000 |
| Fire/Emergency Operations Center: Design of a new fire rescue and logistics complex to be located in the Downtown Pompano Transit Oriented Corridor to provide centralized operations for the City.* | \$1,726,200 |
| Fire Station #52: Design of a new fire station building to replace existing Fire Station #52 located at 10 SW 27 th Avenue.* | \$725,000 |
| Fire Station #61: Design and replace existing Fire Station #61 located at 2121 NW 3 rd Avenue, through the construction and equipping of a new fire station building. | \$5,800,000 |
| New SW Fire Station: Design, construct and equip a new fire station to be located at the corner of SW 36 th Avenue and McNab Road, including reimbursement of cost of | \$6,200,500 |

related land acquisition for the new fire station site.

| | |
|---|-----------|
| Public Safety Complex: Design of renovation to the existing Public Safety Complex located at 100 SW 3 rd Street and 120 SW 3 rd Street.* | \$825,000 |
|---|-----------|

| | |
|--------------|---------------------|
| Total | \$16,706,700 |
|--------------|---------------------|

*Design only to be included in Series 2018 Projects; construction and equipping expected to be funded (including through reimbursement) by a future Series of Bonds and/or legally available funds of the City.

Parks, Recreation and Leisure Projects (footnotes at end)

| <u>Description</u> | <u>Estimated Costs</u> |
|---|------------------------|
| Amphitheater Renovations: Design and renovate the existing amphitheater located at 1801 NE 6 th Street, including, but not limited to, construction of shade structure over existing seating area, new bathrooms, audio/video equipment, stage lighting, and upgrades to ticket booth and concession stand. | \$3,500,000 |
| Centennial Park Improvements: Design of a new open-air facility for special events, including City-sponsored and resident events, at existing Centennial Park located at 450 NE 10 th Street.* | \$137,500 |
| Fishing Pier Replacement: Design and replace existing fishing pier at the City's public beach located at 222 N. Pompano Beach Boulevard, including, but not limited to, pedestrian lighting, shade structures, fishing stations and bait and tackle shop. | \$9,000,000 |
| Kester Park Improvements: Design of the renovation of existing Kester Park located at 702 NE 6 th Street.* | \$181,500 |
| McNair Park Improvements: Design, renovate, expand and equip existing McNair Park located at 951 NW 27 th Avenue, including, but not limited to, | \$10,647,000 |

lighted synthetic football/soccer field, running track, tennis court, basketball court, playground with water features, meeting room, concession and senior center.

Mitchell Moore Park Improvements: Design, renovate, construct and equip existing Mitchell Moore Park located at 901 NW 10th Street, including, but not limited to, replacement of grass field with synthetic (field turf), a new scoreboard, additional bleachers and shade structures over the bleacher area. \$1,396,000

North Pompano Park: Design, renovate, expand and equip existing North Pompano Park located at 4400 NE 18th Avenue, including, but not limited to, upgrades to the football/soccer field, playground, and park, including related land acquisition for expansion. \$3,190,000

New Senior Citizens Center: Design, construct and equip a new senior citizens center in the northwest sector of the City to handle increased demand for senior programs, including land acquisition for the senior citizens center site. \$8,000,000

New Ultimate Sports Park: Design of new park to be adjacent to Apollo Park located at 1580 NW 3rd Avenue and construct and equip the first phase of the park, including, but not limited to, a skate park.** \$1,431,000

New Youth Sports Complex: Design of new park to be located at 700 NE 10th Street, the former Elks Club property, near Community Park, reimburse the cost of related land acquisition for the park site, and construct and equip the first phase of the new park including, but not limited to, multi-use fields for youth sports.** \$8,316,000

Total \$45,799,000

*Design only to be included in Series 2018 Projects. Construction and equipping expected to be funded (including through reimbursement) by a future Series of Bonds and/or legally available funds of the City.

**Design of entire project and construction and equipping of first phase to be included in Series 2018 Projects. Construction and equipping expected of the second and final phase to be funded (including through reimbursement) by a future Series of Bonds and/or legally available funds of the City.

Streets, Sidewalks, Bridges and Streetscaping Projects (footnotes at end)

| <u>Description</u> | <u>Estimated Costs</u> |
|---|------------------------|
| A1A Improvements: Design of improvements on State Road A1A from Hillsboro Inlet to Terra Mar Drive and construct and equip the first phase of the project, including, but not limited to, undergrounding of new and existing electric, cable and telephone utility lines, sidewalk widening, bike lanes, traffic calming, lighting and other streetscape improvements.** | \$8,470,000 |
| Collier City Neighborhood Improvements: Design, construct and equip streetscape improvements in the Collier City neighborhood, including, but not limited to, lighting and landscaping. | \$3,000,000 |
| Dixie Highway Improvements: Design of improvements to the Dixie Highway corridor, from McNab Road to Sample Road, and construct and equip the first phase of the project, including, but not limited to, roadway crossing improvements, bicycle lanes, medians, sidewalks, lighting, landscaping, street furniture and other streetscape improvements.** | \$12,430,000 |
| Martin Luther King Jr. Boulevard Improvements: Design, construct and equip improvements to Martin Luther King Jr. Boulevard from NW 6 th Avenue to Interstate 1-95, including, but not limited to, paving, | \$6,600,000 |

related drainage and water and sewer facilities within streets, sidewalks, medians, lighting, landscaping, street furniture and other streetscape improvements.

| | |
|--|-------------|
| McNab Road Improvements: Design of (i) improvements to McNab Road and (ii) replacement of McNab Road bridge.* | \$1,225,000 |
|--|-------------|

| | |
|--|-------------|
| NE 33rd Street Improvements: Design, construct and equip improvements to NE 33 rd Street between Dixie Highway and Federal Highway, including, but not limited to, underground utilities conversion, lighting, irrigation, landscaping, traffic calming, brick paver replacements, curbing, drainage modifications, paths for shared uses, pavement resurfacing, street furniture and other streetscape improvements. | \$5,975,000 |
|--|-------------|

| | |
|---|-----------|
| Palm-Aire Neighborhood Improvements: Design of streetscape improvements at two bridges spanning the C-14 canal, including, but not limited to, lighting, landscaping and sidewalks.* | \$481,250 |
|---|-----------|

| | |
|--|-------------|
| SE 5th Avenue Bridge Improvements: Design and replace the SE 5 th Avenue Bridge by constructing and equipping improvements including, but not limited to, a deck, superstructure and substructure components, to include pilings and jackets. | \$2,450,000 |
|--|-------------|

| | |
|---|-------------|
| Terra Mar Drive Bridge Improvements: Design, construct and equip improvements to the Terra Mar Drive Bridge, including, but not limited to, repair and replacement of the deck, superstructure and substructure. | \$1,400,825 |
|---|-------------|

| | |
|--------------|---------------------|
| Total | \$42,032,075 |
|--------------|---------------------|

*Design only to be included in Series 2018 Projects. Construction and equipping expected to be funded (including through reimbursement) by a future Series of Bonds and/or legally available funds of the City.

**Design of entire project and construction and equipping of first phase to be included in Series 2018 Projects. Construction and equipping expected of the second and final phase to be funded (including through reimbursement) by a future Series of Bonds and/or legally available funds of the City.

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

[ALL TO BE MODIFIED FOR A SERIES OF TAXABLE BONDS, IF APPLICABLE]

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE - Book-Entry-Only

See "RATINGS"

In the opinion of Bond Counsel, under existing law, and assuming compliance with the tax covenants described herein, interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. In the case of certain corporate holders of the Series 2018 Bonds, interest on the Series 2018 Bonds will be included in adjusted current earnings for purposes of the alternative minimum tax applicable to taxable years beginning before January 1, 2018. Bond Counsel is further of the opinion that the Series 2018 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220. See "TAX MATTERS" herein regarding certain other tax considerations.

\$ _____ *

CITY OF POMPANO BEACH, FLORIDA
General Obligation Bonds, Series 2018

Dated: Date of Delivery

**Due: July 1, as shown
on the inside cover**

The City of Pompano Beach, Florida (the "City") is issuing its General Obligation Bonds, Series 2018 (the "Series 2018 Bonds") only in fully registered form, without coupons, in denominations of \$5,000 or integral multiples thereof. The Series 2018 Bonds will bear interest at the fixed rates set forth on the inside cover page, payable semi-annually on each January 1 and July 1, commencing _____ 1, 20____. The Series 2018 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2018 Bonds will be made in book-entry-only form. Accordingly, principal of and interest on the Series 2018 Bonds will be paid from the sources described below by the City, as Paying Agent, directly to DTC as the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein. Any purchaser as a beneficial owner of Series 2018 Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2018 Bonds. See "DESCRIPTION OF THE SERIES 2018 BONDS - Book-Entry-Only System."

The Series 2018 Bonds are being issued by the City pursuant to the Constitution and laws of the State of Florida, as amended and supplemented, including particularly, Chapter 166, Florida Statutes, the City Charter, and other applicable provisions of law (collectively, the "Act")

and a bond referendum held on March 13, 2018 (the “Bond Referendum”). The issuance of the Series 2018 Bonds was approved by a majority of the qualified electors of the City voting in the Bond Referendum. The Series 2018 Bonds are further authorized pursuant to Ordinance No. 2018-49 enacted by the City on April 24, 2018 (the “Master Ordinance”), as supplemented by Ordinance No. 2018-58 enacted by the City on June 26, 2018 (the “2018 Series Ordinance” and, collectively with the Master Ordinance, the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Ordinance.

The proceeds of the Series 2018 Bonds will be used, together with other legally available funds of the City, if any, to: (i) finance certain capital Projects of the City (collectively, the “Series 2018 Projects”); **[(ii) pay capitalized interest on the Series 2018 Bonds through _____ 1, 20____;]** and (iii) pay costs of issuance of the Series 2018 Bonds. See “THE SERIES 2018 PROJECTS” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Series 2018 Bonds are the first Series of Bonds being issued under the Master Ordinance. The Series 2018 Bonds are general obligation bonds of the City to which the full faith, credit and taxing power of the City are irrevocably pledged. The Series 2018 Bonds are payable from Ad Valorem Taxes levied without limitation as to rate or amount on all taxable property within the City sufficient in amount to pay the principal of and interest on the Series 2018 Bonds. See “SECURITY FOR THE SERIES 2018 BONDS - ‘Authorized But Unissued Bonds’ and ‘Pledge Under Ordinance’.”

The Series 2018 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein under “DESCRIPTION OF THE SERIES 2018 BONDS – Redemption Provisions.”

See the inside cover page hereof for maturities, principal amounts, interest rates, yields and prices.

This cover page contains certain information for quick reference only. It is not a summary of the Series 2018 Bonds. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2018 Bonds are offered for delivery in book-entry-only form, when, as and if issued by the City and accepted by the Underwriter (herein defined), subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Greenspoon Marder LLP, Fort Lauderdale, Florida, Bond Counsel, as to the validity of the Series 2018 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Greenspoon Marder LLP, Fort Lauderdale, Florida is also serving as Disclosure Counsel to the City. Mark Berman, Esq. is the City Attorney to the City. PFM Financial Advisors LLC, Coral Gables, Florida is serving as financial advisor to the City. It is expected that the Series 2018 Bonds will be delivered in book-entry-only form through the facilities of DTC, New York, New York on or about _____, 2018.

ELECTRONIC BIDS FOR THE SERIES 2018 BONDS WILL BE RECEIVED THROUGH THE PARITY® ELECTRONIC BID SUBMISSION SYSTEM VIA SEPARATE BIDS AS DESCRIBED IN THE OFFICIAL NOTICE OF SALE.

Dated: _____, 2018

* Preliminary, subject to change.

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. The Series 2018 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 may 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 2018 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

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

\$ _____ Serial Series 2018 Bonds

| Maturity (<u>July 1</u>) | <u>Principal</u> <u>Amount</u> \$ | Interest <u>Rate</u> % | <u>Yield</u> % | <u>Price</u> \$ | <u>Initial</u> <u>CUSIP No.</u> *** |
|-------------------------------|---|------------------------------|-------------------|--------------------|--|
|-------------------------------|---|------------------------------|-------------------|--------------------|--|

* Preliminary, subject to change.

**Subject to the Term Bond Option as described in the Official Notice of Sale (herein defined).

***Copyright, American Bankers Association (ABA). CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and neither the City nor the Underwriter (as such terms are herein defined) takes any responsibility for the accuracy thereof. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

CITY OF POMPANO BEACH, FLORIDA

CITY COMMISSION

Lamar Fisher, Mayor
Charlotte Burrie, Vice Mayor
Rex Hardin
Barry Moss
Beverly Perkins
Michael Sobel

SELECTED ADMINISTRATIVE STAFF

| <u>Name</u> | <u>Position</u> |
|--------------------|------------------------|
| Greg Harrison | City Manager |
| Suzette Sibble | Assistant City Manager |
| Mark Berman, Esq. | City Attorney |
| Asceleta Hammond | City Clerk |
| Andrew Jean-Pierre | Finance Director |

CONSULTANTS AND ADVISORS

Bond Counsel and Disclosure Counsel

Greenspoon Marder LLP
Fort Lauderdale, Florida

Financial Advisor

PFM Financial Advisors LLC
Coral Gables, Florida

No dealer, broker, salesperson, or other person has been authorized by the City of Pompano Beach, Florida (the "City") or the Underwriter (hereinafter defined) purchasing the Series 2018 Bonds pursuant to the terms of the Official Notice of Sale dated _____, 2018 (the "Official Notice of Sale") to give any information or make any representations with respect to the Series 2018 Bonds (herein defined), other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy and there shall be no offer, solicitation, or sale of the Series 2018 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Series 2018 Bonds have not been registered under the Securities Act of 1933, nor has the Ordinance (herein defined) been qualified under the Trust Indenture Act of 1939. The registration or qualification of the Series 2018 Bonds under the securities laws of any jurisdiction in which they may have been registered or qualified, if any, shall not be regarded as a recommendation thereof. None of the Securities and Exchange Commission, the State of Florida, Broward County, Florida or any of their agencies has passed upon the merits of the Series 2018 Bonds. None of the Securities and Exchange Commission, the State of Florida, Broward County, Florida or any of their agencies has passed upon the accuracy or completeness of this Official Statement.

In making any investment decision, investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved.

Statements contained herein that are not purely historical are forward-looking statements, including statements regarding the City's expectations, hopes, intentions or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included herein are based on information available on the date hereof, and the City assumes no obligation to update any such forward-looking statements. Such forward-looking statements are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Actual results could differ materially from those discussed in such forward-looking statements and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate.

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]. 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.

Certain information in this Official Statement has been provided by The Depository Trust Company, New York, New York ("DTC"). The City has not provided information in this Official Statement with respect to DTC and does not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and is not responsible for the information provided by DTC.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITER AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2018 BONDS.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| INTRODUCTION | 1 |
| DESCRIPTION OF THE CITY | 2 |
| THE SERIES 2018 PROJECTS | 3 |
| General..... | 3 |
| Description of Series 2018 Projects..... | 4 |
| [FINAL LIST OF PROJECTS WITH COSTS TO FOLLOW] | 4 |
| DESCRIPTION OF THE SERIES 2018 BONDS | 5 |
| Authorized Denominations; Interest Payment Dates..... | 5 |
| Book-Entry-Only System | 5 |
| Redemption Provisions..... | 8 |
| ESTIMATED SOURCES AND USES OF FUNDS | 11 |
| DEBT SERVICE REQUIREMENTS | 13 |
| SECURITY FOR THE SERIES 2018 BONDS | 13 |
| Authorized But Unissued Bonds | 13 |
| Pledge Under Ordinance..... | 14 |
| No Reserve Account..... | 15 |
| Ad Valorem Taxes Fund..... | 15 |
| Construction Fund | 15 |
| AD VALOREM TAXATION | 17 |
| General Matters Relating to City Taxation and Voted Millage..... | 17 |
| General Matters Relating to Property Assessment Procedure..... | 18 |
| General Matters Relating to Collection and Enforcement..... | 19 |
| Legislative Developments and Exemptions | 20 |
| Property Tax Rates | 26 |
| SELECTED FINANCIAL RESULTS | 30 |
| [ALL TO BE CONFIRMED]..... | 30 |
| Financial Statements and Annual Audit | 30 |
| Description of Financial Practices and Financial Statements..... | 30 |
| Investment Policy | 31 |
| Cash Management | 31 |
| Fund Balance/Net Asset Policy | 31 |
| Debt Management Policy | 31 |
| Strategic Planning..... | 32 |
| Certain Matters Relating to Annual Budget Process and General Fund budget | 32 |
| Selected Information Regarding the City's General Fund | 32 |
| LIABILITIES OF THE CITY | 35 |

| | |
|--|----|
| Insurance Considerations Affecting the City..... | 35 |
| Ability to Be Sued, Judgments Enforceable..... | 35 |
| Existing Debt; Future Debt..... | 35 |
| Collective Bargaining Agreements..... | 39 |
| PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS | 40 |
| TAX MATTERS | 41 |
| General..... | 41 |
| Additional Federal Income Tax Consequences | 42 |
| Changes in Tax Law | 43 |
| Additional Matters Relating to On-going IRS Audit Program and Special Districts..... | 43 |
| Tax Treatment of Original Issue Discount | 43 |
| Tax Treatment of Original Issue Premium | 44 |
| OTHER INFORMATION | 44 |
| Ratings | 44 |
| Competitive Sale..... | 45 |
| Financial Advisor | 45 |
| Litigation | 46 |
| Registration and Qualification of Series 2018 Bonds For Sale | 46 |
| Legal Matters | 46 |
| Validation | 47 |
| Financial Statements..... | 47 |
| Authenticity of Financial Data and Other Information | 47 |
| Continuing Disclosure of Information..... | 47 |
| Compliance with Prior Undertakings | 48 |
| Disclosure Required by Florida Blue Sky Regulations | 48 |
| Forward-Looking Statements Disclaimer..... | 48 |
| Authorization and Approval | 49 |

APPENDICES

| | | |
|------------|--|-----|
| APPENDIX A | SELECTED INFORMATION REGARDING THE CITY | A-1 |
| APPENDIX B | FORM OF BOND COUNSEL’S OPINION | B-1 |
| APPENDIX C | COPY OF THE ORDINANCE | C-1 |
| APPENDIX D | FORM OF CONTINUING DISCLOSURE CERTIFICATE | D-1 |
| APPENDIX E | COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED SEPTEMBER 30, 2017 | E-1 |

**OFFICIAL STATEMENT
RELATING TO**

§ _____*
CITY OF POMPAÑO BEACH, FLORIDA
General Obligation Bonds, Series 2018

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and the Appendices hereto, provides certain information regarding the issuance by the City of Pompano Beach, Florida (the “City”) of its § _____* General Obligation Bonds, Series 2018 (the “Series 2018 Bonds”). The Series 2018 Bonds are being issued by the City pursuant to the Constitution and laws of the State of Florida (the “State”), as amended and supplemented, including particularly, Chapter 166, Florida Statutes, the City Charter, and other applicable provisions of law (collectively, the “Act”) and a bond referendum held on March 13, 2018 (the “Bond Referendum”). The issuance of the Series 2018 Bonds was approved by a majority of the qualified electors of the City voting in the Bond Referendum. The Series 2018 Bonds are further authorized pursuant to Ordinance No. 2018-49 enacted by the City on April 24, 2018 (the “Master Ordinance”), as supplemented by Ordinance No. 2018-58 enacted by the City on June 26, 2018 (the “2018 Series Ordinance” and collectively with the Master Ordinance, the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Ordinance.

The proceeds of the Series 2018 Bonds will be used, together with other legally available funds of the City, if any, to: (i) finance certain capital Projects of the City (collectively, the “Series 2018 Projects”); [(ii) **pay capitalized interest on the Series 2018 Bonds through _____ 1, 20____**]; and (iii) pay costs of issuance of the Series 2018 Bonds. See “THE SERIES 2018 PROJECTS” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Series 2018 Bonds are the first Series of Bonds being issued under the Master Ordinance. The Series 2018 Bonds are general obligation bonds of the City to which the full faith, credit and taxing power of the City are irrevocably pledged. The Series 2018 Bonds are payable from Ad Valorem Taxes levied without limitation as to rate or amount on all taxable property within the City sufficient in amount to pay the principal of and interest on the Series 2018 Bonds. See “SECURITY FOR THE SERIES 2018 BONDS – ‘Authorized But Unissued Bonds’ and ‘Pledge Under Ordinance’.”

The Series 2018 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein under “DESCRIPTION OF THE SERIES 2018 BONDS – Redemption Provisions.” See the inside cover page hereof for maturities, principal amounts, interest rates, yields and prices.

_____ has been designated under the 2018 Series Ordinance as initial Paying Agent and Bond Registrar for the Series 2018 Bonds.

* Preliminary, subject to change.

Brief descriptions of the Ordinance, the Series 2018 Bonds and the security for the Series 2018 Bonds are included in this Official Statement. Such descriptions and summaries do not purport to be comprehensive or definitive. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. See APPENDIX C hereto for a copy of the Ordinance. See “OTHER INFORMATION – Validation” herein for information regarding the judicial validation of the Series 2018 Bonds.

This Official Statement speaks only as of its date and the information contained herein is subject to change.

DESCRIPTION OF THE CITY

See “APPENDIX A – Selected Information Regarding the City” and “APPENDIX E – Comprehensive Annual Financial Report for Year Ended September 30, 2017” for certain statistical and financial information regarding the City. See also “AD VALOREM TAXATION” and “SELECTED FINANCIAL RESULTS” for additional information regarding the City.

The City is a municipal corporation of the State, duly organized and existing under the laws of the State, including the City’s Home Rule Charter, adopted in 1957. The City was incorporated in 1947 and is located in northeastern portion of Broward County, Florida (the “County”), north of the City of Fort Lauderdale, and includes approximately three miles of beachfront. The City covers approximately 25.59 square miles. In addition to general governmental services, the City also provides community planning and redevelopment, public safety, public works and culture and recreation services to its residents. The City’s Parking System, water and sewer, stormwater, sanitation, golf, pier and airport operations are reported as enterprise funds.

The City is home to approximately 109,000 residents. During peak season (September through March) this number increases to nearly 150,000. The City is also home to over 28 million square feet of industrial/warehouse/distribution space. The City provides access to both the Florida Turnpike and Interstate 95 and is in close proximity to the Fort Lauderdale International Airport. The Pompano Beach Air Park is also home to the Goodyear Blimp.

The City operates under a Commission/City Manager form of government pursuant to which the Mayor and City Commission hire the City Manager. The City Commission is comprised of six members, each elected for a two-year term, with the exception of the Mayor, who is elected for a four-year term. One member of the City Commission is elected as Mayor by the electors of the City and chairs the City Commission. The City Commission is responsible for legislative duties and the City Manager is responsible for enacting the policies and actions approved by the Commission and overseeing the daily operations of the City.

THE SERIES 2018 PROJECTS

General

Pursuant to Resolution No. 2018-01 adopted by the City on October 10, 2017 (the “Referendum Resolution”), the City, among other matters, authorized the issuance of its general obligation bonds in connection with the projects (the “Projects”) set forth in the Referendum Resolution, subject to the approval of a majority of the qualified electors of the City voting in the Bond Referendum authorized and called to be held on March 13, 2018 in the City. The Projects were grouped into three categories, referred to, respectively as (i) the “Public Safety Projects” (which consist generally of police, fire, emergency management and lifeguard facilities and related costs); (ii) the “Park, Recreational, Leisure and Cultural Projects” (which consist generally of parks, recreation and leisure facilities and related costs); and (iii) the “Roads, Streetscape, Traffic Calming and Public Transportation Projects” (which consist generally of streets, sidewalks, bridges and streetscaping, related utilities and drainage and related costs).

Three separate ballot questions were presented and separately voted on in the Bond Referendum, corresponding to the Public Safety Projects, the Park, Recreational, Leisure and Cultural Projects, and the Roads, Streetscape, Traffic Calming and Public Transportation Projects, respectively. A majority of the votes cast by the qualified electors within the City voting in the Bond Referendum approved the issuance of the general obligation bonds that were the subject of the Bond Referendum for each of the Public Safety Projects, the Park, Recreational, Leisure and Cultural Projects, and the Roads, Streetscape, Traffic Calming and Public Transportation Projects.

Pursuant to the Act, the Bond Referendum and the Master Ordinance, the City is authorized to (i) issue Bonds (consisting of the general obligation bonds authorized at the Bond Referendum and in the Master Ordinance) in one or more Series for the purpose of financing, reimbursing and refinancing, together with other legally available funds of the City, if any, the cost of acquiring, constructing, equipping, renovating, replacing and improving the Projects; provided, however the aggregate principal amount of the Bonds (excluding Refunding Bonds) to be issued in connection with (1) the Public Safety Projects shall not exceed \$46,000,000, (2) the Parks, Recreation and Leisure Projects shall not exceed \$56,000,000 and (3) the Streets, Sidewalks, Bridges and Streetscaping Projects shall not exceed \$79,000,000.

The City may, in its sole discretion, determine to finance any Projects not included in the Series 2018 Projects by a future Series of Bonds, subject to the limitation as to the maximum par amount of Bonds that may be issued for each of the Public Safety Projects, the Parks, Recreation and Leisure Projects, and the Streets, Sidewalks, Bridges and Streetscaping Projects, respectively, as authorized at the Bond Referendum and provided for in the Master Ordinance. See “SECURITY FOR THE SERIES 2018 BONDS – Authorized But Unissued Bonds.”

Description of Series 2018 Projects

General

The 2018 Series Ordinance relating to the Series 2018 Bonds set forth a preliminary list of the Projects to be financed by the Series 2018 Bonds and delegates authority to the City Manager of the City to determine the final list of the Projects to be financed by the Series 2018 Bonds (referred to as the “Series 2018 Projects”). The 2018 Series Ordinance further provides for the City Manager’s determination to be set forth in writing and reflected in the Preliminary Official Statement relating to the Series 2018 Bonds. The 2018 Series Ordinance provides that the Series 2018 Projects will be included in the City’s adopted capital improvement plan. See also “SECURITY FOR THE SERIES 2018 BONDS—Construction Fund.”

The City anticipates that the proceeds of the Series 2018 Bonds deposited to the Construction Fund, together with investment earnings thereon, will be sufficient to enable it to complete the Series 2018 Projects; however, the City may use its legally available funds in addition to proceeds of the Series 2018 Bonds to pay portions of the Costs of the Series 2018 Projects.

It should be noted that the Referendum Resolution and the 2018 Series Ordinance provide that following the date of the Official Statement, the City may, in its sole discretion, by official action evidenced by a resolution or ordinance of the City Commission adopted or enacted from time to time, modify or amend all or any portion of the components included in the Series 2018 Projects to (1) delete one or more of the listed items if the City determines it is not feasible or is otherwise not in the best interest of the City to pursue or (2) substitute or modify one or more of the listed items, if the City determines such substitution or modification better serves City purposes, provided such modified or substituted facility, improvement or equipment shall be included in the City’s five-year capital improvement program, as adopted from time to time, and be related to (i) police, fire, emergency management or lifeguard services with respect to the Public Safety Projects, (ii) parks, community centers, piers, amphitheaters, pavilions, ballfields or other recreation and leisure purposes with respect to the Parks, Recreation and Leisure Projects, and (iii) streets, streetscaping, landscaping, sidewalks, lighting, related utilities and drainage, parking, or bridges with respect to the Streets, Sidewalks, Bridges and Streetscaping Projects.

Series 2018 Projects

All costs as shown below are estimates only and include costs of design, engineering and other professional services and reserves for contingencies.

[FINAL LIST OF PROJECTS WITH COSTS TO FOLLOW]

DESCRIPTION OF THE SERIES 2018 BONDS

Authorized Denominations; Interest Payment Dates

The Series 2018 Bonds will be issued as fully registered bonds, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2018 Bonds. Individual purchases of the Series 2018 Bonds will be made in book-entry-only form only, and purchasers will not receive physical delivery of the Series 2018 Bonds or any certificate representing their beneficial ownership interest in the Series 2018 Bonds. See “Book-Entry-Only System” below.

The Series 2018 Bonds are available to purchasers in principal denominations of \$5,000 or any integral multiple thereof. The Series 2018 Bonds will be dated as of the date of their initial issuance and will bear interest from that date at the rates (calculated based upon a year of 360 days consisting of twelve thirty-day months) and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2018 Bonds will be payable on January 1 and July 1 of each year, commencing on _____ 1, 20____. _____ will act as initial Paying Agent and Bond Registrar for the Series 2018 Bonds.

Book-Entry-Only System

The information in this caption concerning DTC and DTC’s book-entry system has been obtained from DTC and neither the City nor the Underwriter make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018 Bond certificate will be issued for each maturity of the Series 2018 Bonds, each in the aggregate principal amount of such maturity, or each interest rate of each maturity, and will be deposited with DTC.

DTC, the world’s largest securities 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 100 countries) that DTC’s 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. This eliminates 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”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2018 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018 Bonds, except in the event that use of the book-entry-only system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 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 the Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect 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 Direct Participants and Indirect 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 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 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 be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2018 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI 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 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption premium, if any, and interest payments on the Series 2018 Bonds will be made to Cede & Co., or 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 and Bond Registrar (when other than the City) on the payable date in accordance with their respective holdings shown on DTC's records. Payments by 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, or the City, or the Paying Agent and Bond Registrar (when other than the City), subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent (when other than the City), disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, Series 2018 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2018 Bond certificates will be printed and delivered to the Holders as provided in the Ordinance.

So long as Cede & Co. is the registered owner of the Series 2018 Bonds, as nominee of DTC, reference herein to the Bondholders or Registered Owners of the Series 2018 Bonds will mean Cede & Co., as aforesaid, and will not mean the Beneficial Owners of the Series 2018 Bonds.

The City can make no assurances that DTC will distribute payments of principal of, redemption premium, if any, or interest on the Series 2018 Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption premium, if any, or interest on the Series 2018 Bonds or redemption notices to the Beneficial Owners of such Series 2018 Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Official Statement. The City is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect of the Series 2018 Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the Series 2018 Bonds and the manner of transferring or pledging those interests are subject to applicable state law. Holders of beneficial interests in the Series 2018 Bonds may want to discuss the manner of transferring or pledging their interest in the Series 2018 Bonds with their legal advisors.

NEITHER THE CITY NOR THE PAYING AGENT SHALL HAVE ANY OBLIGATION TO THE BENEFICIAL OWNERS, DIRECT OR INDIRECT PARTICIPANTS, OR THE PERSONS FROM WHOM DIRECT OR INDIRECT PARTICIPANTS ACT AS NOMINEES WITH RESPECT TO THE SERIES 2018 BONDS FOR THE ACCURACY OF RECORDS OF DTC, CEDE & CO OR ANY DIRECT OR INDIRECT PARTICIPANT WITH RESPECT TO THE SERIES 2018 BONDS OR THE SELECTION OF SERIES 2018 BONDS FOR REDEMPTION.

Redemption Provisions

The Series 2018 Bonds are subject to redemption prior to maturity as described below:

Optional Redemption. The Series 2018 Bonds maturing on or prior to July 1, 20__ are not subject to redemption at the option of the City prior to their respective dates of maturity. The Series 2018 Bonds maturing on or after July 1, 20__ are subject to redemption at the option of the City prior to their respective dates of maturity on or after July 1, 20__, 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 2018 Bonds or portion of the Series 2018 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 2018 Bonds maturing on July 1, 20__ are subject to mandatory redemption at the redemption price of par, without premium, together with accrued interest to the redemption date, on July 1 in the years and from the Amortization Requirements set forth below:

| <u>Year</u> | <u>Amortization Requirements</u> |
|-------------|----------------------------------|
| | \$ |

*

*Final Maturity.

Partial Redemption. If less than all of the Series 2018 Bonds shall be called for redemption, the particular maturity or maturities of Series 2018 Bonds or portions of Series 2018 Bonds to be redeemed shall be selected by the City and the particular Series 2018 Bonds of like maturity to be redeemed shall be selected by the Bond Registrar by such method as the Bond Registrar in its sole discretion deems fair and appropriate. So long as the Series 2018 Bonds are

in book-entry-only form held by DTC, the Bond Registrar shall select such Series 2018 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 2018 Bonds are held in book-entry-only form, the selection for redemption of such Series 2018 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 2018 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 2018 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, its 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, its Participants or any other intermediaries will allocate redemptions of Series 2018 Bonds on a pro rata basis.

If the Series 2018 Bonds are no longer held in book-entry-only form and less than all of the Series 2018 Bonds are to be redeemed, the Holder of Series 2018 Bonds to be redeemed, or such Holder’s attorney or legal representative, shall present and surrender such Series 2018 Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount. 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 2018 Bond so surrendered, a new Series 2018 Bond of the same maturity and bearing interest at the same rate.

Notice of Redemption. At least thirty (30) days, but not more than sixty (60) days, before the redemption date of any Series 2018 Bonds, whether such redemption be in whole or in part, the City shall cause a notice of any such redemption signed by the Finance Director of the City to be mailed, first class postage prepaid, to all Holders owning Series 2018 Bonds to be redeemed in whole or in part and to any Fiduciaries, at their addresses as they appear on the Register maintained by the Bond Registrar, but any defect in such notice or the failure so to mail any such notice to any Holder owning any Series 2018 Bonds shall not affect the validity of the proceedings for the redemption of any other Series 2018 Bonds. Each such notice shall set forth the name of the Series 2018 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 2018 Bonds shall be called for redemption, the maturities of the Series 2018 Bonds to be redeemed, the CUSIP numbers, the name and address (including contact person and phone number) of the Fiduciary to which Series 2018 Bonds called for redemption are to be delivered and, if less than all of the Series 2018 Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2018 Bonds to be redeemed and, in the case of Series 2018 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2018 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 2018 Bond, a new Bond in principal amount equal to the unredeemed portion of such 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 2018 Bond receives such notice.

If at the time of mailing of notice of an optional redemption or purchase, the City shall not have deposited with a Depositary or the Paying Agent moneys sufficient to redeem or purchase all the Series 2018 Bonds called for redemption or purchase, such notice shall state that it is subject to the deposit of the redemption or purchase moneys with the Depositary or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date and, subject to the immediately succeeding paragraph, such notice shall be of no effect unless such moneys are so deposited.

If the amount of funds deposited with the Depositary or the Paying Agent, as applicable, for such redemption, or otherwise available, is insufficient to pay the redemption price and accrued interest on the Series 2018 Bonds so called for redemption on the redemption date, the Paying Agent shall redeem and pay on such date an amount of such Bonds for which such funds are sufficient, selecting the Series 2018 Bonds to be redeemed by lot from among all such Series 2018 Bonds called for redemption on such date, and among different maturities of Series 2018 Bonds in the same manner as the initial selection of Series 2018 Bonds to be redeemed, and from and after such redemption date, interest on the Series 2018 Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Series 2018 Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Series 2018 Bonds not been called for redemption.

In the case of an optional redemption, any notice of redemption may state that (1) 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 (2) 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 in this subsection. 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 2018 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 Ordinance. 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 2018 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 2018 Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such 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 2018 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 2018 Bonds to be redeemed, interest on the Series 2018 Bonds called for redemption shall cease to accrue after the date fixed for redemption; such Series 2018 Bonds shall cease to be entitled to any benefits or security under the Ordinance or to be deemed Outstanding; and the Holders of such Series 2018 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, that such notice of redemption has not been rescinded, as permitted above. Series 2018 Bonds and portions of Series 2018 Bonds for which irrevocable instructions to pay or to call for redemption on one or more specified dates have been given to the Depository and the Bond Registrar in form satisfactory to them shall not thereafter be deemed to be Outstanding under the Ordinance and shall cease to be entitled to the security of or any rights under the Ordinance, other than rights to receive payment of the redemption price thereof and accrued interest thereon, to be given notice of redemption in the manner provided in the Ordinance, and, to the extent hereinafter described and provided for in the Ordinance, to receive Series 2018 Bonds for any unredeemed portions of Series 2018 Bonds, if money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of such Series 2018 Bonds or portions thereof, together with accrued interest thereon to the date upon which such Series 2018 Bonds are to be paid or redeemed, as set forth in Article XI of the Master Ordinance, are held in separate accounts by the Depository in trust for the holders of such Series 2018 Bonds.

As long as a book-entry-only system is used for determining beneficial ownership of Series 2018 Bonds, notice of redemption will be sent only 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 2018 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table presents the estimated sources and uses of funds in connection with the issuance of the Series 2018 Bonds.

[This Space Intentionally Left Blank]

Sources of Funds:

| | |
|--|----------------------|
| Principal Amount of Series 2018 Bonds [Plus Original Issue Premium] [Less Original Issue Discount] | \$ _____ |
| Total Sources of Funds | \$ <u> </u> |

Uses of Funds:

| | |
|--|----------------------|
| Deposit to Construction Fund: | |
| 2018 Public Safety Projects Account | \$ |
| 2018 Parks, Recreation and Leisure Projects Account | |
| 2018 Streets, Sidewalks, Bridges and Streetscaping Projects Account | |
| Deposit to Ad Valorem Taxes Fund ⁽¹⁾ | |
| Underwriter's Discount | |
| Costs of Issuance ⁽²⁾ | _____ |
| Total Uses of Funds | \$ <u> </u> |

⁽¹⁾ [Represents capitalized interest on the Series 2018 Bonds through _____ 1, 20__].

⁽²⁾ Costs of Issuance include fees of Bond Counsel and Disclosure Counsel, Financial Advisor, ratings, printing and other related costs of issuance.

DEBT SERVICE REQUIREMENTS

The Principal and Interest Requirements for the Series 2018 Bonds, as shown in the following table, consist in any Fiscal Year of the sum of the amounts required to pay: (i) the interest that is payable on January 1 and July 1 of each Fiscal Year, and (ii) the principal payable on July 1 in each Fiscal Year.

| Fiscal Year Ending September 30, | <u>Principal</u> | <u>Interest</u> ^[(1)] | <u>Total</u> |
|--|------------------|----------------------------------|--------------|
| | \$ | \$ | \$ |
| | _____ | _____ | _____ |
| | \$ _____ | \$ _____ | \$ _____ |

^[(1)] Includes capitalized interest.]

SECURITY FOR THE SERIES 2018 BONDS

Authorized But Unissued Bonds

All references in this Official Statement to the term “Bonds” includes the Series 2018 Bonds and any other Bonds hereafter issued and Outstanding under the Master Ordinance.

The Master Ordinance provides that, from time to time, one or more Series of Bonds of the City may be issued under and secured by the Master Ordinance, subject to the conditions provided therein, for the purpose of paying all or any part of the Cost of any Projects determined in a Series Ordinance to be financed by the issuance of such Bonds, consistent with the authorization of the Bond Referendum; provided, however, the aggregate principal amount of all Bonds issued thereunder (excluding Refunding Bonds) may not exceed \$181,000,000 (which is inclusive of the initial aggregate par amount of the Series 2018 Bonds) and provided, further, that the aggregate principal amount of the Bonds (excluding Refunding Bonds) to be issued in connection with (1) the Public Safety Projects shall not exceed \$46,000,000, (2) the Parks,

Recreation and Leisure Projects shall not exceed \$56,000,000 and (3) the Streets, Sidewalks, Bridges and Streetscaping Projects shall not exceed \$79,000,000.

Pursuant to the Master Ordinance, Refunding Bonds may also be issued for the purpose of providing funds for refunding all or any Bonds of any one or more Series of Bonds then Outstanding, 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 hereunder and paying any expenses in connection with such refunding and for any related lawful purpose. The issuance of Refunding Bonds shall comply with the provisions of Sections 132.33-132.47, Florida Statutes, as amended.

Before any Bonds shall be issued under the provisions of the Master Ordinance, the City Commission is required to adopt a Series Ordinance authorizing the issuance of such Bonds, fixing (or providing for the fixing of) the amount and the details thereof, and describing in brief and general terms the portions of the Projects to be constructed or acquired or refinanced, consistent with the authorization of the Bond Referendum. The Series 2018 Bonds are the first Series of Bonds to be issued under the Master Ordinance. The 2018 Series Ordinance authorizes the issuance of the Series 2018 Bonds. The provisions of the Master Ordinance are incorporated by reference into the 2018 Series Ordinance.

The City may, in its sole discretion, determine to finance any Projects not included in the Series 2018 Projects by a future Series of Bonds, subject to the limitation as to the maximum par amount of Bonds that may be issued for each of the Public Safety Projects, the Parks, Recreation and Leisure Projects, and the Streets, Sidewalks, Bridges and Streetscaping Projects, respectively, as authorized at the Bond Referendum and provided for in the Master Ordinance. See "THE SERIES 2018 PROJECTS—General."

Pledge Under Ordinance

Pursuant to the Master Ordinance, the City irrevocably pledges its full faith, credit and taxing power for the prompt payment of the principal of and interest on the Bonds. The Master Ordinance imposes a lien upon the Ad Valorem Taxes and other monies on deposit from time to time in the Ad Valorem Taxes Fund, including, without limitation, the investment earnings thereon, to secure the payment of the principal of and interest on the Bonds. See "Ad Valorem Taxes Fund" below.

The Master Ordinance further provides that in each Fiscal Year while any of the Bonds are Outstanding, there shall be assessed, levied and collected, without limitation as to rate or amount, a tax on all taxable property within the City sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due, after deducting therefrom any other funds which may be available for such principal and interest payments and which shall actually be so applied. Pursuant to the provisions of the Master Ordinance, such tax assessed, levied and collected for the security and payment of the Bonds shall be assessed, levied and collected and the proceeds of said tax shall be applied to the payment of principal of and interest on the Bonds. The Master Ordinance requires that the proceeds of such tax shall be deposited, as received, into the Ad Valorem Taxes Fund. In the Master Ordinance, the City agrees that it will diligently enforce its right to receive tax revenues in connection with the Bonds and will diligently enforce and collect such taxes. The City further covenants in the Master Ordinance that it will not take

any action that will impair or adversely affect its rights to levy, collect and receive said taxes, or impair or adversely affect in any manner the pledge made in the Master Ordinance or the rights of Holders of the Bonds.

No Reserve Account

No reserve account has been established or will be funded for the Series 2018 Bonds.

Ad Valorem Taxes Fund

The Master Ordinance establishes the Ad Valorem Taxes Fund. The City covenants in the Master Ordinance that it will deposit, as received, all Ad Valorem Taxes into the Ad Valorem Taxes Fund. Pursuant to the Master Ordinance, all moneys deposited in or credited to the Ad Valorem Taxes Fund shall be held in trust and applied only as provided therein, and pending such application, such moneys are pledged as security for the holders of the Bonds until applied, as provided therein, to a purpose not inconsistent with such pledge. The Master Ordinance provides for the Ad Valorem Taxes Fund to be administered by the City for the purpose of paying the principal of and interest on the Bonds as they become due. Pending its use, money on deposit in the Ad Valorem Taxes Fund may be invested in Investment Obligations.

The Master Ordinance further provides that on or before the Business Day preceding any date on which arbitrage rebate payments under the Code are required to be made, the Finance Director shall withdraw moneys from the Ad Valorem Taxes Fund and deposit to the credit of the Rebate Fund such amounts as directed by the City to make such arbitrage rebate payments hereunder. The Master Ordinance also provides that on or before the Business Day preceding any Interest Payment Date on which principal, Amortization Requirements or interest is due on the Bonds, the Finance Director shall withdraw from the Ad Valorem Taxes Fund an amount equal to the amount then held for the credit of the Ad Valorem Taxes Fund, or such lesser amount as shall be required, to pay the interest becoming due on the Bonds on such date, the principal of Serial Bonds maturing and becoming due on such date, and the Amortization Requirements becoming due on such date, as applicable.

Construction Fund

The Master Ordinance establishes the Construction Fund. Pursuant to the Master Ordinance, the Construction Fund shall be held by the City thereunder for the purpose of paying all or any part of the cost of any Projects authorized thereunder. Proceeds of each Series of Bonds (other than Refunding Bonds) shall be deposited to the credit of the Construction Fund or any account created therein as provided in, or pursuant to, the Series Ordinance governing such Series of Bonds, except that proceeds to be applied to pay capitalized interest shall be deposited to the Ad Valorem Taxes Fund. Such proceeds shall be applied by the City in accordance with the provisions of the Master Ordinance and the applicable Series Ordinance, Pending such application such proceeds shall be held in trust in the Construction Fund subject to a lien and charge in favor of the Holders, any Credit Banks and Insurers and for the further security of such parties until such proceeds are applied to the payment of the cost of all or any portion of the cost of the capital improvements.

The City has established three accounts in the Construction Fund with respect to the Series 2018 Projects designated as the "2018 Public Safety Projects Construction Account," the

“2018 Parks, Recreation and Leisure Projects Construction Account” and the “2018 Streets, Sidewalks, Bridges and Streetscaping Projects Construction Account,” respectively. Pursuant to the Ordinance, the City shall requisition payments from the Construction Fund in accordance with standard City practice for the payment of such amounts; provided, however, amounts in (i) the 2018 Public Safety Projects Construction Account shall be applied solely for the purpose of paying Costs of the Public Safety Projects included in the Series 2018 Projects; (ii) the 2018 Parks, Recreation and Leisure Projects Construction Account shall be applied solely for the purpose of paying Costs of the Parks, Recreation and Leisure Projects included in the Series 2018 Projects; and (iii) the 2018 Streets, Sidewalks, Bridges and Streetscaping Projects Construction Account shall be applied solely for the purpose of paying Costs of Streets, Sidewalks, Bridges and Streetscaping Projects included in the Series 2018 Projects.

Excess amounts remaining in any account established in the Construction Fund in connection with the Series 2018 Bonds after the completion of the portion of the Series 2018 Projects to be funded from such account shall be transferred to the Ad Valorem Taxes Fund.

[Insurance Policy Option]

General

As described in the Official Notice of Sale, bidders may, at their option, obtain a policy of municipal bond insurance guaranteeing payment of the principal of and interest on all or any designated maturities of the Series 2018 Bonds, which shall be an “Insurance Policy” within the meaning of the Master Ordinance. The related insurer shall be an “Insurer” within the meaning of the Master Ordinance. The responsibility for obtaining such Insurance Policy and payment of the premium for such Insurance Policy shall rest with the successful bidder and the City will not be obligated to enter into any covenants or agreements with the Insurer. There is no assurance that Series 2018 Bonds, or any maturities thereof, will be secured by an Insurance Policy. The determination whether to obtain the Insurance Policy with respect to the Series 2018 Bonds or any maturities thereof (or none of them) will be made at the time of the competitive sale of the Series 2018 Bonds. The information in this section is provided in the event the Insurance Policy is obtained for the Series 2018 Bonds or any maturities thereof.

Insurer’s Rights

In the event the Insurance Policy is obtained with respect to any maturities of the Series 2018 Bonds (the “Insured Series 2018 Bonds”), the Insurer shall have the rights set forth in the Master Ordinance with respect to the Insured Series 2018 Bonds, including the consent rights set forth in Section 706 of the Master Ordinance relating to an event of default with respect to the Insured Series 2018 Bonds. In connection with the foregoing, it is possible that the Insurer may represent a majority of the Holders of the Outstanding Series 2018 Bonds.

Risks Related to the Insurance Policy

In the event the Insurer with respect to the Insurance Policy securing the Insured Series 2018 Bonds, if any, becomes obligated to make payments with respect to the Insured Series 2018

Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Series 2018 Bonds or the marketability (liquidity) for the Insured Series 2018 Bonds.

The long-term rating on the Insured Series 2018 Bonds will be dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Insured Series 2018 Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Series 2018 Bonds or the marketability (liquidity) for the Insured Series 2018 Bonds.

The obligations of the Insurer with respect to the Insurance Policy will be contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state laws related to insolvency of insurance companies.

Neither the City nor the Underwriter will make an independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is or will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to pay principal of and interest on the Insured Series 2018 Bonds upon a claim under the Insurance Policy for such payments and the claims paying ability of the Insurer, particularly over the life of the investment.]

AD VALOREM TAXATION

General Matters Relating to City Taxation and Voted Millage

Ad valorem taxes levied and collected by the City (exclusive of ad valorem taxes levied to pay debt service on the City's general obligation bonds, as described below) are allocated among the City's General Fund and other governmental funds of the City and support the City's budget. Once the City determines the amount of dollars needed to support its budget, it considers two primary factors in determining the levy of ad valorem taxes. The first factor is the millage rate that, when applied to the City's tax roll (hereinafter described), generates the necessary tax dollars. State law places a 10 mill cap on local governments (excluding payment of voter-approved bonds). The City has levied certified millage for the Fiscal Year 2017 - 2018 beginning October 1, 2017, consisting of _____ mills for general operations. See "LIABILITIES OF THE CITY – Indebtedness of the City." The millage levied by the City for debt service (unlimited millage) is excluded from the 10 mill cap on millage levied for the City's general operations.

Ad valorem taxes levied to pay debt service on the City's general obligation bonds approved by the City's electors and issued and outstanding from time to time are deposited to the debt service funds established for the various bond issues and may be used solely for the purpose of paying debt service on those bonds. Such ad valorem taxes may be levied without limitation as to rate or amount, subject to referendum approval.

The City anticipates that it will include millage for debt service on the Series 2018 Bonds in its budget for Fiscal Year [2018 – 2019 and] [2019-2020 and accordingly, has capitalized interest on the Series 2018 Bonds through ____ 1, 20__ assuming that it] will commence collecting Ad Valorem Taxes with respect to the Series 2018 Bonds on the November, [2018][2019] tax bill.

The City has the authority to increase its millage levy for debt supported by unlimited ad valorem taxes, such as that evidenced by the Series 2018 Bonds, and the limitations, exemptions or adjustments described herein any others provided in State law do not affect the ability of the city to levy and collect Ad Valorem Taxes in amounts sufficient to pay principal of and interest on the Series 2018 Bonds.

General Matters Relating to Property Assessment Procedure

The laws of the State provide for a uniform procedure to be followed by all counties, municipalities, school districts and special districts for the levy and collection of ad valorem taxes on real and personal property. Pursuant to such laws, the County's property appraiser (the "Property Appraiser") prepares an annual assessment roll for all taxing units within the County, including the City, and levies such millage, subject to constitutional limitations, as determined by each taxing unit, and the County Tax Collector (the "Tax Collector") collects the ad valorem property taxes for all taxing units within the County, including the City. Since the ad valorem property taxes of all taxing units within a County are billed together by the Tax Collector, each property owner is required to pay all such taxes without preference.

Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary, and governmental. In addition, there are special exemptions for widows, hospitals, homesteads, and homes for the aged and disabled veterans. Agricultural land, non-commercial recreational land, inventory, and livestock are assessed at less than 100% of fair market value.

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. The Property Appraiser is required to physically inspect the real property every three (3) years. State law requires with certain exceptions, that property be assessed at fair market value; however, \$25,000 of the assessed valuation of a homestead is exempt from taxation for a residence occupied by the owner on a permanent basis where such owner has filed for and received a homestead exemption. Annual increases in the assessed valuation of homestead property are limited to the change in the consumer price index, not to exceed 3%, except in the event of a sale of such property during the prior year and except as to improvements to such property during the prior year. In addition to the homestead exemption, persons 65 years or older whose combined household adjusted gross income does not exceed certain levels are allowed an additional \$25,000 exemption, in addition to other exemptions. See "– Legislative Developments and Exemptions" below.

The Property Appraiser's office prepares the assessment roll and gives notice by mail to each property owner of the proposed property taxes and the assessed property value for the current year, and the dates, times and places at which budget hearings are scheduled to be held. The property owner then has the right to file an appeal with the value adjustment board, which considers petitions relating to assessments and exemptions. The value adjustment board may

make adjustments to the assessment roll to reflect any reduction in the assessed value of property upon the completion of the appeals. The value adjustment board certifies the assessment roll upon completion of the hearing of appeals to it. Millage rates are then computed by the various taxing authorities and certified to the Property Appraiser, who applies the millage rates to the assessment roll. This procedure creates the tax roll, which is then certified and turned over to the Tax Collector.

Section 194.104, Florida Statutes requires that taxpayers appealing the assessed value or assigned classification of their property must make a required partial payment of taxes on properties that will have a petition pending on or after the delinquency date (normally April 1). The statute further provides that a taxpayer's failure to make the required partial payment before the delinquency date (normally April 1) will result in the denial of the taxpayer's petition.

State law provides that tax liens are superior to all other liens, except prior United States Internal Revenue Service liens.

General Matters Relating to Collection and Enforcement

A notice is mailed to each property owner on the tax roll for the taxes levied by cities, counties, school boards, and other taxing authorities. All real and tangible personal property taxes become due and payable on November 1 of each year, or as soon thereafter as the tax roll is certified and delivered to the Tax Collector. The Tax Collector mails a notice to each property owner on the tax roll for the taxes levied by the County, the School District of Broward County, Florida (the "School District"), municipalities within the County, including the City, and other taxing authorities. Taxes may be paid upon receipt of such notice, with discounts at the rate of 4% if paid in the month of November; 3% if paid in the month of December; 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid in the month of March are without discount. All unpaid taxes on real and personal property become delinquent on April 1 of the year following the year in which taxes were levied. All taxes collected are distributed by the Tax Collector to the applicable taxing units, including the City.

It is the Tax Collector's duty on or before June 1 of each year to advertise and sell tax certificates on real property tax delinquencies extending from the previous April 1. Delinquent taxes may be paid by the property owner prior to the sale of tax certificates upon payment of all costs, delinquent taxes and interest at the rate of not more than 18% per annum. The tax certificates must be for an amount not less than the taxes due, plus interest from April 1 to the date of sale at not more than 18% per annum, together with the cost of advertising and expense of the sale. Each tax certificate is awarded to the bidder paying the above amounts who accepts the lowest interest to be borne by the tax certificate after its sale. If there are no bidders, the Tax Collector must hold, but not pay for, such tax certificates. Thereafter, the Tax Collector may sell such tax certificates to the public at any time at the principal amount thereof plus interest at not more than 18% per annum and a fee. With respect to personal property tax delinquencies, such delinquent taxes must be advertised within 45 days after delinquency and, after May 1, the property is subject to warrant, levy, seizure and sale. The proceeds of the sale of the tax certificates are distributed to the respective taxing units, including the City.

Tax certificates held by persons other than the Tax Collector may be redeemed and cancelled by any person prior to the time a tax deed is issued upon payment of the face amount

of the tax certificate plus interest, costs and other charges. Holders of tax certificates, other than the Tax Collector, which have not been redeemed may, at any time after two years but prior to seven years from date of issuance, file an application for a tax deed with the Tax Collector upon payment of all other outstanding tax certificates on such property plus interest, any omitted taxes plus interest, and delinquent taxes plus interest covering the real property. Thereafter, the property is advertised for public sale at auction to the highest bidder, subject to certain minimum bids. If there are no other bidders, the holder of the tax certificate receives title to the land. If the tax certificate is held by the Tax Collector and the Tax Collector has not succeeded in selling it within two years, the City may apply for a tax deed upon payment of all applicable costs and fees but not any amount to redeem the tax certificate. Such property is then also advertised for public sale to the highest bidder, subject to certain minimum bids. If there are no other bidders, the City may purchase the land for the minimum bid. In the case of unsold lands, after seven years the City will take title to such lands.

Legislative Developments and Exemptions

Several Constitutional and Legislative amendments affecting ad valorem taxes have been approved by voters in the past as further described below.

Save Our Homes Amendment

By voter referendum held on November 3, 1992, Article VII, Section 4 of the State Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) 3% of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967 = 100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status, such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. This amendment is known as the "Save Our Homes Amendment." The effective date of the amendment was January 5, 1993 and, pursuant to a ruling by the Florida Supreme Court, it began to affect homestead property valuations commencing January 1, 1995, with 1994 assessed values being the base year for determining compliance.

In the November 7, 2006 general election, the voters of the State approved amendments to the State Constitution which provide for an increase in the homestead exemption to \$50,000 from \$25,000 for certain low-income seniors, effective January 1, 2007, and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans, effective December 7, 2006.

Millage Rollback Legislation. In 2007, the State Legislature adopted Chapter 2007-321, Laws of Florida (2007) (the "Rollback Law"), a property tax plan which significantly impacted ad valorem tax collections for State local governments. One component of the adopted

legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 Fiscal Year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by zero percent to nine percent (0% to 9%). In addition, the legislation limited how much the aggregate amount of ad valorem tax revenues may increase in future Fiscal Years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

It should be noted that the Rollback Law does not apply to ad valorem tax revenues pledged to repay general obligation debt. The City's ability to levy Ad Valorem Taxes in order to repay the Series 2018 Bonds is not adversely affected by the Rollback Law.

January 2008 Amendments

In the January 29, 2008 special election, the voters of the State approved amendments to the State Constitution that exempt certain portions of a property's assessed value from taxation, and in certain cases limit increases in assessed value of non-homestead property. These amendments became effective for the 2008 tax year (2008-2009 fiscal year for local governments). The following is a brief summary of certain important provisions contained in such amendments:

1. Provides for an additional \$25,000 exemption for the assessed value of homestead property to increase the homestead exemption to \$50,000 (for property owners using the standard homestead exemption, thus doubling the existing homestead exemption for property with an assessed value equal to \$50,000 or greater) and \$75,000 (for property owners eligible to use one of the special homestead exemptions and having property with an assessed value equal to or greater than \$75,000). This exemption does not apply to school district taxes.

2. Permits owners of homestead property to transfer their "Save Our Homes Amendment" benefit (up to \$500,000) to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their "Save Our Homes Amendment" benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead. This exemption applies to all taxes.

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax. This limitation applies to all taxes.

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases would be in effect for a 10 year period, subject to extension by an affirmative vote of electors. This limitation does not apply to school district taxes.

From time to time over the last few years, the “Save Our Homes Amendment” assessment cap and portability provision described above have been subject to legal challenge. The plaintiffs in such cases have generally argued that the “Save Our Homes Amendment” assessment cap constitutes an unlawful residency requirement for tax benefits on substantially similar property, in violation of the State Constitution’s Equal Protection provisions and the Privileges and Immunities Clause of the Fourteenth Amendment to the United States Constitution and that the portability provision simply extends the unconstitutionality of the tax shelters granted to long-term homeowners by the “Save Our Homes Amendment.” The courts, in each case, have rejected such constitutional arguments and upheld the constitutionality of such provisions. However, there is no assurance that any future challenges to such provisions will not be successful. Any potential impact on the City or its finances as a result of such challenges cannot be ascertained at this time.

November 2008 Amendments

In addition to the legislative activity described above, the constitutionally mandated Florida Taxation and Budget Reform Commission (required to be convened every 20 years) (the “TBRC”) completed its meetings on April 25, 2008 and placed several constitutional amendments on the November 4, 2008 General Election ballot. Three of such amendments were approved by the voters of the State, which, among other things, do the following: (a) allow the State Legislature, by general law, to exempt from assessed value of residential homes, improvements made to protect property from wind damage and installation of a new renewable energy source device; (b) assess specified working waterfront properties based on current use rather than highest and best use; (c) provide a property tax exemption for real property that is perpetually used for conservation (began in 2010); and, (d) for land not perpetually encumbered, require the State Legislature to provide classification and assessment of land use for conservation purposes solely on the basis of character or use.

November 2010 Amendment

In the November 2, 2010 general election, the voters of the State approved an amendment to Article VII, Section 4 of the State Constitution which provides an additional homestead exemption to members of the military deployed on active duty outside the United States during the preceding year equal to the portion of the year that they were so deployed. This constitutional amendment took effect on January 1, 2011.

Other Constitutional Amendments and Legislative Actions Affecting Ad Valorem Taxation

During the 2011 regular legislative session, the State Legislature passed Senate Joint Resolution 592 (“SJR 592”). SJR 592 allows totally or partially disabled veterans who were not State residents at the time of entering military service to qualify for the combat-related disabled veteran’s ad valorem tax discount on homestead property.

During the 2012 regular legislative session, the State Legislature enacted Chapter 2012-193, Laws of Florida (HB7097). The statute provides that the base \$25,000 homestead exemption and the additional \$25,000 non-school levy homestead exemption apply before all other homestead exemptions, which shall then be applied in a manner that results in the lowest

taxable value. The statute also provides that land, buildings, and other improvement to real property used exclusively for educational purposes shall be deemed owned by an educational institution for the purpose of an ad valorem exemption if the entity owning 100 percent of the land is a nonprofit entity and the land is used, under a ground lease or other contractual arrangement, by an educational institution that owns the buildings and other improvements to the real property that is a nonprofit entity under Section 501(c)(3) of the Code, and provides education limited to students in prekindergarten through grade 8. The statute grants an exemption to all property of municipalities if used as an essential ancillary function of a facility constructed with financing obtained in part by pledging proceeds from the convention development tax which is upon exempt or immune federal, state or county property.

The following two amendments were approved by the voters on November 6, 2012 and became effective January 1, 2013.

1. During the 2012 regular legislative session, the State Legislature passed House Joint Resolution 93 ("HJR 93"). HJR 93 allows the State Legislature to provide ad valorem tax relief to the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property.

2. Also during the 2012 regular legislative session, the State Legislature passed House Joint Resolution 169 ("HJR 169") allowing the State Legislature by general law to permit counties and municipalities, by ordinance, to grant an additional homestead tax exemption equal to the assessed value of homestead property to certain low income seniors. To be eligible for the additional homestead exemption the county or municipality must have granted the exemption by ordinance; the property must have a just value of less than \$250,000; the owner must have title to the property and maintained his or her permanent residence thereon for at least 25 years; the owner must be age 65 years or older; and the owner's annual household income must be less than \$27,300. The additional homestead tax exemption authorized by HJR 169 would not apply to school property taxes. As of the date hereof the City has not enacted an ordinance granting this additional homestead exemption.

During its 2013 regular legislative session, the State Legislature passed Senate Bill 1830 ("SB 1830"), which was signed into law by Governor Rick Scott and provides a number of changes affecting ad valorem taxation which became effective as of July 1, 2013. First, SB 1830 gives long-term lessees the ability to retain their homestead exemption and related assessment limitations and exemptions in certain instances and extends the time for property owners to appeal value adjustment board decisions on transfers of assessment limitations to conform with general court filing time frames. Second, SB 1830 inserts the term "algaculture" in the definition of "agricultural purpose" and inserts the term "aquacultural crops" in the provision specifying the valuation of certain annual agricultural crops, nonbearing fruit trees and nursery stock. Third, SB 1830 allows for an automatic renewal for assessment reductions related to certain additions to homestead properties used as living quarters for a parent or grandparent and aligns related appeal and penalty provisions to those for other homestead exemptions. Fourth, SB 1830 deletes a statutory requirement that the owner of real property in the State permanently reside upon such property in order to qualify for a homestead exemption. This change conforms the statute at

issue with the State Constitution by allowing non-resident owners of property to claim a homestead exemption if a person legally or naturally dependent upon the owner permanently resides on such property. Fifth, SB 1830 clarifies a drafting error regarding the property tax exemptions counties and cities may provide for certain low income persons age 65 and older. Sixth, SB 1830 removes a residency requirement that a senior disabled veteran must have been a State resident at the time they entered military service in order to qualify for certain property tax exemptions. Seventh, SB 1830 repeals the ability for limited liability partnerships with a general partner that is a charitable 501(c)(3) organization to qualify for the affordable housing property tax exemption. Finally, SB 1830 exempts from property taxes property used exclusively for educational purposes when the entities that own the property and the educational facility are owned by the same natural persons.

Also during the State Legislature's 2013 regular legislative session, the State Legislature passed House Bill 277 ("HB 277"), which was signed into law by the Governor. HB 277 provides that certain renewable energy devices are exempt from being considered when calculating the assessed value of residential property. HB 277 only applies to devices installed on or after January 1, 2013. HB 277 took effect on July 1, 2013.

In addition, during the State Legislature's 2013 regular legislative session, the State Legislature passed House Bill 1193 ("HB 1193"), which was signed into law by the Governor. HB 1193 eliminated three ways in which the property appraiser had authority to reclassify agricultural land as non-agricultural land. Additionally, HB 1193 relieves the value adjustment board of the authority to review the property appraisers. HB 1193 applies retroactively to January 1, 2013.

It should be noted that during the State Legislature's 2015 regular legislative session, House Bill 173 ("HB 173") was introduced. HB 173 proposed an increase in the property tax exemption for widows, blind persons and totally and permanently disabled persons. The current exemption is \$500, which HB 173 proposes to increase to \$5,000. Although HB 173 was approved by the full House of Representatives during the State Legislature's 2015 Regular Session, it was not ultimately considered by the full Senate and was not enacted.

During the State Legislature's 2016 regular legislative session, the State Legislature passed Joint Resolution 1009 (CS/HJR 1009), proposing an amendment to the Florida Constitution to grant a full or partial property tax exemption on homestead property to first responders who are totally and permanently disabled as a result of an injury or injuries sustained in the line of duty. This amendment to the Florida Constitution was approved by the voters in the 2016 general election and became effective on January 1, 2017.

Also during the State Legislature's 2016 regular legislative session, the State Legislature passed Joint Resolution 275 (CS/HJR 275), proposing an amendment to the Florida Constitution to change the current law allowing counties and municipalities to grant a full exemption from property taxes to any person who has the legal or equitable title to real estate with a just value less than \$250,000, and who has attained age 65, and whose household income does not exceed \$20,000. The amendment allows such person to continue receiving the exemption if their homestead's just value rises above \$250,000, either due to changes in the market or because of additions or improvements made to the property. In addition, the legislation operates retroactively to January 1, 2013 to allow individuals who were granted the exemption in prior

years, but became ineligible for the exemption because the individual's homestead value rose above \$250,000, to regain the exemption if they are otherwise still qualified. This amendment to the Florida Constitution was approved by the voters in the 2016 general election and became effective on January 1, 2017.

During the State Legislature's 2017 regular legislative session, the State Legislature passed Senate Bill 90 ("SB 90") implementing Amendment 4, which was approved by the voters in August 2016. SB 90 exempts the assessed value of a renewable energy device from tangible personal property tax and the installation of those devices from determining the assessed value of real property, both residential and non-residential, for the purpose of ad valorem taxation. HB 277 described above provided an exemption for residential property only. SB 90 also revises the definition of "renewable energy source device" to include power conditioning and storage devices, wiring, structural support and other components used as integral parts of such systems. The changes made by SB 90 expire on December 31, 2037.

At present, the impact of these amendments on the City's finances has been, and is expected to be, minimal. **[TO BE CONFIRMED]**

Legislative Proposals and Proposed Constitutional Amendments Relating to Ad Valorem Taxation

During the State Legislature's regular 2017 legislative session, the State Legislature passed House Joint Resolution 7105 which proposes an amendment to Section 6, Article VII of the State Constitution to establish an additional homestead exemption of \$25,000 on homes valued from \$100,000 to \$125,000 for all levies other than school district levies. If approved by at least 60% of the voters voting in the November, 2018 general election, such amendment would be effective beginning with the 2019 tax roll.

Also during the State Legislature's regular 2017 legislative session, the State Legislature approved CS/HJR 21 ("HJR 21") which proposes an amendment to the State Constitution to remove the scheduled January 1, 2019 repeal of the limitation prohibiting the increase in the assessed value of non-homestead property to 10% per year. The limitation does not apply to property taxes levied by school districts. In order for the 10% assessment limitation to continue, this constitutional amendment will need to be approved by at least 60% of the voters voting in the November, 2018 general election.

No assurance can be made by the City as to whether the above described proposed constitutional amendments will pass, or their impact on the City's collection of Ad Valorem Taxes. **[CAN THE CITY ESTIMATE THE ANNUAL IMPACT?]** The passage of either or both of these amendments may result in additional millage being levied by the City to pay debt service on the Series 2018 Bonds.

[CONFIRM NO CONSTITUTIONAL REVISION COMMISSION PROPOSALS IMPACT AD VALOREM TAXES]

During recent years, various other legislative proposals and proposed constitutional amendments relating to ad valorem taxation have been introduced in the State Legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit

increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels.

There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the City or its finances.

Property Tax Rates

The following table presents the rates of property taxation for the City for the last ten Fiscal Years. The millage rates below are those that were levied for the operating levy of the City. These millage rates are set by the City Commission of the City.

[This Space Intentionally Left Blank]

**CITY OF POMPANO BEACH, FLORIDA
PROPERTY TAX RATES**

Last Ten Fiscal Years
(Mills Per Thousand of Assessed Valuation)

| <u>Fiscal Year</u> | <u>Operating Millage Rate⁽¹⁾</u> |
|--------------------|---|
| 2008 | |
| 2009 | |
| 2010 | |
| 2011 | |
| 2012 | |
| 2013 | |
| 2014 | |
| 2015 | |
| 2016 | |
| 2017 | |

⁽¹⁾ The City will also levy voter-approved millage for debt service on the Series 2018 Bonds commencing with its Fiscal Year [2018- 2019][2019-2020] budget.

Source: City of Pompano Beach, Florida Finance Department.

[This Space Intentionally Left Blank]

The following table sets forth the assessed and estimated actual value of taxable real property within the City for the last ten Fiscal Years. **[TO BE DISCUSSED/ CONFIRMED—CAFR INCLUDES REAL PROPERTY]**

CITY OF POMPANO BEACH, FLORIDA
ASSESSED VALUE OF TAXABLE REAL PROPERTY
 Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Taxroll Year</u> | <u>Real Property</u> | <u>Total Assessed Value</u> | <u>Allowable Exemptions</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> |
|------------------------|-------------------------|--------------------------|---------------------------------|---------------------------------|---|--|
| 2008 | 2007 | | | | | |
| 2009 | 2008 | | | | | |
| 2010 | 2009 | | | | | |
| 2011 | 2010 | | | | | |
| 2012 | 2011 | | | | | |
| 2013 | 2012 | | | | | |
| 2014 | 2013 | | | | | |
| 2015 | 2014 | | | | | |
| 2016 | 2015 | | | | | |
| 2017 | 2016 | | | | | |

Source: City of Pompano Beach, Florida Finance Department; compiled from Comprehensive Annual Financial Report for Year Ended September 30, 2017, citing Broward County Property Appraiser. **[TO BE CONFIRMED]**

(1) Includes exemptions provided by State law for certain agricultural lands and for certain individuals who qualify as widows, disabled persons or senior citizens. See “AD VALOREM TAXATION – Legislative Developments and Exemptions” herein.

(2) Florida law requires assessment at just valuation. The basis of assessed value is approximately 87% of actual value. Tax rates are per \$1,000 of assessed value.

[This Space Intentionally Left Blank]

The following table sets forth the amount of property taxes levied and collected by the City for the last ten Fiscal Years.

CITY OF POMPANO BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Taxroll Year</u> | <u>Total Amended Tax Levy</u> | <u>Current Gross Tax Collections</u> | <u>Percent of Levy Collected</u> | <u>Subsequent Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Percent of Total Collection To Tax Levy</u> |
|--------------------|---------------------|-------------------------------|--------------------------------------|----------------------------------|--|------------------------------|--|
| 2008 | 2007 | \$48,744,720 | \$47,860,443 | 98.19% | \$ 92,352 | \$47,952,795 | 98.38% |
| 2009 | 2008 | 47,586,219 | 47,091,073 | 98.96 | 79,932 | 47,171,005 | 99.13 |
| 2010 | 2009 | 50,653,057 | 47,481,268 | 93.74 | 1,749,556 | 49,230,824 | 97.19 |
| 2011 | 2010 | 45,005,797 | 42,489,007 | 94.41 | 1,445,843 | 43,934,850 | 97.62 |
| 2012 | 2011 | 45,616,882 | 43,005,085 | 94.27 | 1,553,222 | 44,558,307 | 97.68 |
| 2013 | 2012 | 47,703,127 | 45,859,390 | 96.13 | 891,130 | 46,750,520 | 98.00 |
| 2014 | 2013 | 48,304,700 | 46,666,879 | 96.61 | 909,236 | 47,576,115 | 98.49 |
| 2015 | 2014 | 49,830,475 | 47,831,733 | 95.99 | 1,409,084 | 47,831,733 | 95.99 |
| 2016 | 2015 | 55,590,100 | 54,146,028 | 97.40 | 1,277,836 | 54,146,028 | 97.40 |
| 2017 | 2016 | 59,266,520 | 57,614,616 | 97.21 | - | 57,614,616 | 97.21 |

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017 (citing the City's Finance Department).

(1) Gross taxes exclusive of discounts, penalties and interest.

16] [EXPLAIN WHY SUBSEQUENT TAX COLLECTIONS ARE BLANK FOR 2017-

[This Space Intentionally Left Blank]

The following table sets forth the principal property taxpayers in the City as of September 30, 2017.

CITY OF POMPANO BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2017

| <u>Property Owner</u> | <u>Assessed Valuation</u> | <u>Percent of Total Taxable Assessed Value</u> |
|------------------------------|-------------------------------|--|
| John Knox Village of Florida | \$91,965,440 | 0.83% |
| UH-Pompano | 59,605,160 | 0.54 |
| Pompano Beach Apartments LLC | 54,754,090 | 0.49 |
| Jag-Star Pompano LLC | 53,793,450 | 0.48 |
| Palm Vacation Group | 50,391,800 | 0.45 |
| PPI Inc. | 46,915,370 | 0.42 |
| EQR-Bayview LLC | 46,914,430 | 0.42 |
| Pompano MZL LLC | 40,788,550 | 0.37 |
| Associated Grocers | 37,965,130 | 0.34 |
| CRP Preserve Palm Aire LLC | 32,627,040 | 0.29 |

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017, citing Broward County Property Appraiser 2016 tax roll.

SELECTED FINANCIAL RESULTS

[ALL TO BE CONFIRMED]

Financial Statements and Annual Audit

State law requires that an annual audit of all City accounts and records be completed within the number of days following the end of each Fiscal Year specified by State law (currently nine months) by an independent certified public accountant retained by the City. The basic financial statements included in the City's Comprehensive Annual Financial Report for the Year Ended September 30, 2017 (the "CAFR"), audited by Marcum LLP, independent certified public accountants, and included herein as part of Appendix E, are an integral part of this Offering Statement. The consent of Marcum LLP, to the inclusion of the CAFR herein was not requested. In addition, Marcum LLP, was not requested to perform and has not performed, since the date of their report included herein, any procedures on the financial statements addressed in that report. Marcum LLP, also has not performed any procedures relating to this Offering Statement.

Description of Financial Practices and Financial Statements

The basic financial statements of the City are prepared in conformity with generally accepted governmental accounting principles. The City uses funds and accounts groups to report on its financial position and results of its operations. A summary of significant accounting

policies of the City is contained in the notes to the City's basic financial statements, which are included in Appendix E hereto.

Investment Policy

In accordance with State law, the City has adopted an investment policy via resolution pursuant to applicable Florida law establishing investment guidelines for local governments in Florida. Oversight for the investment program lies with the City's Finance Director under the direction of the City Manager. The City also engages an external investment management firm to manage the majority of its investment portfolio in order to further safeguard its public funds and maximize yield. The City's investment program is established in accordance with the City's investment policy. See the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2017 included as Appendix E hereto for additional information regarding the City's financial policies and planning. The City believes that it is currently in compliance with its investment policy.

Cash Management

All monies received are deposited within twenty-four hours of receipt. Surplus funds are invested in accordance with the City's approved investment policy on either a short term or long term basis, based on the City's liquidity needs.

Fund Balance/Net Asset Policy

The City Commission has formally adopted a fund balance/net asset policy (the "Policy") for the City's General Fund and its Water and Sewer and Stormwater Funds. The objective of the Policy is to ensure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. More specifically, the Policy ensures that the City maintains adequate fund balance/net asset reserves to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns and revenue shortfalls, (3) maintain stable tax/fee rates (4) provide funds for unforeseen expenditures related to emergencies, (5) provide for renewal and replacement of long-lived assets and (6) secure and maintain investment grade bond ratings.

Debt Management Policy

The City Commission has formally adopted a debt management policy (the "Debt Policy") to assist in improving the quality of the City's decisions governing debt issuance. More specifically, the Debt Policy establishes parameters for issuing debt and managing a debt portfolio that encompass existing legal, economic, financial and capital market conditions, the City's capital improvement needs, and its ability to repay financial obligations as they become due. The policy:

- Assists the City in maintenance, acquisition and replacement of appropriate capital assets for present and future needs;
- Guides the City in policy and debt issuance decisions;
- Provides a framework within which each potential issuance can be evaluated;
- Assists in controlling the types and levels of outstanding obligations;

- Outlines a mechanism to ensure ongoing compliance requirements governing outstanding obligations;
- Ensures that the costs of debt issuance are borne equitably by each generation of taxpayers, rate payers, users, and other beneficiaries; and promotes sound financial management.

Strategic Planning

The City has adopted a long-term strategic plan that articulates a clear vision of its future that is integrated with an organizational philosophy to guide elected officials' and employees' actions and the efficient and effective use of resources. The plan is focused on the issues of greatest importance to the City Commission and its citizens. It will provide the framework that will enable the City to make prudent business decisions for its successful operation and the continuing development of the City as a highly desirable location for residents, businesses and visitors. The plan includes benchmarks or milestones that measure the City's progress toward achieving its strategic goals and objectives

Certain Matters Relating to Annual Budget Process and General Fund budget

The City follows the procedures set forth in Chapters 166 and 200 of the Florida Statutes in establishing its annual Budget. The City Manager submits to the City Commission of the City a proposed operating budget for the Fiscal Year commencing on October 1. The proposed operating budget includes proposed expenditures and revenues. Public hearings are then conducted to obtain taxpayer comments on the proposed operating budget. The annual Budget is enacted through the passage of an ordinance by the City Commission on or before the fifteenth day of September of the Fiscal Year currently ending. The City's Fiscal Year 2017-2018 annual Budget was adopted on September __, 2017 in the approximate amount of \$__ million with a General Fund budget of approximately \$__ million (including transfers in). The operating millage rate decreased [**increased**] from __ mills in Fiscal Year 2016-2017 to __ mills in Fiscal Year 2017-2018. The Florida Constitution provides that no municipality may levy more than 10 mills, exclusive of voted millage.

Selected Information Regarding the City's General Fund

The General Fund is the primary operating fund of the City. The General Fund is used to account for revenues and expenditures applicable to the general operations of the City government that are not legally restricted for a purpose. The following tables reflect historical financial information for the City's General Fund (the City's main operating fund) for the past five Fiscal Years (2013 through 2017), as audited by an independent certified public accountant. Tables indicate the General Fund's financial position (Balance Sheet) at the end of the respective Fiscal Year, as well as the General Fund's results of its operations (Statement of Revenue, Expenditures and Changes in Fund Balances) for the Fiscal Year then ended.

[TO BE DISCUSSED: The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the Fiscal Year ended September 30, 2017 by \$481.1 million. Of this amount, \$25.3 million (unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors in accordance with the City's fiscal policies. The City's total net position decreased by \$4.3 million. The decrease noted was

primarily due to a change in Fiscal Year 2016 in the assumption for mortality rates used to measure pension liabilities related to the Police and Firefighters' pension plan. The impact of this change will be recognized in pension expense through Fiscal Year 2019. Refer to Note (III)(C)(2) of the City's Comprehensive Annual Financial Report attached hereto as Appendix E for additional information. At the close of the Fiscal Year ended September 30, 2017, the City's governmental funds reported combined ending fund balances of \$130.1 million, representing a decrease of \$18.3 million from the previous fiscal year.]

CITY OF POMPANO BEACH, FLORIDA
GENERAL FUND BALANCE SHEET FOR FISCAL YEARS ENDED
SEPTEMBER 30, 2013-2017
(audited)

| ASSETS | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|---------------------|---------------------|--------------------|--------------------|--------------------|
| Cash and cash equivalents | \$4,703,287 | \$ 2,164,762 | | | |
| Restricted cash and cash equivalents | - | - | | | |
| Restricted investments | 6,682,395 | 8,129,626 | | | |
| Unrestricted investments | 51,624,555 | 48,998,385 | | | |
| Interest receivable | 145,946 | 149,278 | | | |
| Accounts receivables, net | 2,507,085 | 2,740,428 | | | |
| Assets held for resale & development | - | - | | | |
| Due from other funds | 1,416,223 | 2,151,896 | | | |
| Due from other governments | 1,951,024 | 6,339,754 | | | |
| Inventories | 190,212 | 167,054 | | | |
| Prepays | 138,278 | 27,350 | | | |
| Other assets | <u>25,958</u> | <u>89,982</u> | | | |
| Total assets | <u>\$69,384,963</u> | <u>\$70,958,515</u> | | | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$875,332 | \$904,987 | | | |
| Accrued expenditures | 1,038,807 | 1,200,192 | | | |
| Due to other governments | - | - | | | |
| Advances from other funds | 833,334 | - | | | |
| Unearned revenue | <u>1,551,152</u> | <u>1,169,140</u> | | | |
| Total liabilities: | <u>\$4,298,625</u> | <u>\$3,274,319</u> | | | |
| Deferred inflows of resources: | | | | | |
| Unavailable revenue | - | \$5,624,614 | | | |
| Fund balances ⁽¹⁾ : | | | | | |
| Reserved | | | | | |
| Unreserved | | | | | |
| Nonspendable | \$328,490 | \$194,404 | | | |
| Restricted | 6,682,395 | 8,129,626 | | | |
| Assigned | 1,427,818 | 2,933,852 | | | |
| Unassigned | <u>56,647,635</u> | <u>50,801,700</u> | | | |
| Total fund balances ⁽²⁾ | <u>65,086,338</u> | <u>62,059,582</u> | | | |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$69,384,963</u> | <u>\$70,958,515</u> | | | |

Source: Compiled from the City's Comprehensive Annual Financial Reports for the Fiscal Years 2013-2017.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES---
GENERAL FUND FOR FISCAL YEARS ENDING
SEPTEMBER 30, 2013-2017
(audited)

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|----------------------|----------------------|-------------|-------------|-------------|
| Revenues | | | | | |
| Taxes | \$59,051,292 | \$59,482,200 | | | |
| Judgments, fines and forfeitures | 1,200,681 | 983,420 | | | |
| Permits, fees and special assessments | 24,654,735 | 26,596,373 | | | |
| Intergovernmental | 11,280,833 | 12,912,177 | | | |
| Charges for services | 13,070,474 | 12,579,999 | | | |
| Pari-Mutuel | 2,171,040 | 2,267,089 | | | |
| Donations | 8,610 | 12,617 | | | |
| Investment earnings | 203,746 | 439,620 | | | |
| Other revenue | <u>904,806</u> | <u>465,368</u> | | | |
| Total revenues | <u>\$112,546,217</u> | <u>\$115,738,863</u> | | | |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | \$19,507,414 | \$19,188,232 | | | |
| Public safety | 60,716,912 | 61,285,587 | | | |
| Physical environment | 12,275,252 | 12,904,547 | | | |
| Transportation | 2,355,830 | 2,354,189 | | | |
| Culture and recreation | 6,407,977 | 6,831,557 | | | |
| Debt Service: | | | | | |
| Principal | 218,988 | 225,005 | | | |
| Interest | 73,087 | 67,069 | | | |
| Capital outlay | 7,840,266 | 8,587,099 | | | |
| Total expenditures | <u>109,395,726</u> | <u>111,443,285</u> | | | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$3,150,491</u> | <u>\$4,295,578</u> | | | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of capital assets | \$100,210 | \$54,351 | | | |
| Transfers in | 9,648,288 | 10,776,753 | | | |
| Transfers out ⁽²⁾ | (14,323,487) | (18,153,438) | | | |
| Total other financing sources (uses) | <u>(4,574,989)</u> | <u>(7,322,334)</u> | | | |
| Net change in fund balances | <u>\$(1,424,498)</u> | <u>\$(3,026,756)</u> | | | |
| Fund balances - beginning ⁽¹⁾ | <u>\$66,510,836</u> | <u>\$65,086,338</u> | | | |
| Fund Balances - ending ^{(1) (2)} | <u>\$65,086,338</u> | <u>\$62,059,582</u> | | | |

Source: Compiled from the City's Comprehensive Annual Financial Report for the Fiscal Years 2013-2017.

LIABILITIES OF THE CITY

[ALL TO BE CONFIRMED]

Insurance Considerations Affecting the City

Section 768.28, Florida Statutes, provides limits on the liability of the State and its political subdivisions of \$200,000 to any one person, or \$300,000 for any single incident or occurrence. See “Ability to be Sued, Judgments Enforceable” below. Under the protection of this limit and Chapter 440, Florida Statutes, covering Workmen’s Compensation, the City established a Self-Insurance Risk Management Program. Included in this program is coverage for worker’s compensation, property damage, general and specific liabilities, boiler and machinery losses, fidelity bonds for financial matters and sports accident insurance for youth sports programs. Under this program, individual claims up to \$100,000 are paid. Commercial insurance is purchased for individual claims in excess of \$100,000, and for total claims that exceed \$1,000,000 in a single year. Specialized insurance is purchased for boiler and machinery, sports accident and fidelity bonds.

The City reviews and submits all claims to a claims administration firm, which reviews the claims and investigates as needed. A recommendation is then made as to whether the City should pay the claim, negotiate or litigate. The General Fund and Proprietary Funds participate in this program and pay their fair share based on submitted claims. The City establishes loss reserves for each Fiscal Year based on trend and case development information. The case and claims information is provided by the claims administration firm and confirmed by an actuarial evaluation.

Ability to Be Sued, Judgments Enforceable

Notwithstanding the liability limits described above, the laws of the State provide that each city has waived sovereign immunity for liability in tort to the extent provided in Section 768.28, Florida Statutes. Therefore, the City is liable for tort claims in the same manner and, subject to limits stated below, to the same extent as a private individual under like circumstances, except that the City is not liable for punitive damages or interest for the period prior to judgment. Such legislation also limits the liability of a city to pay a judgment in excess of \$200,000 to any one person or in excess of \$300,000 because of any single incident or occurrence. Judgments in excess of \$200,000 and \$300,000 may be rendered, but may be paid from City funds only pursuant to further action of the State Legislature. See “Insurance Considerations Affecting the City” above.

Existing Debt; Future Debt

The City currently has outstanding certain water and sewer bonds secured by a pledge of the revenues of the City’s water and wastewater system. The City also has entered into certain subject to annual appropriation equipment leases and has served as a conduit issuer in connection with certain outstanding revenue bonds of the City, payable solely from payments received by the City from the conduit borrowers. The City’s community redevelopment district, a dependent special district of the City (the “CRA”), has also issued and has outstanding certain community redevelopment bonds secured by revenues from the respective community redevelopment trust

funds of the CRA. See “Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2017” included as Appendix E for more information regarding the foregoing.

The City has also caused to be issued its Taxable Certificates of Participation, Series 2015 (Parking Garage Project) (the “COPs”), which are outstanding as of January 1, 2018 in the principal amount of \$_____ and have a final lease payment date of January 1, 2040. The COPs are not indebtedness of the City and are related to a subject-to-annual appropriation lease between the City and the Pompano Beach Finance Corporation relating to a City parking garage adjacent to its public beach and public pier area, together with related public roadway improvements and appurtenant utility lines, drainage improvements, landscaping, signage, traffic signals and on-street parking spaces utility lines and parking spaces.

As noted earlier under “THE SERIES 2018 PROJECTS” and “SECURITY FOR THE SERIES 2018 BONDS—Authorized But Unissued Bonds,” the City may issue a Series of Bonds pursuant to the Master Ordinance in the future to finance the Costs of the Projects not included in the Series 2018 Projects, subject to the maximum par amount of the Bonds that can be issued for each of the Public Safety Projects, the Parks, Recreation and Leisure Projects, and the Streets, Sidewalks, Bridges and Streetscaping Projects, respectively, as authorized at the Bond Referendum and provided for in the Master Ordinance.

The City is in the process of developing plans to finance public stormwater improvements through the issuance of long-term bonds that will be secured by revenues of the City’s stormwater utility. **[ANY OTHER PLANS?]**

The City does not currently plan to issue any other debt obligations within the next twelve months, although it is not precluded from issuing such debt obligations.

[This Space Intentionally Left Blank]

Overlapping Millage

The table set forth below summarizes the overlapping millage rates of governmental entities, including the City, with jurisdiction over land within the City.

City of Pompano Beach, Florida Direct and Overlapping Governments Millage Rates Last Ten Fiscal Years

| Fiscal Year | Tax Roll | General Fund | Special Tax District* | Debt Service | Direct Total | Broward County | School Board | So. Florida District Water Management | North Broward District Hospital | Children SVS Council | Hillsboro Inlet Improvement District | Florida Inland Navigation District | Direct And Overlapping Total |
|-------------|----------|--------------|-----------------------|--------------|--------------|----------------|--------------|---------------------------------------|---------------------------------|----------------------|--------------------------------------|------------------------------------|------------------------------|
| | | | | | | | | | | | | | |
| 2008 | 2007 | 3.2788 | 0.4449 | 0.0836 | 3.8073 | 5.2868 | 7.6484 | 0.6240 | 1.6255 | 0.3572 | 0.0860 | 0.0345 | 21.3460 |
| 2009 | 2008 | 3.4861 | 0.4718 | 0.0023 | 3.9602 | 5.3145 | 7.4170 | 0.6240 | 1.7059 | 0.3754 | 0.0860 | 0.0345 | 19.4697 |
| 2010 | 2009 | 4.0652 | 0.5000 | 0.1011 | 4.6663 | 5.3889 | 7.4310 | 0.6240 | 1.7059 | 0.4243 | 0.0860 | 0.0345 | 19.5175 |
| 2011 | 2010 | 4.4077 | 0.5000 | - | 4.9077 | 5.5530 | 7.6310 | 0.6240 | 1.8750 | 0.4696 | 0.0860 | 0.0345 | 20.3609 |
| 2012 | 2011 | 4.7027 | 0.5000 | - | 5.2027 | 5.5530 | 7.4180 | 0.4363 | 1.8750 | 0.4789 | 0.0860 | 0.0345 | 21.1808 |
| 2013 | 2012 | 4.9700 | 0.5000 | - | 5.4700 | 5.5530 | 7.4560 | 0.4289 | 1.8564 | 0.4902 | 0.0860 | 0.0345 | 21.0844 |
| 2014 | 2013 | 4.8712 | 0.5000 | - | 5.3712 | 5.7230 | 7.4800 | 0.4110 | 1.7554 | 0.4882 | 0.1624 | 0.0345 | 21.3750 |
| 2015 | 2014 | 4.7470 | 0.5000 | - | 5.2470 | 5.7230 | 7.4380 | 0.3842 | 1.5939 | 0.4882 | 0.0860 | 0.0345 | 21.4257 |
| 2016 | 2015 | 4.9865 | 0.5000 | - | 5.4865 | 5.7230 | 7.2740 | 0.3551 | 1.4425 | 0.4882 | 0.0860 | 0.0320 | 20.9948 |
| 2017 | 2016 | 4.8252 | 0.5000 | - | 5.3252 | 5.6690 | 6.9063 | 0.3307 | 1.3462 | 0.4882 | 0.0860 | 0.0320 | 20.1836 |

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017, citing Broward County Revenue Collection Division.

(1) Overlapping rates are those of local and County governments that apply to property owners within the City.

*Tax District Code 1521 only (all property east of Federal Highway).

Overlapping Debt

The table set forth below summarizes the general obligation debt of the City, the County and The School District of Broward County, Florida (the "School District"), which the City believes to be the only governmental entities to have outstanding general obligation debt overlapping that of the City, as of September 30, 2017. While the City believes the amount of debt of the County and the School District set forth below to be accurate, this information was derived from source materials which were compiled by the City from information made publicly available by the County and the School District, respectively, and has not been independently verified by the City. Accordingly, no assurance can be given as to the absolute accuracy of these amounts.

**City of Pompano Beach, Florida
Direct and Overlapping Debt
September 30, 2017**

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Est'd Percentage Applicable⁽¹⁾</u> | <u>Est'd Share of Overlapping Debt</u> |
|--|-------------------------|--|--|
| City | \$ - | - | \$ - |
| County | 207,550 | 6.83% | 14,176 |
| Broward County School Board | 156,361 | 6.83% | <u>10,679</u> |
| Subtotal, overlapping debt | | | 24,855 |
| City direct debt (non-ad valorem security) | | | <u>18,851</u> |
| Total direct and overlapping debt | | | <u>\$ 43,706</u> |

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017, citing the City's Finance Department and the Broward County Accounting Division.

(1) Percentage of overlapping debt determined by dividing the assessed value of property in the City by the assessed value of the property in the County.

Debt Ratios

The following table sets forth certain ratios relating to the City's debt as of September 30, 2017.

CITY OF POMPANO BEACH, FLORIDA Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Amounts Available in Fund Balance | Total | Percentage of Actual Taxable Value of Property ⁽¹⁾ | Per Capita ⁽²⁾ |
|-------------|--------------------------|-----------------------------------|-------------|---|---------------------------|
| 2008 | \$1,115,000 | \$1,140,450 | (25,450) | 0.00% | -0.25 |
| 2009 | 1,095,000 | 1,125,572 | (30,572) | 0.00% | -0.31 |
| 2010 | - | 1,062,556 | (1,062,556) | -0.01% | -10.76 |
| 2011 | - | - | - | 0.00% | 0.00 |
| 2012 | - | - | - | 0.00% | 0.00 |
| 2013 | - | - | - | 0.00% | 0.00 |
| 2014 | - | - | - | 0.00% | 0.00 |
| 2015 | - | - | - | 0.00% | 0.00 |
| 2016 | - | - | - | 0.00% | 0.00 |
| 2017 | - | - | - | 0.00% | 0.00 |

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017.

⁽¹⁾See Schedule 5 of the City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017 for property value data.

⁽²⁾See Schedule 14 of the City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017 for population data.

Collective Bargaining Agreements

The City operates under ____ collective bargaining agreements covering certain City employees. **[Describe each agreement, the parties, the employees covered, the expiration dates of the agreements and status of negotiations for any expiring contracts].**

PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS

[TO BE UPDATED/CONFIRMED]

The City has two single employer defined benefit plans, namely the General Employees Retirement System (the “GERS”) and the Police and Firefighters Retirement System (the “PFRS”). The following summarizes only certain information regarding the GERS, PFRS and the City’s other post-employment benefits. Reference is made to “APPENDIX A - Selected Information About the City” and “APPENDIX E - COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED SEPTEMBER 30, 2017,” including Note I (N) and (O), Note II (J) and Note III (A) through (D) [and (H)?], for more complete information regarding the GERS, PFRS and the City’s other post-employment benefits.

The City also provides an optional defined contribution pension plan created in accordance with Section 401(a) of the Code for certain employees and an optional deferred compensation plan created in accordance with Section 457 of the Code, neither of which are included in the City’s financial statements.

The GERS was established by City Ordinance on September 25, 1972. In September 1991, the City contracted with Broward County for the operation of the Pompano Beach Public Library. As part of this agreement, all City employees who chose to remain in the library system became employees of the County. These employees were given the option of remaining in the GERS, in which case the County would make the required annual employer contributions as determined by the GERS Plan’s actuary. In August 1999, the City also contracted with the County Sheriff’s Office (“BSO”) whereby the BSO would provide policing services in the City in return for a specified annual payment by the City (the “BSO Agreement”). As a result, certain code enforcement officers were employed by the BSO. Participating code enforcement officers were given the option to either remain in the GERS Plan or switch to the BSO’s retirement plan. The GERS is administered by a board of seven trustees comprised of three persons elected directly by the members, three persons who are not members appointed by the City Commission and one person elected by the other six trustees.

The PFRS was established by City Ordinance on August 15, 1972 (effective October 1972), to account for the financial activity of the Pompano Beach Police and Firefighters’ Retirement Plan (the “PFRS Plan”). The PFRS is a single-employer defined benefit pension plan, which is administered by a nine member Board of Trustees comprised of three members appointed by the City Commission, three members elected by/from the firefighter members, and three members elected by/from the police members. The Board of Trustees has the sole and exclusive responsibility for the administration and operation of the PFRS. Since the City initiated its relationship with BSO to provide policing services in 1999, BSO has made the annual required employer contribution (“ARC”) to the PFRS for the police officers assigned by BSO to the City. However, the City is ultimately obligated to ensure that the PFRS Plan is funded each year, despite the BSO Agreement.

[**UPDATE:** On April 14, 2015, the City Commission approved a contract with BSO that temporarily extends the term of the BSO Agreement until September 30, 2015. Although the City anticipates that it will reach a long-term agreement with BSO for policing services, negotiations are ongoing. Preliminary discussions indicate that the new agreement could result in an increase in the annual amount paid by the City to BSO, either as a result of (i) the City, rather

than BSO, making the annual ARC to the PFRS for the police officers assigned by BSO to the City or (ii) the City paying an increased amount to BSO to enable BSO to continue to make such ARC. Although the actual amount of the increase, if any, is not known with certainty, City staff has estimated the potential maximum increased cost it may incur relating to the ARC to the PFRS for the police officers assigned by BSO to the City and does not believe such increased cost would have a material adverse effect upon the financial condition or operations of the City.]

At September 30, 2017 the City recorded a net pension asset related to the GERS plan and a net pension asset related to the PFRS plan in its government-wide statement of net position, as applicable. For governmental activities, it is expected that the net pension liability will be liquidated by the general and emergency management services funds. For business-type activities, the City's enterprise funds will be responsible for liquidating that component of the City's net pension liability and the net pension liability is recorded within these individual fund financial statements to reflect this, in accordance with accounting recognition criteria. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly assets reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries).

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by eligible retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage (medical & dental) is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City does not pay any out of pocket costs as it relates to its retirees post retirement costs for medical/dental coverage. The City currently provides these benefits in accordance with the vesting and retirement requirements for its GERS and PFRS plans. The City is financing other post employee benefits ("OPEB") on a pay-as-you go basis. As determined by an actuarial valuation, the City records a net OPEB obligation in its proprietary and government-wide financial statements related to the implicit subsidy.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Series 2018 Bonds in order to assure that interest on the Series 2018 Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. The Issuer's failure to comply with these requirements may cause interest on the Series 2018 Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer has covenanted in the Indentures to take all actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2018 Bonds. The opinions of Bond Counsel with respect to the Series 2018 Bonds, the form of which is attached hereto as "APPENDIX B," will be based upon and assume the accuracy of certain representations and certifications and is conditioned on compliance by the Issuer with such requirements, and Bond Counsel has not been retained to monitor compliance with requirements

such as described above subsequent to the issuance of the Series 2018 Bonds. The Indenture does not require the Issuer to redeem the Series 2018 Bonds or to pay any additional interest or penalty in the event the interest on the Series 2018 Bonds becomes taxable.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer with the tax covenants referred to above, under existing law, interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is further of the opinion that the Series 2018 Bonds and the interest thereon are exempt from taxation under the laws of the State, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income and profits on debt obligations owned by corporations as defined therein.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2018 Bonds.

Bond Counsel will render its opinions as of the issue date, and will assume no obligation to update the opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. The opinions of Bond Counsel are based on existing law, which is subject to change. As to questions of fact material to such opinions, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer, certificates of appropriate officers and others (including certifications as to the use of proceeds of the Series 2018 Bonds and of the property financed thereby), without undertaking to verify the same by independent investigation. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law that may thereafter occur or become effective. Moreover, the opinions of Bond Counsel are only opinions and not a warranty or guaranty of the matters discussed or of a particular result, and are not binding on the Internal Revenue Service or the courts; rather such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

Additional Federal Income Tax Consequences

In the case of certain corporate holders of the Series 2018 Bonds, interest on the Series Bonds will be included in adjusted current earnings for purposes of the alternative minimum tax applicable to taxable years beginning before January 1, 2018.

Prospective purchasers of the Series 2018 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2018 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the Series 2018 Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2018 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Purchasers of the Series 2018 Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should consult their own tax advisors regarding other tax considerations such as the consequences of market discount.

Changes in Tax Law

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Series 2018 Bonds, gain from the sale or other disposition of the Series 2018 Bonds, the market value of the Series 2018 Bonds, or the marketability of the Series 2018 Bonds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2018 Bonds may occur. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2018 Bonds.

Additional Matters Relating to On-going IRS Audit Program and Special Districts

The Internal Revenue Service (the “IRS”) has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes

Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2018 Bonds. Owners of the Series 2018 Bonds are advised that, if the IRS does audit the Series 2018 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the Issuer as the taxpayer, and the owners of the Series 2018 Bonds may have limited rights to participate in such procedure. The commencement of audit could adversely affect the market value and liquidity of the Series 2018 Bonds until the audit is concluded, regardless of the ultimate outcome. As noted above, the Indentures do not require the Issuer to redeem the Series 2018 Bonds or to pay any additional interest or penalty in the event the interest on the Series 2018 Bonds becomes taxable.

Tax Treatment of Original Issue Discount

The Series 2018 Bonds maturing on May 1, 20__ through May 1, 20__, inclusive, were sold at prices less than the stated principal amounts thereof (the “Discount Bonds”). The difference between the principal amount of the Discount Bonds and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Bonds of the same maturity was sold, is “original issue discount.” Original issue discount represents interest which is excluded from gross income for federal income tax

purposes to the same extent and subject to the same considerations discussed above as to stated interest on the Series 2018 Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering may be determined according to rules which differ from those described above. Prospective purchasers of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or the disposition of Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds.

Tax Treatment of Original Issue Premium

The Series 2018 Bonds maturing on May 1, 20__ through May 1, 20__, inclusive (the “Premium Bonds”) were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond. Purchasers of Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Premium Bonds and with respect to the state and local consequences of owning and disposing of Premium Bonds.

OTHER INFORMATION

Ratings

The Series 2018 Bonds have received underlying ratings of “___” from Moody’s Investors Service, Inc. (___ outlook) and “___” (___ outlook) from S&P Global Ratings, a division of S&P Global Inc.

[If there are any Insured Series 2018 Bonds, such Insured Series 2018 Bonds will have additional rating(s) as a result of the Insurance Policy. See “SECURITY FOR THE SERIES 2018 BONDS – Insurance Policy Option.”]

An explanation of the significance of such ratings may be obtained from the applicable rating agency. The ratings reflect only the view of the applicable rating agency and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the applicable rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the ratings on the Series 2018 Bonds may have an adverse effect on the market price of the Series 2018 Bonds.

Competitive Sale

The Series 2018 Bonds are being purchased pursuant to a competitive sale by _____ as successful bidder and the representative of the syndicate listed in the successful bid for the Series 2018 Bonds pursuant to the Official Notice of Sale relating to the Series 2018 Bonds (collectively, the “Underwriter”).

The Underwriter has submitted a winning bid to purchase the Series 2018 Bonds at an aggregate purchase price of \$_____ (representing the original principal amount of \$_____ [plus][less][net] original issue [premium][discount] of \$_____, and less an Underwriter's discount of \$_____).

The Underwriter's obligation to purchase the Series 2018 Bonds are subject to certain conditions precedent described in the Official Notice of Sale and the Underwriter will be obligated to purchase all of the Series 2018 Bonds, if any are purchased. The yields set forth on the inside cover of this Official Statement, which reflect the initial public offering prices of the Series 2018 Bonds, were provided by the Underwriter and may be changed by the Underwriter, and the Underwriter, may offer and sell the Series 2018 Bonds to certain dealers (including dealers depositing the Series 2018 Bonds into investments trusts) and others at prices to produce yields lower or higher than the yields set forth on the inside cover of this Official Statement.

In the ordinary course of their various business activities, the entities comprising the Underwriter and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

Financial Advisor

PFM Financial Advisors LLC, Coral Gables, Florida, is serving as financial advisor to the City with respect to the issuance and sale of the Series 2018 Bonds. The financial advisor has advised the City in matters relating to the planning, structuring and issuance of the Series 2018 Bonds. The financial advisor is not obligated to undertake and has not undertaken to make an

independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

Litigation

The City is involved in certain litigation and disputes incidental to its operations. Upon the basis of information presently available, it is the opinion of the City Attorney and City staff that any ultimate liability in excess of applicable insurance coverage resulting therefrom will not materially adversely affect the financial position or results of operations of the City. At the closing of the Series 2018 Bonds, the City Attorney will render a legal opinion to the effect that, among other matters, there is no litigation or proceeding pending, or to its knowledge, threatened, challenging the creation, organization or existence of the City or the validity of the Series 2018 Bonds or the Ordinance, or seeking to enjoin or restrain any of the transactions referred to therein or contemplated thereby.

Registration and Qualification of Series 2018 Bonds For Sale

The sale of the Series 2018 Bonds has not been registered under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2), nor have the Series 2018 Bonds been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Series 2018 Bonds under the securities laws of any jurisdiction in which the Series 2018 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2018 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Legal Matters

Certain legal matters incident to the authorization, issuance and sale of the Series 2018 Bonds by the City and with regard to the tax-exempt status thereof are subject to the approving opinion of Greenspoon Marder LLP, Fort Lauderdale, Florida, Bond Counsel, whose approving opinions will be available at the time of delivery of the Series 2018 Bonds. Greenspoon Marder LLP, Fort Lauderdale, Florida is also serving as Disclosure Counsel in connection with the Series 2018 Bonds. Certain legal matters in connection with the issuance of the Series 2018 Bonds will be passed upon for the City by Mark Berman, Esq, City Attorney.

The proposed text of the approving legal opinion of Bond Counsel to be delivered concurrently with the delivery of the Series 2018 Bonds is set forth as APPENDIX B to this Official Statement. The actual legal opinion to be delivered may vary from the text of APPENDIX B, if necessary, to reflect facts and law on the date of delivery of the Series 2018 Bonds.

The legal opinion to be delivered by Bond Counsel, Disclosure Counsel to the City and the City Attorney concurrently with the delivery of the Series 2018 Bonds are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made as of the date thereof. The attorneys rendering legal opinions concurrently with the

delivery of the Series 2018 Bonds assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective. In addition, such legal opinions express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed in such opinions. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion 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.

The fees of Bond Counsel and Disclosure Counsel and payment of the Underwriters' discount, which includes the fees of counsel to the underwriters, are contingent upon the issuance of the Series 2018 Bonds.

The firms serving as Bond Counsel and Disclosure Counsel may, from time to time, serve as counsel to either one of the Underwriters in transactions unrelated to the Series 2018 Bonds. The Underwriters have not identified any additional potential or actual material conflicts arising from such representation that require disclosure.

Validation

The Series 2018 Bonds are part of an issue of Bonds which were validated by a final judgment of the Circuit Court in and for Broward County, Florida rendered on _____, 2018. The time for taking an appeal from such judgment expired without an appeal being taken.

Financial Statements

The City of Pompano Beach's audited Comprehensive Annual Financial Report for Year Ended September 30, 2017, are included herein as APPENDIX E and are an integral part of this Official Statement. Such excerpts from the audited Comprehensive Annual Financial Report, including the auditor's report, have been included in this Official Statement as public documents and consent from the auditor was not requested. The auditor has not performed any services relating to, and is therefore not associated with, the issuance of the Series 2018 Bonds.

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources, which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All the summaries of the statutes, documents and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents and ordinances. The summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Continuing Disclosure of Information

The City will execute a Continuing Disclosure Certificate in the form attached as APPENDIX D for the benefit of the Holders of the Series 2018 Bonds and agrees to provide

certain financial information and operating data annually relating to the City commencing with the Fiscal Year ending September 30, 2018 and to provide notices of the occurrence of certain enumerated events. Such covenants have been made in order to assist the underwriters in complying with Rule 15c2-12 of the Securities Exchange Commission (the “Rule”). The specific nature of the matters to be provided is set forth in APPENDIX D. A failure by the City to comply with the requirements of the Continuing Disclosure Certificate will not constitute a default under the Ordinance. In the event of a failure by the City to comply with any provision of the Continuing Disclosure Certificate, the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Series 2018 Bonds or any Beneficial Owner of a Series 2018 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with such obligations. The City is expected to engage _____ to serve as dissemination agent in connection with the Continuing Disclosure Certificate. See “APPENDIX D – Form of Continuing Disclosure Certificate.”

Compliance with Prior Undertakings

The City has undertaken continuing disclosure obligations relating to certain of its outstanding bond issues (collectively, the “Prior Undertakings”). As of the date hereof, the City is in compliance with its obligations under the Prior Undertakings, in all material respects. **[TO BE UPDATED/CONFIRMED]**

It should be noted that the information to be provided annually pursuant to the Continuing Disclosure Certificate relating to the Series 2018 Bonds is required by such Continuing Disclosure Certificate to be filed within 210 days of the City’s Fiscal Year end, subject to extension under certain circumstances specified therein.

Disclosure Required by Florida Blue Sky Regulations

Section 517.051, Florida Statutes and the regulations promulgated thereunder require that the City make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal and interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer such as industrial development bonds or private activity bonds issued on behalf of private businesses). The City is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City’s actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Authorization and Approval

The Ordinance authorizing the issuance of the Series 2018 Bonds confirms the use of this Official Statement in connection with the public offering for sale of the Series 2018 Bonds, and authorizes the use of this Official Statement in the offering of the Series 2018 Bonds by the Underwriters.

**CITY OF POMPANO BEACH,
FLORIDA**

By: _____
Greg Harrison, City Manager

ATTEST:

By: _____
Asceleta Hammond, City Clerk

APPENDIX A

SELECTED INFORMATION REGARDING THE CITY

[ALL TO BE CONFIRMED/UPDATED]

THE FOLLOWING INFORMATION CONCERNING THE CITY IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE SERIES 2018 BONDS ARE PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE OFFICIAL STATEMENT TO WHICH THIS APPENDIX A IS APPENDED. ALL CAPITALIZED TERMS NOT OTHERWISE DEFINED IN THIS APPENDIX A SHALL HAVE THE MEANINGS ASCRIBED THERETO IN THE OFFICIAL STATEMENT TO WHICH THIS APPENDIX A IS APPENDED.

General

See “DESCRIPTION OF THE CITY” in the Official Statement to which this Appendix A is appended for additional information regarding the City and its governance.

The City provides a full range of municipal services, including police and fire protection, parks and recreational programs such as swimming, youth sports, and tennis, cultural events and art instruction, a senior citizen community center and sponsored trips, water distribution and sewer and stormwater collection, street and bridge repair, maintenance and lighting, public records maintenance, building inspection, business licensing, zoning regulation, code enforcement and grant programs for housing purchase and repairs.

The annual budget is the cornerstone of the City’s financial planning and control. The City’s fiscal year runs from October 1st to September 30th. The City begins its budget cycle in November. From November to May, workshops and meetings are held with department heads to determine the upcoming fiscal needs of the City while ensuring adherence to the City’s policies. Upon establishing a fiscal blueprint for the upcoming fiscal year, the City Manager presents the recommended budget to the City Commission and the public in June, as required by the City Charter, and then a second workshop is held in July. If necessary, resources and/or policies are modified by the Commission and subsequently adopted at the final public budget hearing in September. The budget goes into effect October 1 and covers the fiscal year, which ends the following September 30th. During the Fiscal Year, the City Manager may approve transfers of funds among line items within a department, with the exception of reductions in capital outlay line items, which requires City Commission approval. The City Commission must also approve transfers between departments or supplemental appropriations that increase expenditures and revenues.

Selected Economic and Demographic Matters

As the name implies (Pompano-a species of in-shore tropical game fish) the City is famous for some of the world's best sport fishing and is locally known as the "dive capital" of Broward County. Once a thriving agricultural community, the City has evolved into a

warehouse/distribution hub for a wide range of companies that service the over million residents of the South Florida market. The Pompano Beach Air Park is also home to the famous Goodyear Blimp.

The City offers 3 miles of beautiful shoreline and the City's public beach has been declared a Blue Wave Award winner since 2000. Additionally, in 2005 the City was named an All-America City. The All-America City Award is America's original and most prestigious community recognition award honoring communities in which community members, government, businesses and non-profit organizations work together to address critical local issues. The City has also been declared a Tree City USA for the twenty-eighth year (as of 20____) and is committed to enhancing its tree canopy and providing shade and fresh air to residents and guests. Due to its mild year round climate, visitors to the City can also enjoy its beautiful parks, beaches, boating, fishing, scuba diving and all other types of outdoor recreation.

As a result of its significant transportation links, the City is now home to over 28 million square feet of industrial/warehouse/distribution space, which includes regional headquarters for companies such as Aquathin, Associated Grocers, FedEx Ground, Point Blank Enterprises and Stimpson Company. The City provides access to both the Florida Turnpike and Interstate 95 and also provides access to both the CSX and FEC railroads.

Property values are one of the most important key economic factors affecting local government finances. From January 2, 2016 to January 2, 2017, the City experienced an 8.7% increase in its assessed taxable value, its fifth increase since the 2007 assessment. New construction decreased by 12% compared to fiscal year 2016. While Florida's construction and real estate activity is continuing its path to recovery, the City believes (based on realtytrac.com data) that as of September 2017, there were 1,952 properties in the City in some stage of foreclosure (pre-foreclosure, auction or bank owned). Furthermore, similar to Broward County and the State of Florida, the foreclosure rates for the City remain high. As of September 2017, the City estimates that one in every 1,752 housing units in the City received foreclosure filings, although the number was 38% lower than the previous month and 40% lower than the same time in the previous year.

The following table reflects certain demographic and economic statistics for the last ten Fiscal Years of the City.

[This Space Intentionally Left Blank]

CITY OF POMPANO BEACH, FLORIDA
Demographic and Economic Statistics
Last Ten Calendar [Fiscal?] Years

| <u>Broward County</u> | | | | | | | |
|-----------------------|-------------------|---|---|-----------------------|--|---|---|
| Year | Population | Personal Income (thousands of dollars) | Per Capita Personal Income | Median Age | Education Level in Years of Schooling (High School or Higher) | School Enrollment (K-12) | Unemployment Rate Broward County |
| 2008 | 100,058 | 4,113,284 | 41,109 | 43.9 | 74.8 | 11,520 | 5.4 |
| 2009 | 99,031 | 3,828,340 | 38,658 | 39.2 | 87.2 | 11,629 | 9.1 |
| 2010 | 98,711 | 4,019,117 | 40,716 | 42.7 | 79.2 | 11,576 | 10.7 |
| 2011 | 100,319 | 4,186,111 | 41,728 | 40.1 | 83.4 | 11,754 | 9.5 |
| 2012 | 102,239 | 4,266,536 | 41,731 | 42.7 | 81.0 | 12,029 | 7.1 |
| 2013 | 103,189 | 4,229,614 | 40,989 | 42.4 | 82.8 | 11,974 | 7.0 |
| 2014 | 104,662 | 4,514,491 | 43,134 | 44.2 | 83.6 | 11,150 | 5.0 |
| 2015 | 106,260 | 4,899,224 | 46,106 | 40.2 | 88.2 | 11,821 | 4.7 |
| 2016 | 107,425 | 5,038,877 | 46,906 | 39.4 | 82.8 | 11,611 | 4.8 |
| 2017 | 109,441 | * | * | 41.7 | 83.2 | 11,259 | 3.3 |

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017, citing City of Pompano Development Services Department via:
US Census, American Community Survey
Broward County School Board, School Enrollment Counts, Historic Benchmark Day Figures
US Dept. of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program
Bureau of Economic & Business Research, University of Florida
U.S. Bureau of Economic Analysis

Note: *Indicates information not available.
Personal Income and Per Capita prior year calculations were based on Broward County household data.

The following table reflects the principal employers in the City for the Fiscal Year ended September 20, 2017 and nine years prior to that Fiscal Year.

| 2017 | | | | 2008 | | | |
|---|---------------------------|-----------------------------|----------------------------------|---|---------------------------|-----------------------------|----------------------------------|
| | | PERCENT OF TOTAL CITY | TAXABLE ASSESSED VALUATION | | | PERCENT OF TOTAL CITY | TAXABLE ASSESSED VALUATION |
| TAXPAYER (Local Exposure Recognition) | TAXABLE ASSESSED VALUE | Rank | | TAXPAYER (Local Exposure Recognition) | TAXABLE ASSESSED VALUE | Rank | |
| John Knox Village of Florida | \$ 91,965,440 | 1 | | Preserve at Palm-Aire LLC | \$ 25,436,580 | 1 | 0.20% |
| UH-Pompano | 59,605,160 | 2 | | 416 LLC | 23,311,310 | 2 | 0.18% |
| Pompano Beach Apartments LLC | 54,754,090 | 3 | | Palm Vacation Group | 19,743,099 | 3 | 0.15% |
| Jag-Star Pompano LLC | 53,793,450 | 4 | | Associated Grocers LLC (Winn Dixie) | 18,608,170 | 4 | 0.15% |
| Palm Vacation Group | 50,391,800 | 5 | | Cobblestone Apt. Assoc. LLC | 16,489,970 | 5 | 0.13% |
| PPI Inc | 46,915,370 | 6 | | Faison-Pompano Citi Centre LLC | 15,320,500 | 6 | 0.12% |
| EQR-Bayview LLC | 46,914,430 | 7 | | SNH/LTA Properties Trust | 15,300,080 | 7 | 0.12% |
| Pompano MZL LLC | 40,788,550 | 8 | | Regency 288 LLC | 15,056,510 | 8 | 0.12% |
| Associated Grocers | 37,965,130 | 9 | | St. Andrews Palm Aire Assoc. | 13,981,500 | 9 | 0.11% |
| CRP Preserve Palm Aire LLC | 32,627,040 | 10 | | CC-Pompano Inc | 12,999,280 | 10 | 0.10% |
| Total taxable assessed value of principal taxpayers | 515,720,460 | | | Total taxable assessed value of principal taxpayers | 176,246,999 | | 1.38% |
| Total taxable assessed value of other taxpayers | 10,613,724,527 | | | Total taxable assessed value of other taxpayers | 12,626,715,780 | | 98.62% |
| Total taxable assessed valuation of all taxpayers | \$ 11,129,444,987 | | | Total taxable assessed valuation of all taxpayers | \$ 12,802,962,779 | | 100.00% |

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2017, citing Broward County Property Appraiser 2016 tax roll.

Selected Information Regarding Pension Plans and Other Post-Employment Benefits

General

The City has two single employer defined benefit plans, namely the General Employees Retirement System (the “GERS”) and the Police and Firefighters Retirement System (the “PFRS”). See “PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS” in the Official Statement to which this Appendix A is appended. The description below summarizes matters set forth in the City’s Comprehensive Annual Financial Report for Year Ended September 30, 2017 attached as Appendix E to the Official Statement to which this Appendix A is appended (the “CAFR”). Reference is made to such CAFR (including Note I (N) and (O), Note II (J) and Note III (A) through (D) [**and (H)?**]) for a more complete description of the matters summarized below.

Matters Relating to GERS

The GERS PLAN (THE “GERS Plan”) is a single employee defined benefit pension plan established by the City on **[September 25][December 8]**, 1972. The GERS Plan reflects the provisions and requirements of Ordinance Section No. 34.010 through 34.040, as amended. In September 1991, the City contracted with the County for the operation of the Pompano Beach Public Library. As part of this agreement, all City employees who chose to remain in the library system became employees of the County. These employees were given the option of remaining in the GERS, in which case the County would make the required annual employer contributions as determined by the GERS Plan actuary. In August 1999, the City also contracted with the Broward County Sheriff’s Office (“BSO”) whereby the BSO would provide policing services in the City. As a result, certain code enforcement officers were employed by the BSO. Participating code enforcement officers were given the option to either remain in the Plan or switch to the BSO’s retirement plan.

The GERS is administered by a seven member Board of Trustees comprised of three persons elected directly by the members, three persons who are not members appointed by the City Commission and one person elected by the other six trustees. Ordinance Section No. 34.012 provides the Board of Trustees sole and exclusive responsibility for the administration and operation of the GERS, including the authority to establish and amend benefit terms and contribution requirements.

Since the GERS is sponsored by the City, the GERS is included as a pension trust fund in the City’s comprehensive annual financial report, as part of the City’s financial reporting entity. The GERS issues a stand-alone financial report that may be obtained by writing to the Pension Board, 555 S. Andrews Avenue, Suite 106, Pompano Beach, Florida 33069.

Participants are all general employees with full-time status, elected officials and appointees and senior managers of the City who have met the requirements of the City’s merit system. Members are further divided in the following two tiers:

Tier One members are those members hired prior to June 8, 2011.

Tier Two members are those members hired on or after June 8, 2011.

At September 30, 2017, pension plan membership consisted of the following:

| | |
|--|------------|
| Inactive members or their beneficiaries currently receiving benefits | 430 |
| Inactive members entitled to but not yet receiving benefits | 26 |
| Active members | 477 |
| Total | <u>933</u> |

The GERS provides retirement benefits as well as death and disability benefits for all regular full time employees employed at least twenty hours per week and five months per year. Several benefit options are available to employees, which should be elected at time of retirement. Early retirement, disability, death and other benefits are also provided. Employees must have ten years of service and be unable to be gainfully employed before becoming eligible for non-service connected disability benefits. General employees have vested benefits after 7 years of creditable service in accordance with qualifications under the GERS Plan. Elected officials, appointees and senior management have vested benefits after 5 years of creditable service in accordance with qualifications under the GERS Plan.

Employees who retire at age fifty-five with twenty years of continuous service or age sixty-two with at least three years of continuous service are entitled to an annual retirement benefit payable monthly for life in accordance with the following parameters. Employees with twenty years of continuous service who have not yet reached age fifty-five may retire and receive immediate reduced benefits.

For Tier One members, normal retirement benefit is calculated using 2.75% of the Average Monthly Salary multiplied by the years of credited service. Average Monthly Salary is the average of the highest completed 78 bi-weekly pay periods times 1.0048. The GERS Plan allows for an annual guaranteed Cost of Living Adjustment (COLA) equal to two percent (2%) payable on October 1, plus an additional variable COLA equal to up to one percent (1%) if GERS Plan earnings are sufficient (as certified by the GERS Plan's actuary). The COLA is payable to each Retiree who has been retired for at least one year at the time of COLA payment (October 1). All retirees and their beneficiaries are eligible for the COLA once they have been retired for one year. Tier One members are required to contribute 10% of their earnings to the GERS Plan. If a member terminates their employment before they become eligible to receive benefits, the accumulated contributions will be returned to the members plus interest at 3% per year.

For Tier Two members, normal retirement benefit is calculated using 2.00% of the Average Monthly Salary multiplied by the years of credited service. Average Monthly Salary is the average of the highest completed 130 bi-weekly pay periods times 1.0048. Any member who is eligible to receive a normal retirement pension may freeze their accrued benefits and elect to participate in a DROP while continuing their active employment. For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the GERS Plan into the employee's DROP account in an amount equal to the regular monthly

retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits plus interest. Interest shall be at the same rate as the investment earnings assumption for the GERS Plan. Participation in the DROP is limited to sixty months. Tier Two members are required to contribute 7% of their earnings to the GERS Plan. If a member terminates their employment before they become eligible to receive benefits, the accumulated contributions will be returned to the members plus interest at 3% per year.

The GERS Plan allows for an annual guaranteed Cost of Living Adjustment (COLA) for eligible Retirees over the age of 55, payable to each Retiree who has been retired for five years at the time of the COLA payment (October 1). The amount is determined by the Retirees' age on October 1. The COLA amount is one percent (1%) for Retirees between the ages of 55 and 64. For Retirees age 65 and older, the COLA amount is two percent (2%). In addition, eligible Retirees may receive an additional variable COLA equal to up to one percent (1%) if GERS Plan earnings are sufficient (as certified by the GERS Plan's actuary).

The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the GERS Plan and to provide the GERS Plan with assets sufficient to meet the benefits to be paid to the participants. The County is to contribute such amounts as determined by the actuary to cover Broward Sheriff's Office employees. **[STATUS OF CONTRIBUTIONS?]**

The GERS's financial statements are prepared using the accrual basis of accounting. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

Member contributions are recognized as revenues in the period in which employee contributions are due. City and County contributions are recognized as revenues when due pursuant to actuarial valuations. Benefits and refunds are recognized when due and payable in accordance with the terms of the GERS Plan. Interest and dividend income are recorded as earned and dividend income is recorded as of the ex-dividend date.

The GERS considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents. GERS Plan investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. (Please refer to Note (II)(A) in the CAFR for a discussion of fair value measurements). Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in plan net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the GERS Plan's gains and losses on investments bought and sold as well as held during the year. Property and equipment is stated at cost. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The costs of leasehold improvements are depreciated (amortized) over the lesser of the length of the related leases or estimated useful lives of the assets. Depreciation is computed using the straight-line method.

The GERS Plan contracts with investment managers who supervise and direct the investment of equity and fixed income securities. In addition, the GERS Plan utilizes an investment advisor who monitors the investing activity. The investments owned are held in the name of the GERS.

The defined contribution retirement system is a defined contribution pension plan established by the City in 1996 by Ordinance 96-84 to provide benefits at retirement to certain professional and managerial employees of the City that were not part of the GERS pLAN. Contribution plan provisions and contribution requirements are established and may be amended by City Commission Ordinance. In 2008 Ordinance 2008-16 provided for the inclusion of these same employees in the GERS plan. **[IS THIS PARAGRAPH STILL NEEDED? HOW DOES IT CONFORM TO THE STATEMENT EARLIER THAT THE OPTIONAL DEFINED CONTRIBUION PENSION PLAN IS NOT INCLUDED IN THE FINANCIAL STATEMENTS?]**

Matters Relating to PFRS

The PFRS plan (the "PFRS Plan") was established by ordinance of the City of Pompano Beach, Florida ("City") on August 15, 1972 (effective October 1972), to account for the financial activity of the PFRS Plan. The PFRS is a single-employer defined benefit pension plan, which is administered by a nine member Board of Trustees comprised of three members appointed by the City Commission, three members elected by/from the firefighter members, and three members elected by/from the police members. Ordinance Section No. 34.047 provides the Board of Trustees sole and exclusive responsibility for the administration and operation of the PFRS, including the authority to establish and amend benefit terms and contribution requirements.

All full time employees of the police and fire departments, who are classified as sworn police officers and firefighters are covered by this single employer defined benefit pension plan. In August 1999, the City contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the PFRS Plan or switch to the BSO's retirement plan and the PFRS Plan was closed to new police officers. The PFRS is an integral part of the primary government of the City and is included as a pension trust fund in the City's basic financial statements. However, the PFRS also issues a stand-alone financial report that may be obtained by writing to the Pension Board, P.O. Box 610489, Pompano Beach, Florida 33061-0489.

The PFRS provides retirement, death and disability benefits for its members. Benefit provisions are established and may be amended by the City, in conjunction with the members' collective bargaining units. A member may retire with normal benefits after reaching age 47 and accumulating 20 or more years of credited service or age 55 and accumulating 10 or more years of credited service. Pursuant to Ordinance 2014-61, firefighters hired on or after May 27, 2014, may retire with normal benefits after reaching age 50 and accumulating 20 or more years of credited service or age 55 and accumulating 10 or more years of credited service. Pursuant to Ordinance 2008-54, a police officer with 25 years of credited service may elect to purchase unreduced normal retirement benefits regardless of age. Normal retirement benefits are stipulated

in Section 34.055 of the City's Code of Ordinances and are contingent upon a member's employment classification, separation date, length of service and average monthly earnings. In general, normal retirement benefits are the member's average monthly earnings times the number of years of service multiplied by a factor ranging from 2.0% to 4.0%. Members with 20 or more years of service may receive an early retirement benefit at age 47 or an immediate benefit at a reduced amount. Members who have attained age 50 and have completed 10 years of service are also eligible for an early retirement benefit.

Each October 1, an automatic cost of living adjustment (COLA) of 2% is provided to those who have been retired at least 5 years. An additional increase of up to 1% may be paid to those same retirees under certain circumstances. A member attaining age 47 with 20 or more years of credited service is eligible for delayed retirement. These benefits begin upon application and are computed in the same manner as the normal retirement benefit.

Disability benefits for service related disabilities are paid to the member for at least 10 years or until recovery. Benefits are calculated as 75% of the member's final earnings in effect at the date the benefit is approved. Disability benefits for non-service related disabilities for members with 10 or more years of credited service are paid to a member for at least 10 years or until recovery. Benefits are calculated as 3% of the member's average monthly earnings times the number of credited service years, up to a maximum of 60% of the member's salary, plus 2% of average monthly earnings times the number of credited service years in excess of 25 years.

Pre-retirement death benefits for service related deaths are payable to the member's surviving spouse until death or remarriage (for life if the member was killed in the line of duty). Benefits are calculated as \$5,000 lump sum payment plus 75% of the member's final earnings. In addition, eligible children each receive 7.5% of the member's final earnings. If no eligible surviving spouse exists, eligible children each receive 15% of the member's final earnings not to exceed 50%. Pre-retirement death benefits for non-service related deaths of members with more than 10 years of credited service are payable to a designated beneficiary. The designated beneficiary may elect to receive a return of the member's contribution plus interest or an accrued benefit payable at normal retirement or early retirement. In addition, the designated beneficiary may elect the pre-retirement death benefit for non-service related deaths of members with 5 to 10 years of credited service. Pre-retirement death benefits for non-service related deaths of members with 5 to 10 years of credited service are paid to the member's surviving spouse for life. Benefits are computed as a \$5,000 lump sum plus 65% of the member's accrued benefits at the date of death, subject to a minimum of 20% of the member's average monthly salary. In addition, eligible children each receive 7.5% of the member's final earnings. If no eligible surviving spouse exists, eligible children each receive 15% of the member's final earnings. The pre-retirement death benefit for members with 1 to 5 years of credited service is a \$5,000 lump sum payment to the member's designated beneficiary. Post retirement death benefits are payable to the member's beneficiary in accordance with the terms of the payment method selected.

A member with less than 10 years of credited service who terminates employment is refunded his or her contributions, plus interest of 3%. A member with 10 or more years who terminates employment may receive his or her accrued benefit or a refund of contributions plus 3% interest. Membership consisted of the following at October 1, 2016, the date of the latest actuarial valuation:

| | |
|---|------------|
| Retirees and beneficiaries currently receiving benefits | 399 |
| Inactive plan members entitled but not yet receiving benefits | 4 |
| Active plan members | 162 |
| Total | <u>565</u> |

Any member who is eligible to receive a normal retirement pension and prior to attaining 25 years of service may elect to participate in a deferred retirement option plan ("DROP") while continuing his or her active employment as a police officer or firefighter. A member with 25 years of credited service, who is not yet eligible for normal retirement may elect to participate in the DROP upon reaching normal retirement. Upon participation in the DROP, the member becomes a retiree for all PFRS purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member after 5 years of participation. As of September 30, 2017, the balance in the DROP account was \$18,704,793, with 53 DROP participants. These amounts are included in the total investment balance presented on the statement of fiduciary net position.

Effective June 22, 2010, the PFRS allowed participants (police officers only) to borrow from their DROP account. The loan limit is up to 50% of participant's account balance, subject to a minimum of \$5,000 and a maximum of \$50,000. The interest rate charged is the "prime rate" in effect on the day of loan application and the repayment schedule and maturity date may not exceed five years. At September 30, 2017, the balance of DROP loans outstanding was \$430,792.

A Supplemental Retirement Benefit Plan was established for firefighter members who were employed on October 1, 2010. Firefighters who were actively employed on that date were given a share, based on completed months of service, of the existing Chapter 175 reserves. Annually thereafter, Chapter 175 contributions exceeding \$821,230 are also allocated to members who are employed at the end of each fiscal year.

In addition, earnings are posted to the share plan accounts each January 1. Firefighters become vested in their accounts at the rate of 50% after 10 years of service, 75% after 15 years of service and 100% after 20 years of service. As of September 30, 2017, the balance in the share plan account was \$5,130,041. This amount is included in the total investment balance presented on the statement of fiduciary net position.

Effective February 28, 2017, a Supplemental Retirement Benefit Plan for police officer members was established in accordance with Chapter 185, Florida statutes. Under this Plan, a portion of monies received from the Chapter 185 contributions is set aside to provide special benefits to eligible police officer members. As of September 30, 2017, the balance in the police officers' Share Plan account was \$314,032, and the manner of allocation and distribution has not

yet been determined. This amount is included in the total investment balance presented on the statement of fiduciary net position.

Contribution requirements are established and may be amended by the City in conjunction with the Broward County Police Benevolent Association and the Pompano Beach Professional Firefighters Local 1549. The contribution requirements are determined based on the benefit structure established by the City. The City is required to contribute amounts necessary to finance the benefits through periodic contributions at actuarially determined rates. Police officers are required to contribute 8.6% and firefighters 11.6% of their annual covered salary.

Pursuant to chapters 175 and 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts written on properties [in the City?] is collected by the State and is remitted to the PFRS. As of the October 1, 2016 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide future benefit improvements totals \$395,660. This balance pertains to the firefighter members (Chapter 175 funds) and was allocated to the members' Share Plan accounts on January 1, 2017. In compliance with legislation under Florida Chapters 175 and 185, the cumulative balance totaling \$232,106 of additional premium tax revenues pertaining to police members (Chapter 185 funds), was allocated as 50% to the Plan's unfunded liability and 50% set aside to fund a members' Share Plan. Administrative costs are financed through investment earnings.

Pending trades payable amounting to \$1,088,340 at September 30, 2017 account for amounts due to the PFRS's broker for investment purchases made with trade dates prior to the fiscal year end and settlement dates after the fiscal year end. The trades will be settled by receiving or liquidating cash equivalents.

The PFRS's financial statements are prepared using the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Contributions from the members of the PFRS Plan are recognized as revenue in the period in which the contributions are due. Contributions from the City and the BSO, as calculated by the PFRS Plan's actuary, are recognized as revenue when due and when the entities have made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Interest and dividends are recorded as earned. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. For more detail regarding the methods used to measure the fair value of investments, refer to the fair value hierarchy discussed in Note (II)(A) in the CAFR.

Contribution Rates and Actual Contributions

| | <u>Police and Firefighters'</u> | <u>General Employees</u> |
|---------------------|-------------------------------------|------------------------------|
| Contributions: | | |
| Contribution rates: | | |
| City: | | |
| General Employees | - | 23.58% |
| Police | 1,184.61% | - |
| Fire | 42.84% | - |
| Plan members: | | |
| General Employees | | 10.00% ⁽¹⁾ |
| Police | 8.60% | - |
| Fire | 11.60% | - |
| Contributions made: | | |
| Employer | \$ 8,142,644 | \$ 6,755,068 |
| Plan members | 1,632,948 | 2,617,652 |
| State | 2,336,040 ⁽²⁾ | - |

⁽¹⁾7% for employees hired on or after June 8, 2011

⁽²⁾ The PFRS Plan is also funded by contributions from the State of Florida under Chapters 175 (Firefighter Pensions) and 185 (Municipal Police Pensions) of Florida Statutes. This contribution consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City. Beginning in fiscal year 1998, the State, by passage of Chapters 175 and 185 of Florida Statutes, limited the allowable premium tax credit to the base amount received by the PFRS Plan in 1997 plus any fire supplemental payments received from the State subsequent to 1997. The City is allowed to take an additional credit for any improved benefits (approved by City Ordinance) provided to the firefighters resulting in additional costs to the PFRS Plan. The annual credit taken, which is equal to the sum of the 1997 base amount plus additional fire supplemental payments received and additional costs incurred from improved benefits cannot exceed the actual premium taxes received for that fiscal year. For the fiscal year ended September 30, 2017 the PFRS Plan received \$2,336,040. This amount is recorded as intergovernmental revenue and public safety expenditures (on behalf payments) in the City's General Fund and as operating grants and contributions and public safety expenses for governmental activities in the government-wide financial statements. A Supplemental Retirement Benefit Plan was established for firefighter members who were employed on October 1, 2010. Firefighters who were actively employed on that date were given a share, based on completed months of service, of the existing Chapter 175 reserves. Annually thereafter, Chapter 175 contributions exceeding \$821,230 are also allocated to members who are employed at the end of each fiscal year. In addition, earnings are posted to the Share Plan accounts each January. Firefighters become vested in their accounts at the rate of 50% after 10 years of service, 75% after 15 years of service and 100% after 20 years of service. As of September 30, 2017, the balance in the Share Plan account was \$5,130,041. As of the October 1, 2016 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide future benefit improvements totals \$395,660 for firefighter members (Chapter 175 funds). In compliance with new legislation under Florida Chapters 175 and 185, the cumulative balance totaling \$197,979 of additional premium tax revenues pertaining to police

members (Chapter 185 funds), was allocated as 50% to the Plan's unfunded liability and 50% set aside to fund police members' Share Plan accounts.

Selected Matters Relating to Pension Liability

The City's net pension liability [for the GERS Plan and PFRS Plan??] was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016. Update procedures were used to roll forward the total pension liability to the measurement date. The components of the net pension liability of the City at September 30, 2017 were as follows:

| | |
|---|----------------------|
| Total pension liability | \$343,088,836 |
| Plan fiduciary net position | 237,937,762 |
| Net pension liability | <u>\$105,151,074</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 69.35% |

Changes in the City's net pension liability for the GERS Plan and PFRS Plan for the fiscal year ended September 30, 2017 is as follows:

| | <u>Police and Firefighters</u> | | | <u>General Employees</u> | | |
|---|--|--|--------------------------------------|--|--|--------------------------------------|
| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
| Beginning Balance | <u>\$ 332,155,565</u> | <u>\$ 223,871,513</u> | <u>\$ 108,284,052</u> | <u>\$ 208,070,480</u> | <u>\$ 150,255,553</u> | <u>\$ 57,814,927</u> |
| Changes for the year | | | | | | |
| Service cost | 4,117,315 | - | 4,117,315 | 4,065,485 | - | 4,065,485 |
| Interest | 24,421,412 | - | 24,421,412 | 16,453,581 | - | 16,453,581 |
| Changes of benefit terms | - | - | - | 62,449 | - | 62,449 |
| Differences between expected and actual experience | 3,702,653 | - | 3,702,653 | 1,438,845 | - | 1,438,845 |
| Contributions- employer | - | 8,142,644 | (8,142,644) | - | 6,545,407 | (6,545,407) |
| Contributions- member | - | 1,632,948 | (1,632,948) | - | 2,593,355 | (2,593,355) |
| Contributions- nonemployer contributing member | - | 2,336,040 | (2,336,040) | - | - | - |
| Net investment income (loss) | - | 23,717,202 | (23,717,202) | - | 14,289,309 | (14,289,309) |
| Benefit payments, including refunds of member contributions | (21,308,109) | (21,308,109) | - | (12,735,090) | (12,735,090) | - |
| Administrative expense | - | (530,291) | 530,291 | - | (526,236) | 526,236 |
| Other changes | - | 75,815 | (75,815) | - | - | - |
| Net changes | <u>10,933,271</u> | <u>14,066,249</u> | <u>(3,132,978)</u> | <u>9,285,270</u> | <u>10,166,745</u> | <u>(881,475)</u> |
| Ending Balances | <u>\$ 343,088,836</u> | <u>\$ 237,937,762</u> | <u>\$ 105,151,074</u> | <u>\$ 217,355,750</u> | <u>\$ 160,422,298</u> | <u>\$ 56,933,452</u> |

The City's aggregate net pension liability for the GERS Plan measured at September 30, 2016 Police and PFRS Plan measured at September 30, 2017 was \$162,084,526 for the fiscal year ended September 30, 2017.

For the year ended September 30, 2017, the City recognized pension expense related to the pension plans as follows:

| | Police and Firefighters | General Employees | Total |
|-----------------|------------------------------------|------------------------------|---------------|
| Pension expense | \$ 22,379,615 | \$ 8,861,032 | \$ 31,240,647 |

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

| | Police and Firefighters | | General Employees | | Total | |
|--|---|--|---|--|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experiences | \$ 3,381,816 | \$ 491,922 | \$ 1,335,316 | \$ - | \$ 4,717,132 | \$ 491,922 |
| Changes of assumptions | 14,803,377 | - | - | - | 14,803,377 | - |
| Net difference between projected and actual earnings on pension plan investments | 2,371,585 | - | 5,083,485 | - | 7,455,070 | - |
| Employer contributions subsequent to the measurement date | - | - | 6,755,068 | - | 6,755,068 | - |
| Total | <u>\$ 20,556,778</u> | <u>\$ 491,922</u> | <u>\$ 13,173,869</u> | <u>\$ -</u> | <u>\$ 33,730,467</u> | <u>\$ 491,922</u> |

The City reported \$6,755,068 reported as deferred outflows of resources relating to pensions. This amount resulted from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | Police and Firefighters | | General Employees | |
|---|---|--|---|--|
| Fiscal year ending September 30: | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| 2018 | \$ 11,615,116 | \$ 245,962 | \$ 2,202,177 | \$ - |
| 2019 | 11,010,289 | 245,960 | 2,202,178 | - |
| 2020 | (595,144) | - | 2,370,393 | - |
| 2021 | (1,473,483) | - | (355,947) | - |
| | <u>\$ 20,556,778</u> | <u>\$ 491,922</u> | <u>\$ 6,418,801</u> | <u>\$ -</u> |

Selected Matters Relating to the GERS Plan

The City's net pension liability [for the GERS Plan?] was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2015. Update procedures were used to roll forward the total pension liability to the measurement date. The components of the net pension liability of the City at September 30, 2017 were as follows:

| | |
|---|---------------------|
| Total pension liability | \$217,355,750 |
| Plan fiduciary net position | 160,422,298 |
| Net pension liability | <u>\$56,933,452</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 73.81% |

The total pension liability [for the GERS Plan?] was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2016 using the following actuarial assumptions applied to all measurement periods:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization Method | Level percent of payroll, closed |
| Remaining amortization period | 1 to 30 years |
| Asset valuation method | 5 year smoothed market |
| Inflation | 3.50% |
| Salary increase | 4.25-7.50%, including inflation |
| Investment rate of return | 8.00 percent, net of pension plan investment expense, including inflation |

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Mortality rates were the 1983 Group Annuity Mortality Table for men and women.

For the period after disability retirement, the mortality tables were set back five years. This assumption measures the probabilities of each benefit payment being made after retirement. The long-term expected rate of return on GERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected |
|-----------------|-------------------|-----------------------|
| | | Real Rate of Return |
| Domestic equity | 47.10% | 7.60% |
| Int'l equity | 14.20% | 8.10% |
| Real estate | 9.30% | 6.61% |
| Infrastructure | 9.50% | 7.47% |
| Fixed income | 18.30% | 4.08% |
| Cash | 1.60% | 2.00% |
| Total | 100.00% | |

The following presents the net pension liability, calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

| | 1% Decrease (7.00%) | Current Discount Rate (8.00%) | 1% Increase (9.00%) |
|------------------------------|---------------------------|-------------------------------------|---------------------------|
| City's net pension liability | \$ 79,495,108 | \$ 56,933,452 | \$ 37,675,412 |

Selected Matters Relating to the PFRS Plan

The total pension liability [for the PFRS Plan?] was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions applied to all measurement periods:

| | |
|--|------------------------|
| Actuarial cost method | Entry Age Normal |
| Asset Method | Market Value of Assets |
| Interest rates: | |
| Discount rate | 7.5% |
| Expected long-term rate of return | 7.5% |
| Municipal bond rate | N/A |
| Inflation | 2.5% |
| Annual salary increases, excluding inflation | 0.5%-8.5% |
| Ad-hoc Cost of Living Increases | none |

Mortality rates were based on the Florida Retirement System special risk mortality projected with scale BB generationally. Mortality rates for the disabled were based on the Florida Retirement System disabled mortality (no projection scale). The most recent study was completed in November 2013 taking into account 6 years of data experience.

The long-term expected rate of return on PFRS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------------------|--------------------------|---|
| Equity | 50.00% | 7.24% |
| Fixed income | 22.50% | 2.25% |
| Real estate | 7.50% | 3.70% |
| Hedge funds and private equity | 20.00% | 4.84% |
| Short-term investments | -% | 0.90% |
| Cash | -% | 0.90% |
| Total | 100.00% | |

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|------------------------------|------------------------------------|--|------------------------------------|
| City's net pension liability | \$ 142,473,149 | \$ 105,151,074 | \$ 71,490,664 |

[QUESTION: Should any other tables be added from Note III (A)-(D)?]

[This Space Intentionally Left Blank]

Other Post-Employment Benefits

The City as a single employer maintain a post employment benefits plan for benefits other than pension (“OPEB”). Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by eligible retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage (medical & dental) is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The OPEB Plan does not issue a separate stand-alone financial report.

The City does not pay any out of pocket costs as it relates to its retirees post retirement costs for medical/dental coverage. The City currently provides these benefits in accordance with the vesting and retirement requirements for its GERS and PFRS plans. The City is financing OPEB benefits on a pay-as-you go basis.

For Fiscal Year 2017, 57 retirees received health care benefits. Annual required contributions amounted to \$1,690,552 for such Fiscal Year, towards which the City made a contribution of \$540,718. Retiree contributions totaled \$1,129,431 for the Fiscal Year ended September 30, 2017. As September 30, 2017, the City recorded a new OPEB obligation of \$7,947,717 for governmental activities and \$1,596,532 for business-type activities in its government-wide statement of net position. The City’s Utility Fund reported a net OPEB obligation of \$1,371,115, while the non-major enterprise funds reported \$225,417. Internal service funds reported a net OPEB obligation of \$381,758. The OPEB obligation is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers’ contributions made to the plan.

The City’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the retiree health plan:

An analysis of funding progress for the Unfunded Actuarial Accrued Liability (UAAL) for the most recent actuarial valuation date available for the City’s post-employment benefits (other than pension) is presented as follows:

| | |
|--|--------------------|
| Annual required contributions (ARC) | \$1,690,552 |
| Interest on Net OPEB Obligation | 352,146 |
| Adjustment to the ARC | (761,352) |
| Annual OPEB Cost (Expense) | <u>1,281,346</u> |
| Implied Employer Contributions | <u>(540,718)</u> |
| Increase in Net OPEB obligation | 740,628 |
| Net OPEB obligation at the beginning of the year | <u>8,803,621</u> |
| Net OPEB obligation at end of year | <u>\$9,544,249</u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the following three Fiscal Years are shown below:

| <u>Fiscal Year Ending</u> | <u>Annual OPEB Cost</u> | <u>Percent Contributed</u> | <u>Net OPEB Obligation</u> |
|-------------------------------|-----------------------------|--------------------------------|----------------------------|
| September 30, 2017 | \$1,281,346 | 42% | \$9,544,249 |
| September 30, 2016 | \$614,649 | 48% | \$8,803,621 |
| September 30, 2015 | \$596,721 | 47% | \$8,486,447 |

As of October 1, 2017, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$11,371,379 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$11,371,379. The covered payroll (annual payroll of active employees covered by the plan) was \$45,542,532, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 25%. The projection of future benefit payments for an on-going plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the City's basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits. See Note III (J) for information about methods and assumptions.

An analysis of funding progress for the Unfunded Actuarial Accrued Liability (UAAL) for the most recent actuarial valuation date available for the City's post-employment benefits (other than pension) is presented as follows.

| Actuarial Valuation Date | Actuarial Value of Assets (1) | | Actuarial Accrued Liability (AAL)-Entry Age (2) | Unfunded AAL (UAAL) (2)-(1) | Funded Ratio (1):(2) | Covered Payroll (3) | UAAL as a Percentage of Covered Payroll [(2)-(1)]:(3) |
|--------------------------|--|---|--|-----------------------------------|----------------------------|---------------------------|---|
| October 1, 2017 | \$ | - | \$ 11,371 | \$ 11,371 | 0.0% | \$ 45,543 | 25.0% |
| July 1, 2015 | \$ | - | \$ 6,692 | \$ 6,692 | 0.0% | \$ 42,066 | 15.9% |
| July 1, 2013 | \$ | - | \$ 5,628 | \$ 5,628 | 0.0% | \$ 39,689 | 14.2% |
| July 1, 2011 | \$ | - | \$ 9,281 | \$ 9,281 | 0.0% | \$ 39,640 | 23.4% |

APPENDIX B

FORM OF BOND COUNSEL'S OPINION

APPENDIX C

COPY OF THE ORDINANCE

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

**COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED
SEPTEMBER 30, 2017**

EXHIBIT C

FORMS OF OFFICIAL NOTICE OF SALE AND SUMMARY NOTICE OF SALE

GM LLP Draft 6/4/18

[TO BE MODIFIED FOR A SERIES OF TAXABLE BONDS, IF APPLICABLE]

\$ _____ *

POMPANO BEACH, FLORIDA

General Obligation Bonds, Series 2018

OFFICIAL NOTICE OF SALE

City of Pompano Beach, Florida General Obligation Bonds, Series 2018 (the “Series 2018 Bonds”) are being offered for sale in accordance with this Official Notice of Sale. Bids for the purchase of the Series 2018 Bonds will be received on behalf of the City of Pompano Beach, Florida electronically via i-Deal LLC’s Parity/BiDCOMP Competitive Bidding System (“Parity®”) on _____, _____, 2018, until 11:00 a.m. Eastern Time.

_____, 2018

OFFICIAL NOTICE OF SALE

\$ _____ *

POMPAÑO BEACH, FLORIDA
General Obligation Bonds, Series 2018

Notice is given that all-or-none bids will be received by the City of Pompano Beach, Florida (the "City"), for the purchase of \$ _____ * City of Pompano Beach, Florida General Obligation Bonds, Series 2018 (the "Series 2018 Bonds"). All bids must be submitted electronically via Parity® until 11:00 A.M. (but not later than 11:00 A.M.) Eastern Time on _____, _____ 2018. To bid on the Series 2018 Bonds, a bidder must be a contracted customer of Parity®. Prospective bidders that do not have a contract with Parity® should call (212) 849-5021 to become a customer and to obtain a list of the bidding rules and procedures. For further information about Parity®, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, or at telephone number (212) 849-5021. The use of Parity® shall be at the bidder's risk and expense and the City shall have no liability with respect thereto. Only bids submitted through Parity® will be considered. To the extent any instructions or directions set forth on Parity® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control.

THE BIDDING PROCESS, CURRENTLY SCHEDULED FOR _____, _____ 2018 UNTIL 11:00 A.M. EASTERN TIME, MAY BE CANCELLED OR POSTPONED OR THE PRINCIPAL AMOUNT AND AMORTIZATION OF THE SERIES 2018 BONDS MAY BE CHANGED OR ANY OTHER PROVISION OF THIS OFFICIAL NOTICE OF SALE MAY BE AMENDED BY THE CITY UPON NO LESS THAN EIGHTEEN (18) HOURS PRIOR NOTICE COMMUNICATED THROUGH THOMSON MUNICIPAL MARKET MONITOR. IF SUCH A POSTPONEMENT, CHANGE OR AMENDMENT OCCURS, BIDS WILL BE RECEIVED IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE, AS MODIFIED BY SUCH NOTICE.

BOND DETAILS

The Series 2018 Bonds will be issued initially as fully registered bonds and, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2018 Bonds. Individual purchases of beneficial interests in the Series 2018 Bonds may be made only in book-entry-only form in denominations of \$5,000 or integral multiples of \$5,000. Purchasers of beneficial interests in the Series 2018 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the Series 2018 Bonds, payments of principal and interest with respect to the Series 2018 Bonds will be made to such registered owner who will in turn remit such principal and interest payments to DTC participants for subsequent disbursement to the Beneficial Owners.

*Preliminary, subject to change

The Series 2018 Bonds will be dated the date of their original issuance and delivery and bear interest from such date, payable commencing _____ 1, 20____, and on each January 1 and July 1 thereafter until maturity or prior redemption, at the rate or rates specified in the proposal of the successful bidder. The schedule of maturities and principal amounts to be paid are as follows:

INITIAL MATURITY SCHEDULE
SERIES 2018 BONDS

| Maturity* <u>(July 1)</u> | Principal <u>Amount*</u> | Maturity* <u>(July 1)</u> | Principal <u>Amount*</u> |
|------------------------------|-----------------------------|------------------------------|-----------------------------|
|------------------------------|-----------------------------|------------------------------|-----------------------------|

(NOTE: The City reserves the right to modify the initial maturity schedule shown above (the “Initial Maturity Schedule”). See “BOND DETAILS — Adjustment of Principal Amounts” and “TERMS OF BID AND BASIS OF AWARD” below.

Term Bond Option — Bidders may designate the principal amounts of the Series 2018 Bonds set forth in the Initial Maturity Schedule for any two (2) or more consecutive years **[after July 1, 20__]** as a single term maturity which will mature in the latest of the years designated, and will have a stated maturity amount equal to the sum of the annual principal amounts designated as a part of such term maturity. Bidders may designate no more than four (4) term maturities in such manner, and only one (1) term maturity may be subject to mandatory sinking fund redemption in any year. Upon such designation, the Series 2018 Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on July 1, in the principal amounts which would otherwise have matured in such designated years, at the price of par plus accrued interest to the redemption date, without premium.

Adjustment of Principal Amounts — The Initial Maturity Schedule for the Series 2018 Bonds represents an estimate of the principal amounts and maturities of Series 2018 Bonds which will be sold. The City reserves the right to change the Initial Maturity Schedule by announcing any such change not later than eighteen (18) hours prior to the date and time established for the receipt of bids, through Thomson Municipal Market Monitor. If such a change is announced, then the changes, when incorporated into the Initial Maturity Schedule, shall become part of a revised maturity schedule (the “Revised Maturity Schedule”). The Revised Maturity Schedule shall be deemed the principal amounts and maturities for the bid submitted via Parity®. If no such change is announced, then the Initial Maturity Schedule will be deemed the principal amounts and maturities for the bid submitted via Parity®.

In addition, if after the final computation of the bids the City determines, in its sole discretion and without the consent of the successful bidder, that the principal amount of any of the maturities in the Initial Maturity Schedule or the Revised Maturity Schedule needs to be adjusted, the City reserves the right either to increase or decrease: (i) the aggregate principal amount by no more than fifteen percent (15%) of the aggregate principal amount stated in the Initial Maturity Schedule or the Revised Maturity Schedule at the time of the receipt of bids for the Series 2018 Bonds, and (ii) the principal amount by no more than twenty percent (20%) within a given maturity of the Series 2018 Bonds (to be rounded to the nearest \$5,000). In addition, the maximum principal amount of the Series 2018 Bonds shall be \$_____, inclusive of net original issue premium, if any; provided, however, the aggregate principal amount of the Series 2018 Bonds to be issued in connection with (1) the Public Safety Projects shall not exceed \$_____, (2) the Parks, Recreation and Leisure Projects shall not exceed \$_____, and (3) the Streets, Sidewalks, Bridges and Streetscaping Projects shall not exceed \$_____. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the Series 2018 Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified in the proposal of the successful bidder. With the consent of the successful bidder, the aggregate principal amount of the Series 2018 Bonds may be increased or decreased by an amount exceeding fifteen percent (15%) of the aggregate principal amount stated in the Initial Maturity Schedule or the Revised Maturity Schedule at the time of the receipt of bids for the Series 2018 Bonds and by an amount exceeding twenty percent (20%) within any maturity.

Should any adjustment to the principal amount of the Series 2018 Bonds be made pursuant to the immediately preceding paragraph, the dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2018 Bonds to the public and the price to be paid to the City, less any bond insurance premium to be paid by the successful bidder, by (ii) the principal amount of the Series 2018 Bonds) does not increase or decrease from what it would have been if no such adjustment was made to the principal amounts of the Series 2018 Bonds. To facilitate any such adjustment in the principal amounts, the apparent successful bidder is required to indicate by facsimile transmission to the City’s Finance Department, at fax no. (954)_____ and PFM Financial Advisors LLC, as the City’s financial advisor (the “Financial Advisor”), at fax no. (305) 375-5659 or at the email addresses for the City and the Financial Advisor provided in “ADDITIONAL INFORMATION” of this Official Notice of Sale, within one-half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the Series 2018 Bonds, the amount

received from the sale of the Series 2018 Bonds to the public that will be retained by such bidder as its compensation and, in the case of a bid submitted with bond insurance, the cost of the insurance premium. A bidder who intends to cause the Series 2018 Bonds to be insured also shall state in that facsimile or email transmission whether the amount of the insurance premium will change as a result of changes in the principal amount of the Series 2018 Bonds or the amount of the principal maturing in any year, and the method used to calculate any such change in the insurance premium.

Optional Redemption Provisions — The Series 2018 Bonds maturing on or prior to July 1, 20__ are not subject to redemption at the option of the City prior to their respective dates of maturity. The Series 2018 Bonds maturing on or after July 1, 20__ are subject to redemption at the option of the City prior to their respective dates of maturity on or after July 1, 20__, in whole or in part at any time, and if in part, in accordance with the procedures described below, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2018 Bonds or portion of the Series 2018 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.

Partial Redemption —If less than all of the Series 2018 Bonds shall be called for redemption, the particular maturity or maturities of Series 2018 Bonds or portions of Series 2018 Bonds to be redeemed shall be selected by the City and the particular Series 2018 Bonds of like maturity to be redeemed shall be selected by the Bond Registrar by such method as the Bond Registrar in its sole discretion deems fair and appropriate. So long as the Series 2018 Bonds are in book-entry-only form held by DTC, the Bond Registrar shall select such Series 2018 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 2018 Bonds are held in book-entry-only form, the selection for redemption of such Series 2018 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 2018 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 2018 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, its 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, its Participants or any other intermediaries will allocate redemptions of Series 2018 Bonds on a pro rata basis.

If the Series 2018 Bonds are no longer held in book-entry-only form and less than all of the Series 2018 Bonds are to be redeemed, the Holder of Series 2018 Bonds to be redeemed, or such Holder’s attorney or legal representative, shall present and surrender such Series 2018 Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount. 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 2018 Bond so surrendered, a new Series 2018 Bond of the same maturity and bearing interest at the same rate.

AUTHORIZATION

The Series 2018 Bonds are being issued under the authority of, and in full compliance with the Florida Constitution, Chapter 166, Florida Statutes, and other applicable provisions of law, the Charter of the Issuer, as amended, and pursuant to the terms and conditions of pursuant to the terms and conditions of Ordinance No. 2018-49 (the "Master Ordinance") enacted by the City Commission of the City (the "City Commission") on April 24, 2018, as supplemented by Ordinance No. ____ (the "Series Ordinance") enacted by the City Commission on June 26, 2018 (collectively, with the Master Ordinance, the "Ordinance"). All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Ordinance or in the Preliminary Official Statement dated ____, 2018 relating to the Series 2018 Bonds (the "Preliminary Official Statement").

PURPOSE

The proceeds of the Series 2018 Bonds will be used, together with other legally available funds of the City, if any, to: (i) finance certain capital Projects of the City (collectively, the "Series 2018 Projects"); [(ii) **pay capitalized interest on the Series 2018 Bonds through ____ 1, 20____;**] and (iii) pay costs of issuance of the Series 2018 Bonds.

SECURITY FOR BONDS

The Series 2018 Bonds will not be secured by a debt service reserve fund.

The Series 2018 Bonds are the first Series of Bonds being issued under the Master Ordinance. The City may, in its sole discretion, determine to finance any Projects not included in the Series 2018 Projects by a future Series of Bonds, subject to the limitations as to the maximum par amount of Bonds that may be issued for each of the Public Safety Projects, the Parks, Recreation and Leisure Projects, and the Streets, Sidewalks, Bridges and Streetscaping Projects, respectively, as authorized at the Bond Referendum and provided for in the Master Ordinance. See "SECURITY FOR THE SERIES 2018 BONDS—Authorized But Unissued Bonds" in the Preliminary Official Statement.

Pursuant to the Master Ordinance, the City irrevocably pledges its full faith, credit and taxing power for the prompt payment of the principal of and interest on the Series 2018 Bonds and any other Bonds issued and Outstanding under the Master Ordinance. The Master Ordinance imposes a lien upon the Ad Valorem Taxes and other monies on deposit from time to time in the Ad Valorem Taxes Fund, including, without limitation, the investment earnings thereon, to secure the payment of the principal of and interest on the Series 2018 Bonds and any other Series of Bonds issued and Outstanding from time to time.

The Master Ordinance further provides that in each Fiscal Year while any of the Bonds (including the Series 2018 Bonds) are Outstanding, there shall be assessed, levied and collected,

without limitation as to rate or amount, a tax on all taxable property within the City sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due, after deducting therefrom any other funds which may be available for such principal and interest payments and which shall actually be so applied. The Master Ordinance requires that the tax assessed, levied and collected for the security and payment of the Bonds shall be assessed, levied and collected and the proceeds of said tax shall be applied to the payment of principal of and interest on the Bonds and that proceeds of such tax shall be deposited, as received, into the Ad Valorem Taxes Fund. The City covenants in the Master Ordinance that it will diligently enforce its right to receive tax revenues in connection with the Bonds and will diligently enforce and collect such taxes and that it will not take any action that will impair or adversely affect its rights to levy, collect and receive said taxes, or impair or adversely affect in any manner the pledge made in the Master Ordinance or the rights of Holders of the Bonds.

For further information, see “SECURITY FOR THE SERIES 2018 BONDS” in the Preliminary Official Statement.

[BOND INSURANCE OPTION

Bidders may, at their option, obtain a policy of municipal bond insurance guaranteeing payment of the principal of and interest on all or any designated maturities of the Series 2018 Bonds. The responsibility for obtaining such policy and payment of the premium for such policy shall rest with the successful bidder and the Issuer will not be obligated to enter into any covenants or agreements with the related insurer. Each bidder should indicate whether municipal bond insurance has been purchased and provide the name of the insurer.

The Issuer will provide reasonably requested and otherwise publicly available information to municipal bond insurance companies, if such companies wish to consider the qualification of the Series 2018 Bonds for bond insurance. Announcements regarding the availability of such municipal bond insurance may be made by the applicable insurer on the Parity® website prior to the sale date or bidders may contact individual bond insurers to ascertain the availability and cost of such insurance. However, the Issuer does not guarantee the availability of such insurance or the delivery or receipt of such information. Any failure in the availability of such insurance or the delivery or receipt of such information will not be regarded as a basis for contesting the award of the Series 2018 Bonds to the successful bidder. Each bidder should indicate whether a municipal bond insurance policy has been purchased. If the Series 2018 Bonds are delivered on an insured basis, reference to such policy shall appear on the Series 2018 Bonds and in the final Official Statement for the Series 2018 Bonds (the “Official Statement”).

FAILURE OF AN INSURER TO ISSUE ITS MUNICIPAL BOND INSURANCE POLICY SHALL NOT CONSTITUTE CAUSE FOR A FAILURE OR REFUSAL BY THE SUCCESSFUL BIDDER TO ACCEPT DELIVERY OF OR PAY FOR THE SERIES 2018 BONDS. IN THE EVENT OF SUCH FAILURE, THE ISSUER SHALL SUPPLEMENT OR AMEND THE OFFICIAL STATEMENT AND THE RESPONSIBILITY FOR PAYING THE COST OF PRINTING AND MAILING SUCH SUPPLEMENT OR AMENDMENT SHALL BE BORNE SOLELY BY THE SUCCESSFUL BIDDER.

If any maturities of the Series 2018 Bonds are delivered on an insured basis, at the time the Issuer delivers the Series 2018 Bonds, the successful bidder shall furnish to the Issuer a certificate acceptable to Bond Counsel (hereinafter defined) verifying information as to the premium paid for the municipal bond insurance policy and the present value of the interest reasonably expected to be saved as a result of the issuance of such policy. Such certificate shall be substantially in the form of [Exhibit A] to this Official Notice of Sale.

A municipal bond insurance policy insuring the Series 2018 Bonds or any maturities thereof shall be an “Insurance Policy” within the meaning of the Master Ordinance and the related insurer shall be an “Insurer” within the meaning of the Master Ordinance, with the consent rights set forth in the Master Ordinance with respect to the maturities of the Series 2018 Bonds secured by such policy.]

RATINGS

Moody’s Investors Service, Inc. and S&P Global Ratings, a division of S&P Global Inc., have assigned municipal bond ratings to the Series 2018 Bonds of “____” and “____” respectively, each with a ____ outlook, without regard to whether a municipal bond insurance policy is obtained for the Series 2018 Bonds. The rating reports of such rating agencies will be made available upon request to the City’s Finance Department, 100 West Atlantic Boulevard, Pompano Beach, Florida, 33060 telephone: (954) 786-4600, email: Andrew.Jean-Pierre@copbfl.com or to the City’s Financial Advisor, PFM Financial Advisors LLC, 255 Alhambra Circle, Suite 404, Coral Gables, Florida 33134, Attention: Sergio Masvidal, Managing Director, telephone: (786) 671-7480, email: masvidals@pfm.com.

Such ratings, including any related outlook with respect to potential changes in such ratings, reflect the views of the respective rating agencies. An explanation of the significance of such ratings and outlook may be obtained only from the rating agencies. There is no assurance that such ratings and outlook will be in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect upon the market price of the Series 2018 Bonds.

CONTINUING DISCLOSURE

In the Ordinance, the Issuer has authorized the execution and delivery of a Continuing Disclosure Certificate, under which the Issuer commits to provide certain annual information and notices of certain enumerated events, as required by Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission. In order to assist bidders in complying with the Rule, the Issuer will undertake to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain events, if material. Such information will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System (EMMA). Notices of material events will be filed with the Municipal Securities Rulemaking Board through EMMA. The form of such Continuing Disclosure Certificate is included as Appendix D to the Preliminary Official Statement and is described in the Preliminary Official Statement under the caption “OTHER INFORMATION – Continuing Disclosure of Information.”

LEGAL OPINIONS

The opinion of Greenspoon Marder LLP, Fort Lauderdale, Florida, Bond Counsel to the City ("Bond Counsel"), will approve the legality of the Series 2018 Bonds and state other matters relating to the treatment of interest on the Series 2018 Bonds for federal income tax purposes. For a further discussion of certain federal income tax matters relating to the Series 2018 Bonds, see the information under the caption "TAX MATTERS" in the Preliminary Official Statement. The opinion of Bond Counsel will be furnished to the successful bidder, without charge, together with the closing documents customarily delivered by the City for the issuance of general obligation bonds.

The proposed text of the legal opinion of Bond Counsel is set forth in Appendix B to the Preliminary Official Statement. The actual legal opinion to be delivered may vary from the text of Appendix B, if necessary, to reflect facts and law on the date of delivery of the Series 2018 Bonds. The opinion will speak only as of its date and Bond Counsel will not assume any duty to update or supplement its opinion to reflect any change in facts or circumstances, including changes in law that may thereafter occur or become effective.

Greenspoon Marder LLP, Fort Lauderdale, Florida is also serving as Disclosure Counsel to the City ("Disclosure Counsel") and has advised the City on certain matters relating to disclosure for the issuance of the Series 2018 Bonds and in connection with the preparation of the Preliminary Official Statement and the final Official Statement for the Series 2018 Bonds (the "Official Statement"). The customary opinion of Disclosure Counsel will be furnished to the successful bidder, without charge. The opinion will speak only as of its date and Disclosure Counsel will not assume any duty to update or supplement its opinion to reflect any change in facts or circumstances, including changes in law that may thereafter occur or become effective.

The foregoing legal opinions will be furnished together with the closing documents customarily delivered by the City for the issuance of general obligation bonds.

GOOD FAITH DEPOSIT

The successful bidder is required to provide, by wire transfer to the City prior to the award of the Series 2018 Bonds, a good faith deposit in the amount of \$_____, representing approximately one percent (1%) of the preliminary principal amount of the Series 2018 Bonds indicated on the cover of the Preliminary Official Statement (the "Good Faith Deposit"). Please see "BIDDING PROCEDURES" and "TERMS OF BID AND BASIS OF AWARD" for further details.

The proceeds of the Good Faith Deposit of the successful bidder shall be held as security for the performance of the successful bidder's obligation to comply with the terms of its bid. At the time of the delivery of and payment for the Series 2018 Bonds, the amount of the Good Faith Deposit shall be credited against the purchase price due from the successful bidder for the Series 2018 Bonds. In the event the successful bidder should fail to comply with the terms of its bid, the proceeds of the Good Faith Deposit shall be retained by the City. The retention of such proceeds by the City will constitute full liquidated damages and the successful bidder shall have no further

liability. If the Series 2018 Bonds are not issued for any reason other than the successful bidder failing to comply with its bid, the City shall promptly deliver the proceeds of the Good Faith Deposit to the successful bidder, in immediately shall have no further liability to the successful bidder. No interest shall be paid or credited to the successful bidder on the proceeds of the Good Faith Deposit.

BIDDING PROCEDURES

All bids must be unconditional and submitted electronically via Parity®. **No telephone, facsimile, mail, courier delivery or personal delivery bids will be accepted.** To participate, a bidder must be a contracted customer of Parity®. If the prospective bidder does not have a contract with Parity®, such bidder should contact Parity® at (212) 849-5021 to become a customer and obtain a list of the bidding rules and procedures. To the extent any instructions or directions set forth on Parity® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control.

Bidders may change and submit bids as many times as they wish during the auction; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost on the Series 2018 Bonds ("TIC"), when compared to the immediately preceding bid of such bidder. The last bid submitted by a bidder before the end of the auction will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

After the receipt of bids is closed and prior to the award, the apparent successful bidder indicated on Parity® must submit the Good Faith Deposit to the City by wire transfer. Award to the apparent successful bidder is contingent upon receipt of the Good Faith Deposit. The Series 2018 Bonds will not be awarded by or on behalf of the City to such bidder until the City has confirmed receipt of the Good Faith Deposit. Wiring instructions for the Good Faith Deposit are as follows:

Bank Name:

Street:

City and State:

ABA #:

Acct Name:

Acct #:

REF:

General Obligation Bonds, Series 2018

Attention: Finance Director - (954) 786-4600

Each bidder will be solely responsible for making the necessary arrangements to access Parity® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. I-Deal LLC will not have any duty or obligation to provide or assure such access to any bidder, and neither the City nor i-Deal LLC will be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, Parity®. The City is authorizing the use of Parity® as a communications mechanism to conduct the electronic bidding for the Series 2018 Bonds; the owners of such service are not agents of the City. None of i-Deal LLC, the City, Bond Counsel, Disclosure

Counsel or the Financial Advisor shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate or untimely bid submitted by such bidder, including, without limitation, incomplete, inaccurate or untimely bids caused by reason of garbled transmissions, mechanical failure, slow or engaged telephone or telecommunications lines or any other cause.

The City is not bound by any advice and determination of i-Deal LLC to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the specifications set forth in this Official Notice of Sale, including under "TERMS OF BID AND BASIS OF AWARD" below. All costs and expenses incurred by bidders in connection with their registration and submission of bids via Parity® are the sole responsibility of such bidders; the City is not responsible for any of such costs or expenses.

TERMS OF BID AND BASIS OF AWARD

Bids must be unconditional and for the purchase of all, but not less than all, of the Series 2018 Bonds. **THE PURCHASE PRICE FOR THE SERIES 2018 BONDS SHALL BE NO LESS THAN ____% OF THE PAR AMOUNT OF THE SERIES 2018 BONDS.** In addition, the reoffering price of any individual maturity of the Series 2018 Bonds may not be less than ____% of the par amount of that maturity (calculated to the date of delivery of the Series 2018 Bonds). The Series 2018 Bonds shall bear interest expressed in multiples of one-eighth (1/8) or one-twentieth (1/20) of one per centum.

The Series 2018 Bonds will be awarded to the bidder offering to purchase the Series 2018 Bonds at the lowest annual interest cost computed on a TIC basis, but not exceeding ____%. The annual TIC will be determined by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Series 2018 Bonds from the payment dates to the date of the Series 2018 Bonds and to the price bid. For purposes of this Official Notice of Sale, sinking fund installments for any Series 2018 Term Bonds shall be considered as serial maturities. The TIC must be calculated to six (6) decimal places. If two (2) or more bids provide the lowest TIC, the City shall determine by lot which bid shall be accepted. Such determination by the City shall be final.

BIDDERS MUST INCLUDE IN THEIR BIDS A LIST OF THE MEMBERS OF THEIR SYNDICATE. Award or rejection of bids will be made by the City on or prior to 2:00 P.M., Eastern Time on the date of receipt of bids. **ALL BIDS SHALL REMAIN FIRM UNTIL 2:00 P.M., EASTERN TIME ON THE DATE OF RECEIPT OF BIDS. Award is subject to the timely receipt of the Good Faith Deposit, as described above.**

EACH BIDDER MUST SPECIFY IN ITS BID THE INTEREST RATE FOR THE SERIES 2018 BONDS OF EACH MATURITY. **ALL SERIES 2018 BONDS MATURING ON THE SAME DATE MUST BEAR INTEREST AT THE SAME RATE.** NO BIDS FOR LESS THAN ALL OF THE SERIES 2018 BONDS OFFERED WILL BE ENTERTAINED. THE CITY RESERVES THE RIGHT TO REJECT ALL BIDS OR ANY BID NOT CONFORMING TO THIS OFFICIAL NOTICE OF SALE. THE CITY ALSO RESERVES THE RIGHT TO WAIVE, IF PERMITTED BY LAW, ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE CITY SHALL NOT REJECT ANY CONFORMING BID UNLESS ALL CONFORMING BIDS ARE REJECTED.

COMPLIANCE WITH SEC AND MSRB RULES

The successful bidder agrees to take any and all other actions necessary to comply with applicable SEC and Municipal Securities Rulemaking Board (the “MSRB”) rules governing the offering, sale and delivery of the Series 2018 Bonds, including, without limitation, the payment of any fees or charges required to be paid by the MSRB or the Securities Industry and Financial Market Association in connection with the purchase or sale of the Series 2018 Bonds.

SETTLEMENT OF BONDS

It is expected that closing for the Series 2018 Bonds will occur in Pompano Beach, Florida on or about _____, 2018, or such other date as shall be appropriate or necessary to ensure compliance with the Rule or applicable rules of the MSRB (the “Closing Date”). On the Closing Date, the Series 2018 Bonds will be delivered to DTC, as securities depository, and registered in the name of Cede & Co., as nominee of DTC. The successful bidder shall timely obtain CUSIP identification numbers and pay CUSIP Service Bureau charges for assignment of the numbers. **The successful bidder shall advise the City within two (2) business days after notice of award of the CUSIP identification numbers for the Series 2018 Bonds.** The successful bidder shall also advise the underwriting department of DTC, not less than four (4) business days prior to the Closing Date, of the interest rates borne by the Series 2018 Bonds, the CUSIP identification numbers and the Closing Date. Any delay, error or omission with respect to the CUSIP numbers shall not constitute a cause for failure or refusal by the successful bidder to accept delivery of, and pay for, the Series 2018 Bonds in accordance with the terms of this Official Notice of Sale.

FULL PAYMENT OF THE PURCHASE PRICE (MINUS THE AMOUNT OF THE GOOD FAITH DEPOSIT) MUST BE MADE TO THE CITY BY 11:00 A.M. EASTERN TIME ON THE CLOSING DATE BY THE SUCCESSFUL BIDDER IN FEDERAL RESERVE FUNDS OR IMMEDIATELY AVAILABLE FUNDS, WITHOUT COST TO THE CITY.

BLUE SKY LAWS

The successful bidder will be responsible for the clearance or exemption with respect to the status of the Series 2018 Bonds for sale under the securities or “Blue Sky” laws of the several states and the preparation of any surveys or memoranda in connection with such sale. The City shall have no responsibility for such clearance, exemption or preparation.

CLOSING DOCUMENTS

In addition to the opinions of Bond Counsel and Disclosure Counsel referred to above, at the time of payment for and delivery of the Series 2018 Bonds, the City will furnish the successful bidder with the following documents, all to be dated as of the date of delivery:

1. ***No Litigation Opinion*** — An opinion of the City Attorney to the effect that, except as described in the Official Statement, there is no litigation pending or, to its knowledge, threatened which, if determined adversely, would materially adversely affect the validity of the Series 2018 Bonds.

2. ***General Certificate*** — A certificate or certificates of the appropriate officers of the City to the effect that (1) to the best of such officer's knowledge and belief, and after reasonable investigation, (a) neither the Official Statement nor any amendment or supplement to it contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) since the date of the Official Statement, no materially adverse change has occurred in the financial position or results of operation of the City, except as set forth in or contemplated by the Official Statement; (2) the Series 2018 Bonds have been executed by manual or facsimile signature of the appropriate City officials who were duly authorized to execute the same; and (3) on the basis of the facts, estimates and circumstances relied upon at the time of delivery of the Series 2018 Bonds, it is not expected that the proceeds of the Series 2018 Bonds will be used in a manner that will cause the Series 2018 Bonds to be arbitrage bonds.
3. ***Finance Director's Receipt*** — The receipt of the Finance Director showing that the purchase price of the Series 2018 Bonds has been received and deposited in the appropriate funds and accounts.

The successful bidder will also be required to execute certain closing documents required by Florida law or by Bond Counsel in connection with the delivery of the Series 2018 Bonds or the delivery of the opinion of Bond Counsel described in this Official Notice of Sale.

PRELIMINARY OFFICIAL STATEMENT; FINAL OFFICIAL STATEMENT

The City has authorized the distribution of the Preliminary Official Statement, which it deemed final (except for permitted omissions) for purposes of the Rule. The Preliminary Official Statement describes the Series 2018 Bonds and contains information with respect to the City. The Preliminary Official Statement may be obtained electronically from "www.munios.com," or from the City or the Financial Advisor as provided under "ADDITIONAL INFORMATION" below.

This Official Notice of Sale is not intended to be a disclosure document. All bidders must review the Preliminary Official Statement and will be required to certify that they have done so prior to participating in the bidding. In the event of any conflict between the statements contained in the Preliminary Official Statement and in this Official Notice of Sale, the statements contained in the Preliminary Official Statement shall prevail.

Upon the sale of the Series 2018 Bonds, the City will deliver a final Official Statement substantially in the same form as the Preliminary Official Statement, subject to such amendments as are necessary, to the successful bidder within the earlier of seven (7) business days following the sale of the Series 2018 Bonds or to accompany the successful bidder's confirmation that requests payment for the Series 2018 Bonds. Up to two hundred (200) copies of the Official Statement (and any supplement to the Official Statement) will be made available to the successful bidder at the expense of the City. Additional copies may be obtained at the expense of the successful bidder.

MANDATORY STATE FILING

Section 218.38(1)(b)1, Florida Statutes, as amended, requires that the City file, within one hundred twenty (120) days after the delivery of the Series 2018 Bonds, an information statement with the Division of Bond Finance of the Board of Administration of the State of Florida (the "Division of Bond Finance") containing the following information: (a) the name and address of the managing underwriter, if any, connected with the bond issue; (b) the name and address of any attorney or financial consultant who advised the City with respect to the bond issue; (c) any fee, bonus, or gratuity paid by any underwriter or financial consultant, in connection with the bond issue, to any person not regularly employed or engaged by such underwriter or consultant; and (d) any other fee paid by the City with respect to the bond issue, including any fee paid to attorneys or financial consultants. The successful bidder shall provide to the City the information mentioned in (a) and (c) above when the Series 2018 Bonds are delivered. Such information provided pursuant to the cited Statute shall be maintained by the Division of Bond Finance and by the City as a public record.

TRUTH-IN-BONDING STATEMENT

Each bidder will be required to complete and sign the Truth-in-Bonding Statement set forth in [Exhibit B] to this Official Notice of Sale and submit such statement to the City's Finance Director (which submission may be by facsimile transmission at (954) _____ or by email transmission to the email address for the City or the Financial Advisor provided in "ADDITIONAL INFORMATION" of this Official Notice of Sale) on the date bids are due and prior to award of the Series 2018 Bonds by the City.

PUBLIC ENTITY CRIMES

Section 287.133, Florida Statutes, provides, among other things, that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO (currently \$25,000) for a period of thirty-six (36) months following the date of being placed on the convicted vendor list.

COLLUSION

By submitting a proposal to purchase the Series 2018 Bonds, the bidder certifies to the City that (i) its bid is genuine, and not a sham or collusive, and is not made in the interest or on behalf of any person not named in such bid; (ii) it has not directly or indirectly induced or solicited any other bidder to submit a sham bid or any other person, firm, or corporation to refrain from bidding; and (iii) it has not in any manner sought by collusion to secure for itself an advantage over any other bidder.

PURCHASER'S CERTIFICATION REGARDING ISSUE PRICE

The winning bidder shall assist the City in establishing the issue price of the Series 2018 Bonds and shall execute and deliver to the City on the Closing Date an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2018 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form of [Exhibit C-1 or Exhibit C-2] to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All communications under this Official Notice of Sale relating to the issue price of the Series 2018 Bonds may be taken on behalf of the City by the Financial Advisor and any notice or report to be provided to the City relating to issue price may be provided to the Financial Advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2018 Bonds) will apply to the initial sale of the Series 2018 Bonds (the "competitive sale requirements") because: (i) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (ii) all bidders shall have an equal opportunity to bid; (iii) the City may receive bids from at least three (3) purchasers or underwriters of municipal bonds who have established industry reputations for purchasing or underwriting new issuances of municipal bonds; and (iv) the City anticipates awarding the sale of the Series 2018 Bonds to the bidder who submits a firm offer to purchase the Series 2018 Bonds at the lowest true interest cost, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Series 2018 Bonds, as specified in the bid. By submitting a bid each bidder represents that it has an established industry reputation for purchasing or underwriting new issuances of municipal bonds such as the Series 2018 Bonds.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which ten percent (10%) of a maturity of the Series 2018 Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2018 Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Series 2018 Bonds satisfies the 10% test as of the date and time of the award of the Series 2018 Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Series 2018 Bonds, which maturities of the Series 2018 Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Series 2018 Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2018 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2018 Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2018 Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set

forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2018 Bonds, that the underwriters will neither offer nor sell unsold Series 2018 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (A) the close of the fifth (5th) business day after the sale date; or (B) the date on which the underwriters have sold at least ten percent (10%) of that maturity of the Series 2018 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold ten percent (10%) of that maturity of the Series 2018 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Series 2018 Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Series 2018 Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2018 Bonds of that maturity or until all Series 2018 Bonds of that maturity have been sold.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2018 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2018 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2018 Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2018 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2018 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2018 Bonds of that maturity or all Series 2018 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price

rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2018 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2018 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2018 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2018 Bonds of that maturity or all Series 2018 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Series 2018 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale: (i) “public” means any person other than an underwriter or a related party, (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2018 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2018 Bonds to the public), (iii) a purchaser of any of the Series 2018 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than fifty percent (50%) common ownership of their capital interests or profits interests if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than fifty percent (50%) common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and (iv) “sale date” means the date that the Series 2018 Bonds are awarded by the City to the winning bidder.

CHOICE OF LAW

Any litigation or claim arising out of any bid submitted (regardless of the means of submission) pursuant to this Official Notice of Sale shall be governed by and construed in accordance with the laws of the State of Florida. The venue situs for any such action shall be the state courts of the Seventeenth Judicial Circuit in and for Broward County, Florida or the United States District Court for the Southern District of Florida.

NO PERSONAL LIABILITY

No covenant, stipulation, obligation or agreement contained in the Ordinance shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the City Commission or of any agent, officer or employee of the City in the individual capacity of such agent, officer or employee, and neither the members of the City Commission of the City nor any agent, officer or employee of the City nor any official executing the Series 2018 Bonds shall be liable personally on the Series 2018 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

ADDITIONAL INFORMATION

The Preliminary Official Statement and this Official Notice of Sale may be obtained electronically from "www.munios.com." In addition, copies of the Preliminary Official Statement and this Official Notice will be furnished, in limited quantities, upon application to the City's Finance Department, 100 West Atlantic Boulevard, Pompano Beach, Florida, 33060 telephone: (954) 786-4600, email: Andrew.Jean-Pierre@copbfl.com or to the Financial Advisor at PFM Financial Advisors LLC, 255 Alhambra Circle, Suite 404, Coral Gables, Florida 33134, Attention: Sergio Masvidal, Managing Director, telephone: (786) 671-7480, email: masvidals@pfm.com.

**CITY OF POMPANO BEACH,
FLORIDA**

By: /s/ Greg Harrison
City Manager

Dated: _____, 2018

[EXHIBIT A

UNDERWRITERS' CERTIFICATE REGARDING BOND INSURANCE

The undersigned duly authorized officer of _____, senior managing underwriter, as representative of the syndicate (collectively, the "Underwriters") listed in the response submitted in the successful bid for the \$_____ City of Pompano Beach, Florida General Obligation Bonds, Series 2018 (the "Series 2018 Bonds"), HEREBY CERTIFIES that:

1. The Series 2018 Bonds will be secured by a municipal bond insurance policy (the "Policy") provided by _____ ("_____"), for which _____ will be paid a premium by the Underwriters of \$_____ on the date of issuance of the Series 2018 Bonds.

2. In connection with the sale of the Series 2018 Bonds, we compared the debt service on the Series 2018 Bonds secured by the Policy with the debt service on the Series 2018 Bonds that would have existed if the Series 2018 Bonds had not been insured by _____, as estimated by us based on similar issues marketed at the same time and on our marketing experience in connection with the marketing of similar municipal bonds.

3. We then calculated the present value of the interest reasonably expected to be saved as a result of the Policy on the issuance of the Series 2018 Bonds. In determining the present value of the interest savings, we used the yield on the Series 2018 Bonds (determined with regard to the premium paid to _____), as the discount rate. As used in this Certificate, the term "yield" means the discount rate that, as of the date of issuance of the Series 2018 Bonds, produces a present value of all the unconditionally payable payments of principal and interest equal to the initial offering price of the Series 2018 Bonds to the public, as reflected on the inside cover page of the Official Statement for the Series 2018 Bonds, treating the premium paid to _____ for the Policy as additional interest paid on the Series 2018 Bonds on the date of issuance of the Series 2018 Bonds.

4. As shown on the schedules attached to this Certificate as Exhibit "A," the present value of the premium payable to _____ is less than the present value of the interest reasonably expected to be saved as a result of the issuance of the Policy, using the yield on the Series 2018 Bonds as the discount rate in computing such present value.

5. Based on our experience with similar transactions, the premium paid to _____ does not exceed a reasonable arm's-length charge for the transfer of credit risk to _____ resulting from the issuance by _____ of the Policy securing the Series 2018 Bonds.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed in its name, on its behalf and on behalf of the Underwriters, by its duly authorized officer this _____ day of _____, 2018.

[Name of Senior Managing Underwriter]

By: _____
Name and Title:]

EXHIBIT [B]

TRUTH-IN-BONDING STATEMENT

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the City of Pompano Beach, Florida General Obligation Bonds, Series 2018 (the "Series 2018 Bonds"), on behalf of itself and the other members of its syndicate (collectively, the "Underwriters") (NOTE: For information purposes only and not a part of the bid):

The City of Pompano Beach, Florida (the "City") is proposing to issue \$ _____ of Series 2018 Bonds for the principal purpose of providing funds, together with other legally available funds of the City, to (i) finance (including through reimbursement) the cost of acquisition, construction and equipping of the Series 2018 Projects (as defined in the Series Ordinance and described in the Preliminary Official Statement), and (ii) pay certain costs and expenses relating to the issuance of the Series 2018 Bonds. **[Add capitalized interest if applicable]**

The Series 2018 Bonds are expected to be repaid over a period of approximately _____(____) years. At a forecasted interest rate of _____%, total interest paid over the life of the Series 2018 Bonds will be \$ _____.

The Series 2018 Bonds are general obligations of the City. Authorizing this debt will result in a maximum of approximately \$ _____ of annual ad valorem tax revenues of the Issuer not being available to finance other services of the Issuer during the life of the Series 2018 Bonds.

(BIDDER'S NAME)

By: _____
Name:
Title:

Date: _____
(Date of Award of Series 2018 Bonds)

EXHIBIT [C-1]

**[COMPETITIVE SALE -
AT LEAST THREE (3) BIDS]**

ISSUE PRICE CERTIFICATE

The undersigned duly authorized officer of _____, senior managing underwriter, as representative of the syndicate (collectively, the “Underwriter”) listed in the response submitted in the successful bid to purchase the \$ _____ City of Pompano Beach, Florida General Obligation Bonds, Series 2018 (the “Series 2018 Bonds”) issued by the City of Pompano Beach, Florida (the “City”), HEREBY CERTIFIES that:

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2018 Bonds to the Public by the Underwriter are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2018 Bonds used by the Underwriter in formulating its bid to purchase the Series 2018 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Series 2018 Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid to purchase the Series 2018 Bonds.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Series 2018 Bonds.

(d) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

2. Defined Terms.

(a) “Maturity” means Series 2018 Bonds with the same credit and payment terms. Series 2018 Bonds with different maturity dates, or Series 2018 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two (2) or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2018 Bonds. The Sale Date of the Series 2018 Bonds is _____, 2018.

(d) “Underwriter” means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2018 Bonds to the Public).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the City’s Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2018 Bonds, and by Greenspoon Marder LLP, Fort Lauderdale, Florida, as bond counsel to the City, in connection with (i) rendering its opinion that interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, (ii) the preparation of the Internal Revenue Service Form 8038-G, and (iii) other federal income tax advice that it may give to the City from time to time relating to the Series 2018 Bonds.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed in its name, and on behalf of the Underwriter, by its duly authorized officer this ____ day of _____, 2018.

[Name of Senior Managing Underwriter]

By: _____
Name:
Title:

SCHEDULE A

EXPECTED OFFERING PRICES

SCHEDULE B

COPY OF BID PROVIDED BY UNDERWRITER

TO PURCHASE SERIES 2018 BONDS

EXHIBIT [C-2]

[COMBINING ACTUAL SALES RULE AND HOLD- FEWER THAN THREE (3) BIDS]

ISSUE PRICE CERTIFICATE

The undersigned duly authorized officer of _____, senior managing underwriter, as representative of the syndicate (collectively, the “Underwriter”) listed in the response submitted in the successful bid to purchase the \$_____ City of Pompano Beach, Florida General Obligation Bonds, Series 2018 (the “Series 2018 Bonds”) issued by the City of Pompano Beach, Florida (the “City”), HEREBY CERTIFIES that:

1. Sale of the General Rule Maturities. As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which at least ten percent (10%) of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2018 Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Official Notice of Sale, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Series 2018 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2018 Bonds during the Holding Period.

(c) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

3. Defined Terms.

(a) “General Rule Maturities” means those Maturities of the Series 2018 Bonds listed in Schedule A to this Certificate as the “General Rule Maturities.”

(b) “Hold-the-Offering-Price Maturities” means those Maturities of the Series 2018 Bonds listed in Schedule A to this Certificate as the “Hold-the-Offering-Price Maturities.”

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least ten percent (10%) of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Maturity” means Series 2018 Bonds with the same credit and payment terms. Series 2018 Bonds with different maturity dates, or Series 2018 Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two (2) or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(f) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2018 Bonds. The Sale Date of the Series 2018 Bonds is _____, 2018.

(g) “Underwriter” means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2018 Bonds to the Public).

The representations set forth in this Certificate are limited to factual matters only. Nothing in this Certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the City’s Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2018 Bonds, and by Greenspoon Marder LLP, Fort Lauderdale, Florida, as bond counsel to the City, in connection with (i) rendering its opinion that interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, (ii) the preparation of the Internal Revenue Service Form 8038-G, and (iii) other federal income tax advice that it may give to the City from time to time relating to the Series 2018 Bonds.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed in its name, and on behalf of the Underwriter, by its duly authorized officer this ____ day of ____, 2018.

[Name of Senior Managing Underwriter]

By: _____

Name:

Title:

SCHEDULE A

INITIAL OFFERING PRICES

SCHEDULE B

COPY OF PRICING WIRE OR EQUIVALENT COMMUNICATION

FOR PURCHASE OF SERIES 2018 BONDS

[TO BE MODIFIED FOR A SERIES OF TAXABLE BONDS, IF APPLICABLE]

SUMMARY NOTICE OF SALE

\$ _____
POMPANO BEACH, FLORIDA
General Obligation Bonds, Series 2018

Bids for the City of Pompano Beach, Florida General Obligation Bonds (the "Series 2018 Bonds") will be received by the City of Pompano Beach, Florida (the "City") via Parity® until 11:00 A.M (the "Submittal Deadline"), Eastern Time, on _____, 2018 or on such other date as may be established by the City and communicated by Thomson Municipal Market Monitor no less than eighteen (18) hours prior to the time bids are received (the "Bid Date").

Such bids for the purchase of the Series 2018 Bonds are to be opened in public as soon as practical after the Submittal Deadline on the Bid Date and award will be made by 2:00 p.m. on the Bid Date. The Series 2018 Bonds will mature as specified in the Official Notice of Sale relating to the Series 2018 Bonds. The principal amount and amortization of the Series 2018 Bonds may be changed or any other provision of the Official Notice of Sale relating to the Series 2018 Bonds may be amended by the City upon no less than eighteen (18) hours prior notice communicated by Thomson Municipal Market Monitor.

The proceeds of the Series 2018 Bonds will be used, together with other legally available funds of the City, if any, to: (i) finance certain capital projects of the City; **[(ii) pay capitalized interest on the Series 2018 Bonds through ____ 1, 20____;]** and (iii) pay costs of issuance of the Series 2018 Bonds.

The approving opinion of Greenspoon Marder LLP, Bond Counsel, will be furnished to the successful bidder at the expense of the City.

Copies of the Preliminary Official Statement and the Official Notice of Sale relating to the Series 2018 Bonds may be obtained electronically from www.munios.com.

CITY OF POMPANO BEACH, FLORIDA
Greg Harrison, City Manager

Dated: _____, 2018

*Preliminary, subject to change.

EXHIBIT D

FORM OF AWARD CERTIFICATE

**CITY OF POMPANO BEACH, FLORIDA
AWARD CERTIFICATE**

The undersigned City Manager (the “City Manager”) of the City of Pompano Beach, Florida (the “City”) HEREBY CERTIFIES as follows (all capitalized terms not otherwise defined herein having the meaning ascribed thereto in the hereinafter defined Ordinance):

1. Pursuant to Ordinance No. 2018-49 of the City enacted on April 24, 2018, as supplemented by Ordinance No. 2018-58 of the City enacted on June 26, 2018 (collectively, the “Ordinance”), the City authorized the public sale of its not exceeding \$_____ General Obligation Bonds, Series 2018 (the “Series 2018 Bonds”) and delegated to the City Manager, in consultation with the City’s Financial Advisor, the authority, subject to certain “Parameters,” to award the Series 2018 Bonds to the bidder offering to purchase the Series 2018 Bonds at the lowest annual interest cost per annum computed on a true interest cost (“TIC”) basis, but not exceeding ____% for Tax-Exempt Bonds [and not exceeding ____% for Taxable Bonds] (as such capitalized term[s][is] [are] defined in the Ordinance), as more fully set forth in the Official Notice of Sale dated _____, 2018 authorized by the Ordinance (the “Official Notice of Sale”).

2. The City caused notice of the competitive sale of the Series 2018 Bonds to be given in the manner required by Section 218.385(1), Florida Statutes. Bids were received on _____, 2018 until 11:00 a.m., Eastern Time, and in accordance with the Official Notice of Sale, it has been determined that the bidder offering the lowest annual interest cost per annum computed on a TIC basis, but not exceeding ____% per annum [with respect to the Series 2018 Bonds issued as Tax-Exempt Bonds and not exceeding ____% per annum with respect to the Series 2018 Bonds issued as Taxable Bonds], is as shown on the bid tabulation attached hereto as Exhibit A (the “Successful Bidder”). The Official Bid Form of the Successful Bidder is attached hereto as Exhibit B (the “Successful Bidder’s Bid Form”).

3. The terms and details of the Series 2018 Bonds are within the Parameters (as defined in the Ordinance) enumerated in the Ordinance, as certified by the City’s Financial Advisor, a copy of which certification is attached hereto as Exhibit C.

4. The maturities, principal amounts, interest rates and yields of the Series 2018 Bonds are set forth on Exhibit D attached hereto. [The Series 2018 Bonds maturing on July 1, 20____ through July 1, 20____, inclusive, are being issued as Tax-Exempt Bonds and the Series 2018 Bonds maturing on July 1, 20____ through July 1, 20____ are being issued as Taxable Bonds.]

5. The optional redemption provisions for the Series 2018 Bonds are as set forth in the Official Notice of Sale.

6. The Series 2018 Bonds will be issued and delivered to the Successful Bidder on ____, 2018.

7. The Series 2018 Projects are as set forth in the Preliminary Official Statement dated ____, 2018 relating to the Series 2018 Bonds.

8. The undersigned confirms and ratifies the information set forth in the Official Notice of Sale, including the matters required and/or permitted to be set forth therein by the Ordinance with respect to the Series 2018 Bonds.

9. The City hereby accepts the bid of the Successful Bidder and awards the Series 2018 Bonds to the Successful Bidder, consisting of the syndicate/selling underwriting group whose representative is as reflected on Successful Bidder's Bid Form attached hereto as Exhibit B, on the terms and conditions contained in the Official Notice of Sale.

Dated as of the ____ day of ____, 2018.

**CITY OF POMPANO BEACH,
FLORIDA**

(SEAL)

Greg Harrison, City Manager

EXHIBIT A
BID TABULATION

EXHIBIT B

SUCCESSFUL BIDDER'S BID FORM

EXHIBIT C

CERTIFICATE OF FINANCIAL ADVISOR

The undersigned, the duly authorized representative of **PFM FINANCIAL ADVISORS LLC**, as the financial advisor (the “Financial Advisor”) to the City of Pompano Beach, Florida (the “City”), does hereby certify that:

1. The Financial Advisor has been retained as financial advisor to the City in connection with the issuance by the City of its General Obligation Bonds, Series 2018 (the “Series 2018 Bonds”).

2. The City caused to be prepared an Official Notice of Sale relating to the Series 2018 Bonds dated _____, 2018 (the “Official Notice of Sale”) which specified certain of the terms of the Series 2018 Bonds. The Official Notice of Sale was distributed to potential bidders electronically through i-Deal LLC’s Parity/BiDCOMP Competitive Bidding System (“Parity®”). This method of distribution of the Official Notice of Sale is regularly used for purposes of disseminating notices of sale of new issuances of municipal bonds, and notices disseminated in such manner are widely available to potential bidders.

3. To the knowledge of the Financial Advisor, all bidders were offered an equal opportunity to bid to purchase the Series 2018 Bonds so that, for example, if the bidding process afforded any opportunity for bidders to review other bids before providing a bid, no bidder was given an opportunity to review other bids that was not equally given to all other bidders (that is, no exclusive “last-look”).

4. The City received bids from at least three bidders. The Official Notice of Sale states that, by submitting a bid, bidders are deemed to represent that they have established industry reputations for underwriting new issuances of municipal bonds. Based upon [cite source] and the Financial Advisor’s knowledge and experience in acting as the financial advisor for other municipal issues, nothing has come to the attention of the Financial Advisor that would call into question the accuracy of such representations made by the bidders. Copies of the bids received are attached to this certificate as Attachment 1.

5. In accordance with said Official Notice of Sale, and as reflected in as shown in the bid comparison attached as Attachment 2 to this certificate, it has been determined that the bidder offering to purchase the Series 2018 Bonds at the lowest annual interest cost per annum computed on a true interest cost (“TIC”) basis, but not exceeding ____% per annum [with respect to the Series 2018 Bonds issued as Tax-Exempt Bonds and not exceeding ____% per annum with respect to the Series 2018 Bonds issued as Taxable Bonds] is _____, as representative (the “Representative”) of a syndicate/selling underwriting group consisting of the following entities (collectively, inclusive of the Representative, the “Underwriter”) whose identities were provided by the Representative:

[to follow]

6. The TIC applicable to the Series 2018 Bonds [issued as Tax-Exempt Bonds] is _____% per annum [and the TIC applicable to the Series 2018 Bonds issued as Taxable Bonds is _____% per annum]. The terms and details of the Series 2018 Bonds, including the TIC[s] set forth in the preceding sentence, are within the Parameters set forth in Ordinance No. 2018-58 of the City enacted on June 26, 2018 in connection with the Series 2018 Bonds.

7. We have been advised by Greenspoon Marder LLP, Bond Counsel to the City (“Bond Counsel”) that the issue price of the Series 2018 Bonds is equal to the aggregate of the initial offering prices of each maturity of such Series 2018 Bonds to the public (the “Initial Offering Prices”) as represented by the Underwriter, \$ _____. Assuming that the issue price of the Series 2018 Bonds is \$ _____ and that the Series 2018 Bonds will be paid on the scheduled maturity date, the yield on the Series 2018 Bonds calculated in the manner described in this paragraph is _____%. For purposes hereof, yield has been calculated on a 360-day basis with interest compounded semi-annually.

8. We have been advised by Bond Counsel that the weighted average maturity of an issue of tax-exempt bonds is the sum of the products of the issue price of each maturity which is a part of the issue and the years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue. Assuming that the Initial Offering Prices are the issue price of the Series 2018 Bonds and that the entire issue price of the Series 2018 Bonds is \$ _____, the weighted average maturity of the Series 2018 Bonds is _____ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Financial Advisor’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2018 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2018 Bonds. No other persons may rely on the representations set forth in this certificate without the prior written consent of the Financial Advisor.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand for and on behalf of the City’s Financial Advisor as of the _____ day of _____, 2018.

PFM FINANCIAL ADVISORS LLC

By: _____
Title: _____

ATTACHMENT 1

ATTACHMENT 2

EXHIBIT D

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND YIELDS

EXHIBIT E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

**CITY OF POMPANO BEACH, FLORIDA
General Obligation Bonds, Series 2018**

Dated: _____, 2018

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (“Certificate”) is executed and delivered by the **CITY OF POMPANO BEACH, FLORIDA** (the “City”) in connection with the issuance of the City’s \$_____ General Obligation Bonds, Series 2018 (the “Series 2018 Bonds”) as of the _____ day of _____, 2018.

W I T N E S S E T H:

WHEREAS, the Series 2018 Bonds are being issued pursuant to Ordinance No. 2018-49 (the “Master Ordinance”) enacted by the City Commission of the City (the “City Commission”) on April 24, 2018, as supplemented by Ordinance No. ____ (the “Series Ordinance”) enacted by the City Commission on June 26, 2018 (collectively, with the Master Ordinance, the “Ordinance”); and

WHEREAS, the Disclosure Rule (hereinafter defined) imposes certain obligations on the City in connection with the Series 2018 Bonds; and

WHEREAS, the City now desires to execute this Disclosure Certificate with respect to the Disclosure Rule;

NOW, THEREFORE, the City hereby certifies as follows:

1. Recitals; Definitions. The foregoing recitals are true and correct and incorporated herein by this reference. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Trust Agreement.

2. Definitions.

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

“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 2018 Bonds (including persons holding Series 2018 Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Series 2018 Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday, Sunday or a day on which banks in the City of New York, New York are required or authorized to be closed or a day on which the New York Stock Exchange is closed.

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

“Event of Bankruptcy” shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person 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 Obligated Person, 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 Obligated Person.

“Fiscal Year” shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

“Listed Events” shall mean any of the events listed in Section 5 hereof.

“Obligated Person(s)” shall mean, with respect to the Series 2018 Bonds, those person(s), other than Insurers, who either generally or through an enterprise, fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Series 2018 Bonds, which person(s) shall include the City, and who are identified as such herein.

“Official Statement” means the final Official Statement dated __, 2018 relating to the Series 2018 Bonds.

“Repository” shall mean shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access (“EMMA”) web portal at <http://emma.msrb.org>.

“State” shall mean the State of Florida.

3. Provision of Annual Reports.

(a) Commencing with the Fiscal Year ending September 30, 2018, not later than thirty (30) days following the date on which the City is required by applicable State law to receive its audited annual financial statements for the preceding Fiscal Year (currently 270 days following the end of the preceding Fiscal Year), the City shall provide the Annual Report to the Repository,. The Annual Report shall include the City’s audited financial statements for the preceding Fiscal Year, prepared in accordance with generally accepted accounting principles, as modified by applicable State requirements and the governmental

accounting standards promulgated by the Government Accounting Standards Board (the “Audit”). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may incorporate by reference other information as provided in Section 4 below; provided that the Audit may be submitted separately from the balance of the Annual Report. In the event the City’s Fiscal Year changes, the City shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) The City shall: (i) determine each year prior to the date for providing the Annual Report the name and address of the then current Repository; and (ii) file a report with the City Clerk certifying that the Annual Report has been provided pursuant to the requirements hereof, stating the date it was provided and listing the Repository to which it was provided, and send a copy of such report to any Insurer.

4. Contents of Annual Report. The Annual Report shall contain or incorporate by reference the following:

(a) the Audit of the City as of the end of the immediately preceding Fiscal Year; and

(b) an update, as of the end of the immediately preceding Fiscal Year for which an Audit is available, of the financial information and operating data contained in the Official Statement in the tables under the headings “AD VALOREM TAXATION,” “SELECTED FINANCIAL RESULTS,” “LIABILITIES OF THE CITY” AND “PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS” and “APPENDIX A—General Information Regarding the City.”

The City reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the City; provided, however, that the City agrees that any such modification will be accomplished in a manner consistent with the Disclosure Rule. Any or all of the foregoing items may be incorporated by specific reference to other documents, including offering statements of debt issues or audited financial statements (including the Audit) of the City or related public entities, which have previously been submitted to the Repository. If the document incorporated by reference is a final offering statement, it must be available from the Repository’s Internet website. The City shall clearly identify each such other document so incorporated by reference.

5. Reporting of Listed 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 Listed Events with respect to the Series 2018 Bonds in a timely manner not in excess of ten (10) business days after the occurrence of the event:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;*
5. substitution of 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 2018 Bonds, or other material events affecting the tax status of the Series 2018 Bonds;
7. modifications to rights of the holders of the Series 2018 Bonds, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Series 2018 Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;

*[The Series 2018 Bonds have no credit enhancement.]

13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the

Obligated Person, 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; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. notice of any failure on the part of the City to meet the requirements of Section 3 hereof; and
16. an Event of Default or an Event of Non-Appropriation under the Trust Agreement or a default or event of default under the Ground Lease or Lease Agreement.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

6. Termination of Reporting Obligations. The obligations of the City hereunder shall terminate upon the legal defeasance, prior prepayment or payment in full of all Outstanding Series 2018 Bonds. If such termination occurs prior to the final maturity of the Series 2018 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

7. Dissemination Agent. The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate (the “Dissemination Agent”) and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

8. Obligated Persons. The Obligated Person with respect to the Series 2018 Bonds shall be the City.

9. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Trustee may, and upon written request of the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Series 2018 Bonds, shall, at the expense of the City, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. Notwithstanding any other provision of the Trust Agreement, failure of the City or the Dissemination Agent to comply with the requirements of this Disclosure Certificate shall not be considered an event of default under the Trust Agreement or Related Certificate Documents (as defined in the Trust Agreement), and the sole remedy under this Disclosure Certificate in the event of any failure of the City or Dissemination Agent to comply with the provisions of this Disclosure Certificate shall be an action to compel performance.

10. Amendment; Waiver. Notwithstanding any other provision hereof, the City and the Dissemination Agent may amend the provisions of this Disclosure Certificate without consent of the holders of Series 2018 Bonds, and any provision of this Disclosure Certificate may be waived provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(b), 4, or 5(a), 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 2018 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Disclosure Rule at the time of the original issuance of the Series 2018 Bonds, after taking into account any amendments or 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 2018 Bonds in the same manner as provided herein for amendments to this Disclosure Certificate; or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Series 2018 Bonds.

Notwithstanding the foregoing, the City and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Disclosure Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, 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.

11. Additional Information. Nothing herein shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 this Disclosure Certificate. If the City chooses to include any information in an Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement,

the City shall have no obligation to update such information or include it any future Annual Report or notice of occurrence of a Listed Event.

12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Agreement and the City indemnifies and saves harmless the Dissemination Agent, its officers, directors, employees and agents, from and against any 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 attorney 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 2018 Bonds.

13. Purpose of this Agreement. This Agreement constitutes the written undertaking for the benefit of the Beneficial Owners of the Series 2018 Bonds required by Section (b)(5)(i) of the Disclosure Rule.

14. Beneficiaries. The covenants contained herein shall inure solely to the benefit of the City, the Dissemination Agent and the holders and Beneficial Owners from time to time of the Series 2018 Bonds and shall create no rights in any other person or entity.

15. Governing Law. This Disclosure Certificate shall be governed by the laws of the State of Florida and venue shall be in Broward County, Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

CITY OF POMPANO BEACH, FLORIDA

Attest:

Asceleta Hammond, City Clerk

By: _____
Lamar Fisher, Mayor

[SEAL]