Draft #2

NEW ISSUE - Book-Entry-Only **See "RATINGS"**

PRELIMINARY OFFICIAL STATEMENT DATED [SEPTEMBER 17], 2021

In the opinion of Bond Counsel, under existing law, and assuming compliance with the tax covenants described herein, interest on the Series 2021 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. See "TAX MATTERS" herein regarding certain other tax considerations.

CITY OF POMPANO BEACH, FLORIDA

$__________________*
General Obligation Bonds, Series 2021

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 2021 (the "Series 2021 Bonds") only in fully registered form, without coupons, in denominations of $5,000 or integral multiples thereof. The Series 2021 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 January 1, 2022. The Series 2021 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 2021 Bonds will be made in book-entry-only form. Accordingly, principal of and interest on the Series 2021 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 2021 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 2021 Bonds. See "DESCRIPTION OF THE SERIES 2021 BONDS — Book-Entry-Only System."

The Series 2021 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 2021 Bonds was approved by a majority of the qualified electors of the City voting in the Bond Referendum. The Series 2021 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. 2021-75 enacted by the City on September 14, 2021 (the "2021 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 2021 Bonds will be used, together with other legally available funds of the City, to: (i) finance certain capital Projects of the City (collectively, the "Series 2021 Projects"); and (ii) pay costs of issuance of the Series 2021 Bonds. See "THE SERIES 2021 PROJECTS" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2021 Bonds are the second Series of Bonds to be issued under the Master Ordinance. The Series 2021 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 2021 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 2021 Bonds. See "SECURITY FOR THE SERIES 2021 BONDS — 'Previously Issued Bonds and Refunding Bonds' and 'Pledge Under Ordinance'."

The Series 2021 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein under "DESCRIPTION OF THE SERIES 2021 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 2021 Bonds. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2021 Bonds are offered for delivery in book-entry-only form, when, as and if issued by the City and accepted by the Underwriter (hereinafter 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 2021 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 E. 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 2021 Bonds will be delivered in book-entry-only form through the facilities of DTC, New York, New York on or about October ___, 2021.

ELECTRONIC BIDS FOR THE SERIES 2021 BONDS PURSUANT TO THE PROVISIONS OF THE OFFICIAL NOTICE OF SALE (HEREINAFTER DEFINED) WILL BE RECEIVED BY THE CITY THROUGH THE IHS MARKIT'S PARITY/BIDCOMP ELECTRONIC COMPETITIVE BIDDING SYSTEM VIA SEPARATE BIDS BETWEEN 10:30 A.M. AND 11:00 A.M. EASTERN TIME ON [SEPTEMBER 28,] 2021. AS SET FORTH IN THE OFFICIAL NOTICE OF SALE, BIDDERS MAY ELECT, AT THEIR EXPENSE, TO HAVE ALL OR A PORTION OF THE SERIES 2021 BONDS INSURED BY A MUNICIPAL BOND INSURANCE POLICY. BIDDERS SHOULD REVIEW THE OFFICIAL NOTICE OF SALE IN ITS ENTIRETY.

Dated: September _____, 2021

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* Preliminary, subject to change.

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. The Series 2021 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 2021 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 2021 Bonds

Maturity (July 1)	Principal Amount	Interest Rate	Yield	Price	Initial CUSIP No.***

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$_____________ _____% Term Series 2021Bonds Due July 1, 20___ Yield _____%
Price: _____ Initial CUSIP No. ________________***

$_____________ _____% Term Series 2021Bonds Due July 1, 20___ Yield _____%
Price: _____ Initial CUSIP No. ________________***

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* Preliminary, subject to change.
**Subject to the Term Bond Option as described in the Official Notice of Sale (hereinafter defined).
*** CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2018 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP® numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2021 Bonds, and no representation is made with respect to the correctness thereof. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity. Neither the City nor the Underwriter (hereinafter defined) has agreed to, nor is there any duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP® numbers printed above.

CITY OF POMPANO BEACH, FLORIDA

CITY COMMISSION

Rex Hardin, Mayor
Beverly Perkins, Vice Mayor
Rhonda Eaton
Cyndy Floyd
Andrea McGee
Tom McMahon

SELECTED ADMINISTRATIVE STAFF

Name	Position
Greg Harrison	City Manager
Suzette Sibble	Assistant City Manager
Mark E. 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"), the Underwriter (hereinafter defined) purchasing the Series 2021 Bonds pursuant to the terms of the Official Notice of Sale dated [September 17], 2021 (the "Official Notice of Sale") to give any information or make any representations with respect to the Series 2021 Bonds (hereinafter 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 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Series 2021 Bonds have not been registered under the Securities Act of 1933, nor has the Ordinance (hereinafter defined) been qualified under the Trust Indenture Act of 1939. The registration or qualification of the Series 2021 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 2021 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 OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 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 2021 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).

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OFFICIAL STATEMENT
RELATING TO

CITY OF POMPANO BEACH, FLORIDA

$___________*
General Obligation Bonds, Series 2021

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 2021 (the "Series 2021 Bonds "). The Series 2021 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 Bonds (hereinafter defined), of which the Series 2021 Bonds are a part, was approved by a majority of the qualified electors of the City voting in the Bond Referendum. The Series 2021 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. 2021-75 enacted by the City on September 14, 2021 (the "2021 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 2021 Bonds will be used, together with other legally available funds of the City to: (i) finance certain capital Projects of the City (collectively, the "Series 2021 Projects"); and (ii) pay costs of issuance of the Series 2021 Bonds. See "THE SERIES 2021 PROJECTS" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2021 Bonds are the second Series of Bonds to be issued under the Master Ordinance. The Series 2021 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 2021 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 2021 Bonds. See "SECURITY FOR THE SERIES 2021 BONDS — 'Previously Issued Bonds and Refunding Bonds' and 'Pledge Under Ordinance'."

The Series 2021 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein under "DESCRIPTION OF THE SERIES 2021 BONDS – Redemption Provisions." See the inside cover page hereof for maturities, principal amounts, interest rates, yields and prices.

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* Preliminary, subject to change.

[The Bank of New York Mellon Trust Company, N.A.] has been designated under the 2021 Series Ordinance as initial Paying Agent and Bond Registrar for the Series 2021 Bonds.

Brief descriptions of the Ordinance, the Series 2021 Bonds and the security for the Series 2021 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 2021 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, 2020" for certain statistical and financial information regarding the City. See also "AD VALOREM TAXATION" and "SELECTED FINANCIAL RESULTS" for additional information regarding the City. See also "CERTAIN INVESTMENT CONSIDERATIONS."

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 24.59 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, pier and airpark operations are reported as enterprise funds.

The City is home to approximately 110,000 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. Since 2010, the City, in conjunction with its Community Redevelopment Agency, has been implementing a plan to revitalize the City's beachfront area into a pedestrian-friendly area to attract residents and visitors to dine, shop and enjoy recreational activities. See "LIABILITIES OF THE CITY — Existing Debt and Other Obligations; Future Debt and Other Obligations."

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 City's voters will elect a new Mayor in the regularly scheduled November, 2024 general election.

On July 21, 2020, the School District of Broward County, Florida (the "School District") approved the City's application for a grade K-8 municipal charter school to be owned and operated by the City. The City is currently negotiating a charter with the School District, with the goal of opening the municipal charter school, initially with kindergarten and grades 1, 2 and 6, for the 2024-2025 school year. See "LIABILITIES OF THE CITY — Existing Debt and Other Obligations; Future Debt and Other Obligations."

THE SERIES 2021 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 modification as provided in the Referendum Resolution, and 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 "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).

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. 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.

The City has heretofore issued a Series of Bonds under the Master Ordinance in the aggregate principal amount of $99,375,000 (the "Series 2018 Bonds"), $93,380,000 of which is Outstanding as of July 2, 2021. The proceeds of the Series 2018 Bonds, together with other legally available funds of the City, have been and continue to be applied to finance a portion of the Projects approved at the Bond Referendum (the "Series 2018 Projects"). See "SECURITY FOR THE SERIES 2021 BONDS — 'Previously Issued Bonds and Refunding Bonds' and 'Pledge Under Ordinance'."

Design of the Series 2018 Project is complete and construction of certain of the Series 2018 Projects is on-going. As noted in certain of the footnotes below under "THE SERIES 2021 PROJECTS — Description of Series 2021 Projects — Series 2021 Projects," the Series 2021 Projects are a continuation of certain of the Series 2018 Projects.

Description of Series 2021 Projects

General

The Projects, or portions thereof, to be financed, all or in part, with proceeds of the Series 2021 Bonds, as described below, are referred to as the "Series 2021 Projects." The 2021 Series Ordinance provides that the Series 2021 Projects will be included in the City's adopted capital improvement plan. See also "SECURITY FOR THE SERIES 2021 BONDS — Construction Fund."

The City anticipates that the proceeds of the Series 2021 Bonds deposited to the Construction Fund, together with investment earnings thereon, will not be sufficient to enable it to complete each of the Series 2021 Projects and that the City will use its legally available funds, in addition to proceeds of the Series 2018 Bonds and the Series 2021 Bonds, to pay certain Costs of all or a portion of the Series 2021 Projects.

It should be noted that the Referendum Resolution and the 2021 Series Ordinance provide that following the date of the Official Statement relating to the Series 2021 Bonds, 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 2021 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 2021 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 2021 Projects are subject to modification as provided for in the 2021 Series Ordinance. Some of the costs below will include reimbursement to the City for costs previously incurred. The City is not required to apply proceeds of the Series 2018 Bonds and/or Series 2021 Bonds to finance every component of the projects described below comprising the Series 2021 Projects.

Public Safety Projects

Description	Estimated Costs
Fire/Emergency Operations Center: Construction of a new fire rescue and logistics complex to be located at 100-120 SW 3rd Street to provide centralized operations for the City. (1)(2)	\$21,777,443
Fire Station #52: Construction of a new fire station building to replace existing Fire Station #52 located at 10 SW 27th Avenue. (1)	\$5,075,000
Public Safety Complex: Renovation to the existing Public Safety Complex located at 100 SW 3rd Street and 120 SW 3rd Street. (1)	\$2,500,000
Total	**\$29,352,443**

(1) A portion of the costs of this project (including design and/or preliminary construction) is being financed by the Series 2018 Bonds.

(2) A portion of the costs of this project will additionally be funded with legally available funds of the City other than proceeds of the Series 2018 Bonds and the Series 2021 Bonds.

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Parks, Recreation and Leisure Projects (total estimated costs and footnotes at end)

Description	Estimated Costs
Centennial Park Improvements: Construction of a new open-air facility for special events, including City-sponsored and resident events, at existing Centennial Park located at 450 NE 10th Street. (1)	$962,500
Kester Park Improvements: Renovation of existing Kester Park located at 702 NE 6th Street. (1)(2)	$1,410,743
Mitchell Moore Park Improvements: 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)	$445,008
North Pompano Park: 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. (1)	$741,658
New Ultimate Sports Park: Construction of a new park to be adjacent to Apollo Park located at 1580 NW 3rd Avenue. (1)(2)	$3,779,855
New Youth Sports Complex: Construction of a 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 and a clubhouse. (1)	$4,451,072

Total	**$11,790,836**

[(1)] A portion of the costs of this project (including design and/or preliminary construction) is being financed by the Series 2018 Bonds.
[(2)] A portion of the costs of this project will additionally be funded with legally available funds of the City other than proceeds of the Series 2018 Bonds and the Series 2021 Bonds.

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

Description	Estimated Costs
A1A Improvements: Construction and equipping of improvements on State Road A1A from Hillsboro Inlet to Terra Mar Drive, 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. [(1)(2)]	**$11,444,213**
Dixie Highway Improvements: Construction and equipping of improvements to the Dixie Highway corridor, from McNab Road to Sample Road, including, but not limited to, roadway crossing improvements, bicycle lanes, medians, sidewalks, lighting, landscaping, street furniture and other streetscape improvements. [(1)(2)]	$9,430,000
McNab Road Improvements: Construction of (i) improvements to McNab Road and (ii) replacement of McNab Road bridge. [(1)(2)]	$13,269,363
Palm-Aire Neighborhood Improvements: Construct and equip streetscape improvements at two bridges spanning the C-14 canal, including, but not limited to, lighting, landscaping and sidewalks. [(1)(2)]	$3,900,000

FPL Light Fixtures Conversion Project Construct and upgrade existing lighting system equipment in Highlands neighborhood. [1][3]	$200,000
Total	**$38,243,576**

[1] A portion of the costs of this project (including design and/or preliminary construction) is being financed by the Series 2018 Bonds.
[2] A portion of the costs of this project will additionally be funded with legally available funds of the City other than proceeds of the Series 2018 Bonds and the Series 2021 Bonds.
[3] This project supplements the FPL Light Fixtures Conversion Project approved by Ordinance No. 2020-34 of the City enacted on January 28, 2020.

DESCRIPTION OF THE SERIES 2021 BONDS

Authorized Denominations; Interest Payment Dates

The Series 2021 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 2021 Bonds. Individual purchases of the Series 2021 Bonds will be made in book-entry-only form only, and purchasers will not receive physical delivery of the Series 2021 Bonds or any certificate representing their beneficial ownership interest in the Series 2021 Bonds. See "Book-Entry-Only System" below.

The Series 2021 Bonds are available to purchasers in principal denominations of $5,000 or any integral multiple thereof. The Series 2021 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 2021 Bonds will be payable on January 1 and July 1 of each year, commencing on January 1, 2022. [The Bank of New York Mellon Trust Company, N.A.] will act as initial Paying Agent and Bond Registrar for the Series 2021 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 2021 Bonds. The Series 2021 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 2021 Bond certificate will be issued for each maturity of the Series 2021 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 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 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 2021 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 2021 Bonds, except in the event that use of the book-entry-only system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 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 2021 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 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 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 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 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 2021 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2021 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 Bonds, as nominee of DTC, reference herein to the Bondholders or Registered Owners of the Series 2021 Bonds will mean Cede & Co., as aforesaid, and will not mean the Beneficial Owners of the Series 2021 Bonds.

The City can make no assurances that DTC will distribute payments of principal of, redemption premium, if any, or interest on the Series 2021 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 2021 Bonds or redemption notices to the Beneficial Owners of such Series 2021 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 2021 Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the Series 2021 Bonds and the manner of transferring or pledging those interests are subject to applicable state law. Holders of beneficial interests in the Series 2021 Bonds may want to discuss the manner of transferring or pledging their interest in the Series 2021 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 2021 BONDS FOR THE ACCURACY OF RECORDS OF DTC, CEDE & CO OR ANY DIRECT OR INDIRECT PARTICIPANT WITH RESPECT TO THE SERIES 2021 BONDS OR THE SELECTION OF SERIES 2021 BONDS FOR REDEMPTION.

Redemption Provisions

The Series 2021 Bonds are subject to redemption prior to maturity as described below:

Optional Redemption. The Series 2021 Bonds maturing on or prior to July 1, 2031 are not subject to redemption at the option of the City prior to their respective dates of maturity. The Series 2021 Bonds maturing on or after July 1, 2032 are subject to redemption at the option of the City prior to their respective dates of maturity on or after July 1, 2031, 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 2021 Bonds or portion of the Series 2021 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 2021 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:

Year	Amortization Requirements

*Final Maturity.

The Series 2021 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:

Year	Amortization Requirements

*Final Maturity.

Partial Redemption. If less than all of the Series 2021 Bonds of a Series shall be called for redemption, the particular maturity or maturities of Series 2021 Bonds or portions of Series 2021 Bonds of such Series to be redeemed shall be selected by the City and the particular Series 2021 Bonds of like maturity of such Series 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 2021 Bonds are in book-entry-only form held by DTC, the Bond Registrar shall select such Series 2021 Bonds within such selected maturities of a Series to be redeemed on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures; provided that so long as such Series 2021 Bonds are held in book-entry-only form, the selection for redemption of such Series 2021 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 2021 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 2021 Bond of a Series 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 2021 Bonds on a pro rata basis.

If the Series 2021 Bonds are no longer held in book-entry-only form and less than all of the Series 2021 Bonds of a Series are to be redeemed, the Holder of Series 2021 Bonds to be redeemed, or such Holder's attorney or legal representative, shall present and surrender such Series 2021 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 2021 Bond so surrendered, a new Series 2021 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 2021 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 2021 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 2021 Bonds shall not affect the validity of the proceedings for the redemption of any other Series 2021 Bonds. Each such notice shall set forth the name of the Series 2021 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 2021 Bonds shall be called for redemption, the maturities of the Series 2021 Bonds to be redeemed, the CUSIP numbers, the name and address (including contact person and phone number) of the Fiduciary to which Series 2021 Bonds called for redemption are to be delivered and, if less than all of the Series 2021 Bonds of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2021 Bonds to be redeemed and, in the case of Series 2021 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2021 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 2021 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 2021 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 2021 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 2021 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 2021 Bonds to be redeemed by lot from among all such Series 2021 Bonds called for redemption on such date, and among different maturities of Series 2021

Bonds in the same manner as the initial selection of Series 2021 Bonds to be redeemed, and from and after such redemption date, interest on the Series 2021 Bonds or portions thereof so paid shall cease to accrue and become payable; but interest on any Series 2021 Bonds or portions thereof not so paid shall continue to accrue until paid at the same rate as it would have had such Series 2021 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 2021 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 2021 Bonds called for redemption and not so paid remain Outstanding.

<u>Effect of Redemption</u>. 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 2021 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 2021 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by a Depositary in trust for the Holders of Series 2021 Bonds to be redeemed, interest on the Series 2021 Bonds called for redemption shall cease to accrue after the date fixed for redemption; such Series 2021 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 2021 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 2021 Bonds and portions of Series 2021 Bonds for which irrevocable instructions to pay or to call for redemption on one or more specified dates have been given to the Depositary 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 2021 Bonds for any unredeemed portions of Series 2021 Bonds, if money or Defeasance Obligations, or a combination of both, sufficient to pay the redemption price of such Series 2021 Bonds or portions thereof, together with accrued interest thereon to the date upon

which such Series 2021 Bonds are to be paid or redeemed, as set forth in Article XI of the Master Ordinance, are held in separate accounts by the Depositary in trust for the holders of such Series 2021 Bonds.

As long as a book-entry-only system is used for determining beneficial ownership of Series 2021 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 2021 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 2021 Bonds.

Sources of Funds:	
Principal Amount of Series 2021 Bonds	$
[Plus Original Issue Premium]	_________
Total Sources of Funds	$_________
Uses of Funds:	
Deposit to Construction Fund:	
2021 Public Safety Projects Account	$
2021 Parks, Recreation and Leisure Projects Account	
2021 Streets, Sidewalks, Bridges and Streetscaping Projects Account	
Underwriter's Discount	
Costs of Issuance (1)	_________
Total Uses of Funds	$_________

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(1) Costs of Issuance include allocable 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 2021 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,	Principal	Interest	Total
	$	$	$
	________	________	________
	$________	$________	$________

SECURITY FOR THE SERIES 2021 BONDS

Previously Issued Bonds and Refunding Bonds

All references in this Official Statement to the term "Bonds" includes the Series 2021 Bonds, 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 the Series 2021 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 are 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 2021 Bonds are the second Series of Bonds to be issued under the Master Ordinance. The 2021 Series Ordinance authorizes the issuance of the Series 2021 Bonds. The provisions of the Master Ordinance are incorporated by reference into the 2021 Series Ordinance.

The City does not anticipating issuing additional Bonds under the Master Ordinance in the future other than Bonds, if any, issued for refunding purposes.

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 2021 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.

Pursuant to the 2021 Series Ordinance, the City has established three accounts in the Construction Fund with respect to the Series 2021 Projects designated as the “2021 Public Safety

Projects Construction Account," the "2021 Parks, Recreation and Leisure Projects Construction Account" and the "2021 Streets, Sidewalks, Bridges and Streetscaping Projects Construction Account," respectively. The Master Ordinance provides that the City shall requisition payments from the Construction Fund in accordance with standard City practice for the payment of such amounts; provided, however, pursuant to the Ordinance, amounts in (i) the 2021 Public Safety Projects Construction Account shall be applied solely for the purpose of paying Costs of the Public Safety Projects included in the Series 2021 Projects; (ii) the 2021 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 2021 Projects; and (iii) the 2021 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 2021 Projects.

Excess amounts remaining in any account established in the Construction Fund in connection with the Series 2021 Bonds after the completion of the portion of the Series 2021 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 municipal bond insurance policy guaranteeing payment of the principal of and interest on all or any designated maturities of the Series 2021 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 2021 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 2021 Bonds or any maturities thereof (or none of them) will be made at the time of the competitive sale of the Series 2021 Bonds. The information is this section is provided in the event the Insurance Policy is obtained for the Series 2021 Bonds or any maturities thereof.

Insurer's Rights

In the event the Insurance Policy is obtained with respect to any maturities of the Series 2021 Bonds (the "Insured Series 2021 Bonds"), the Insurer shall have the rights set forth in the Master Ordinance with respect to the Insured Series 2021 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 2021 Bonds. In connection with the foregoing, it is possible that the Insurer may represent a majority of the Holders of the Outstanding Series 2021 Bonds.

Risks Related to the Insurance Policy

In the event the Insurer with respect to the Insurance Policy securing the Insured Series 2021 Bonds, if any, becomes obligated to make payments with respect to the Insured Series 2021

Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Series 2021 Bonds or the marketability (liquidity) for the Insured Series 2021 Bonds.

The long-term rating on the Insured Series 2021 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 2021 Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Series 2021 Bonds or the marketability (liquidity) for the Insured Series 2021 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 2021 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 Fiscal Year 2021 consisting of 5.1875 mills for general operations and 0.5000 for operating expenses in connection with its emergency management services special taxing district, for a total of 5.6875 mills, which is unchanged from the prior Fiscal Year's total millage for general operations and operating expenses. 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 will include millage for debt service on the Series 2021 Bonds in its budget for Fiscal Year 2021-2022 and will commence collecting Ad Valorem Taxes with respect to the Series 2021 Bonds on the November, 2021 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 2021 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 2021 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 tangible personal property. Pursuant to such laws, the County's property appraiser (the "Property Appraiser") prepares an annual assessment roll for all taxing authorities within the County, including the City, and levies such millage, subject to constitutional limitations, as determined by each taxing authority, and the County Tax Collector (the "Tax Collector") collects the ad valorem property taxes for all taxing authorities within the County, including the City. Since the ad valorem property taxes of all taxing authorities within the County are billed together by the Tax Collector, each property owner is required to pay all such taxes without preference.

Real and tangible 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, the State Constitution also provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of their legal or natural dependent is eligible to receive a homestead exemption of up to $50,000. The first $25,000 applies to all property taxes, including school district taxes. The additional exemption, up to $25,000, applicable to the assessed value of the property between $50,000 and $75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption.

There are various other exemptions in addition to the above-described homestead exception. A $500 exemption exists for any widow or widower who is a permanent Florida resident. This exemption is lost if the widower or widow remarries. Any real estate used and owned as a homestead by any quadriplegic is exempt from taxation. Additionally, any real estate used and owned as a homestead by a paraplegic, hemiplegic or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is also exempt from taxation. A person entitled to such Exemption for Totally and Permanently Disabled Persons must be a permanent resident of the State and the prior year gross income of all persons residing in or upon the homestead must not exceed a specified amount. An additional exemption is available on property owned by an honorably discharged veteran with a service-connected disability of 10% or greater. This is in addition to the $50,000 homestead exemption. Additionally, persons 65 years or older whose household income falls within statutory limitations are allowed an additional $25,000 exemption. There have been recent changes to the State's homestead exemption.

See " —Legislation Developments and Exemptions" below.

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.

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

In the past, several Constitutional amendments have been approved, and laws have been enacted, as further described below, many of which affect the amount (value) of property that is subject to ad valorem taxation. The impact on the City's finances of some of the more recently adopted amendments and laws described below cannot be determined with any amount of certainty.

<u>Save Our Homes Amendment</u>

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 2021 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 is 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. See, however, "Legislative Proposals and Proposed Constitutional Amendments Relating to Ad Valorem Taxation" set forth below for a discussion of the proposed repeal of the 10-year limitation.

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.

<u>November 2008 Amendments</u>

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; and (c) provide a property tax exemption for real property that is perpetually used for conservation (began in 2010); and, 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. In 2016, the State Legislature expanded the military operations that qualify for the additional homestead exemption afforded to deployed military personnel described in this section.

November 2012 Amendments

The following three 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 City has enacted an ordinance to grant the additional homestead tax exemption authorized by HJR 169, which does not apply to school property taxes.

3. In addition, during the 2012 regular legislative session, the State Legislature passed Joint Resolution 592 ("SJR 592") which allows for property tax discounts for disabled veterans that were honorably discharged and extends the rights to ad valorem discounts made available in 2012 to all veterans who were residents of Florida prior to their service, and to all combat-disabled veterans currently living in Florida, whether they were residents of Florida prior to their

service or not. A disabled veteran who qualifies for this homestead property tax discount receives a discount equal to the veteran's percentage of disability, as determined by the United Stated Department of Veterans Affairs.

August 2016 Amendment

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.

November 2016 Amendments

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.

November 2018 Amendments

During the State Legislature's 2017 regular legislative session, the State Legislature approved CS/HJR 21 ("HJR 21") which proposed 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. This amendment to the Florida Constitution was approved by the voters in the 2018 general election and took effect on January 1, 2019.

During the State Legislature's 2018 regular session, the State Legislature passed House Joint Resolution 7001, proposing an amendment to the State Constitution providing that no state tax or fee may be imposed, authorized, raised by the State Legislature, or authorized by the State Legislature to be raised, except through legislation approved by two-thirds of the membership of each house of the Legislature (the "Supermajority Amendment"). The Supermajority Amendment applies the same two-thirds approval requirement to decreasing or eliminating any state tax or fee exemption or credit. The Supermajority Amendment also required that any proposed state tax or fee imposition, authorization or increase must be contained in a separate bill that contains no other subject. The text of the Supermajority Amendment provided that such amendment would not apply to any tax or fee imposed by, or authorized to be imposed by, a county, municipality, school board, or special district. In the November 2018 general election, voters approved the Supermajority Amendment to the State Constitution. Although the Supermajority Amendment does not subject local taxes and fees to the stricter voting requirement, local governments could be adversely impacted during recessionary economic environments if State lawmakers are unable to raise taxes

November 2020 Amendments

During the State Legislature's 2020 regular session, a constitutional amendment was proposed by the State Legislature which would extend the discount on ad valorem taxes provided to certain honorably discharged veterans to their spouses (the "Surviving Spouse Exemption"). Specifically, the Surviving Spouse Exemption allows the same ad valorem tax discount on homestead property for combat-disabled veterans age 65 or older to transfer to the surviving spouse of a veteran receiving the discount if the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. The amendment was approved by voters in the 2020 general election and such amendment took effect on January 1, 2021.

Also during the State Legislature's 2020 regular session, a constitutional amendment was proposed by the State legislature which would extend the period for a homestead property owner to transfer the Homestead Assessment Differential to a new homestead from two years to three years (the "Portability Amendment"). Specifically, the Portability Amendment allows a homeowner who establishes a new homestead as of January 1 to have the new homestead assessed at less than just value if the homeowner received a prior homestead exemption as of January I of any of the immediately preceding three years. The Portability Amendment was approved by voters in the 2020 general elections and such amendment took effect on January 1, 2021.

Potential November 2022 Amendment

During the State Legislature's 2021 regular session, a constitutional amendment was proposed by the State Legislature by joint resolution which would authorize the State Legislature to prohibit an increase in the assessed value of residential property because of any change or improvement made to improve the property's resistance to flood damage, provided the square footage of the property does not exceed 1,500 square feet or 110% of the square footage prior to elevation of the property and, further, when the property changes ownership, it will be assessed at just value, meaning the assessment limitation only applies to the property owner at the time of elevation. If the amendment is approved by voters in the 2022 election, it will take effect on January 1, 2023.

Other Legislative Actions Affecting Ad Valorem Taxation

During the 2012 regular legislative session, the State Legislature enacted Chapter 2012-193, Laws of Florida (HB 7097). 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 party by pledging proceeds from the convention development tax which is upon exempt or immune federal, state or county property.

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.

In 2013, the State Legislature passed SB 342, allowing for the rental of homestead property for up to 30 days per calendar year without the property being considered abandoned as a homestead. If the homestead property is rented for more than 30 days for two consecutive years, it is considered abandoned as a homestead, and homestead-related ad valorem tax benefits will be lost. This bill became effective on July 1, 2013.

In 2015, the State Legislature passed HB 361, granting certain leasehold interests and improvements to land owned by the U.S. or an agency thereof, a branch of the U.S. Armed Forces, or a quasi-governmental agency, an exemption from ad valorem taxation. The bill exempts such leasehold interests and improvements without need to apply for the exemption or for the property appraiser to approve exemption. This bill was signed into law on May 21, 2015, and applies retroactively to January 1, 2007.

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 2021 regular session, State Senate Bill 7061 was passed that would exempt fully from ad valorem taxation certain affordable housing properties that currently receive a 50% discount from ad valorem taxes, along with certain other insignificant or indeterminate modifications to State law regarding ad valorem taxes.

<u>Legislative Proposals and Proposed Constitutional Amendments Relating to Ad Valorem Taxation</u>

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 have sought to limit local government revenues and expenditures, 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.

Recent Events

In each year when the City levies ad valorem taxes to pay the debt service on the Series 2021 Bonds, the millage rate will be established using the assessed property valuations as of July 1 of such year, and events occurring subsequent to each July 1 do not affect such valuation. Thus, for example, although the effect of the COVID-19 pandemic on assessed values through July 1, 2021 will be known as of that date and taken into account for purposes of the Fiscal Year 2022 budget, any effect of the COVID-19 pandemic subsequent to July 1, 2021 upon assessed values of property within the City will not be reflected in assessed values until the following Fiscal Year 2023. As explained above, there is no limitation on the millage rate that must be levied by the City in order to obtain ad valorem tax revenues sufficient to repay the Series 2021 Bonds. Thus, in the event of a decline in assessed valuations, the City must raise the millage rate in order to obtain, based upon the July 1 assessed values, ad valorem tax revenues sufficient to pay the debt service due. While the annual debt service on the Series 2021 Bonds, and thus the amount of ad valorem taxes that must be collected to pay such debt service is fixed, widespread decreases in the assessed valuation may be indicative of a general decline in economic conditions which might in turn make it more difficult for property owners to pay taxes and which might reduce the demand for tax certificates and tax deeds with respect to unpaid taxes. Based on construction permit activity, the City currently anticipates ad valorem revenues to increase between five and six percent per year over the next few years; however, there are no assurances that such increase in revenues will materialize. Further, the City cannot predict the ultimate or long-term impact of COVID-19 may have on ad valorem tax revenues.

As noted previously, exclusive of the debt service levied for general obligation bonds, the maximum millage rate that may be levied by the City is 10 mills. The millage rate levied by the City for operations is affected by the amount of tax revenue the City needs to receive and by the assessed value of the property to be taxed. Thus, if the amount of revenue is to be increased over a prior year or if the assessed value of property to be taxed declines over a prior year, the millage rate must be raised.

On Monday, March 16, 2020, Florida Governor Ron DeSantis directed the Florida Department of Revenue to provide flexibility on tax due dates to assist those adversely affected by COVID-19. On March 26, 2020, the Department's Executive Director issued an emergency order to extend the final due date for property tax payments for the 2019 tax year. Such order applied to all 67 counties within the State, including Broward County. Property taxes, as described above, are normally due by March 31 however, as a result of the executive order, the Department waived the due date so that payments remitted by April 15, 2020, for the 2019 tax year were considered timely paid.

See "CERTAIN INVESTMENT CONSIDERATIONS — COVID-19 and Related Matters" herein for more information about the impact of COVID-19 on the City's financial results and operations.

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. The City is in the process of developing its Fiscal Year 2022 budget, which is scheduled for final adoption on September 20, 2021, at which time the Fiscal Year 2022 millage rate for the City's general fund and emergency management services special taxing district will be determined. The final Official Statement will reflect the millage rates approved.

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CITY OF POMPANO BEACH, FLORIDA
PROPERTY TAX RATES
Last Ten Fiscal Years
(Mills Per Thousand of Assessed Valuation)

Fiscal Year	General Fund Operating Millage Rate	Special Taxing District (EMS) Operating Millage Rate	Total Operating Millage Rate
2011	4.4077	0.5000	4.9077
2012	4.7027	0.5000	5.2027
2013	4.9700	0.5000	5.4700
2014	4.8712	0.5000	5.3712
2015	4.7470	0.5000	5.2470
2016	4.9865	0.5000	5.4865
2017	4.8252	0.5000	5.3252
2018	4.9865	0.5000	5.4865
2019	5.1361	0.5000	5.6361
2020	5.1875	0.5000	5.6875

(1) The City will also levy voter-approved millage for debt service on the Series 2021 Bonds commencing with its Fiscal Year 2022 budget.

Source: City of Pompano Beach, Florida Finance Department.

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The following table sets forth the assessed and estimated actual value of taxable real property within the City for the last ten Fiscal Years.

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

Fiscal Year	Taxroll Year	Real Property	Assessed Value	Allowable Exemptions	Assessed Value	Tax Rate
2011	2010	$10,890,774,507	$11,550,171,615	$2,301,421,085	$9,248,750,530	4.9077
2012	2011	10,431,372,238	11,040,057,195	2,272,132,460	8,767,924,735	5.2027
2013	2012	10,369,667,015	10,954,503,628	2,233,639,420	8,720,864,208	5.4700
2014	2013	10,583,449,362	11,189,089,799	2,195,810,716	8,993,279,083	5.3712
2015	2014	11,071,856,244	11,696,148,859	2,199,203,025	9,496,945,834	5.2470
2016	2015	11,705,297,867	12,353,280,460	2,221,119,655	10,132,160,805	5.4865
2017	2016	12,671,325,306	13,391,291,467	2,261,846,480	11,129,444,987	5.3252
2018	2017	13,608,731,216	14,398,363,869	2,342,845,048	12,055,518,821	5.4865
2019	2018	14,550,228,111	15,358,055,382	2,429,831,776	12,928,223,607	6.1024
2020	2019	15,310,960,839	16,118,538,787	2,467,056,328	13,651,482,459	6.1326

Source: City of Pompano Beach, Florida Finance Department; compiled for Fiscal Year 2011-2020 from Comprehensive Annual Financial Report for Year Ended September 30, 2020, citing Broward County Property Appraiser.

Note: Florida law requires assessment at just valuation. The basis of assessed value is approximately 85% of actual value. Tax rates are per $1,000 of assessed value.

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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

Fiscal Year	Taxroll Year	Total Amended Tax Levy	Current Gross Tax Collections	Percent of Levy Collected	Subsequent Delinquent Tax Collections	Total Tax Collections	Percent of Total Collection To Tax Levy
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	49,240,812	95.99
2016	2015	55,590,100	54,146,028	97.40	1,277,836	55,423,864	97.40
2017	2016	59,266,520	57,614,616	97.21	1,318,479	58,993,095	99.44
2018	2017	65,764,486	64,441,410	97.99	1,605.584	66,046,994	100.43
2019	2018	78,893,192	75,654,542	95.89	1,828,409	77,482,951	98.21
2020	2019	83,719,081	74,788,577	89.33	- (2)	74,788,577(2)	89.33(2)

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Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020 (citing the City's Finance Department).
(1) Gross taxes exclusive of discounts, penalties and interest.
(2) Complete data unavailable until September 30, 2021. Data shown is as of September 30, 2020.

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The following table sets forth the principal property taxpayers in the City as of September 30, 2020.

CITY OF POMPANO BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
September 30, 2020

Property Owner	Assessed Valuation	Percent of Total Taxable Assessed Value
John Knox Village of Florida	$86,919,160	0.64%
West Atlantic Blvd Owner LLC	76,950,000	0.56
PPF Industrial	58,659,850	0.43
Bell Fund VI Pompano Beach LLC	57,107,990	0.42
Palm Vacation Group.	53,302,030	0.39
Jefferson Lighthouse Gardens	48,717,110	0.36
PPI Inc.	46,725,790	0.34
Pompano Hotel I LLC	42,368,760	0.31
EQR Bayview LLC	41,612,370	0.30

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020, citing Broward County Property Appraiser 2019 tax roll.

SELECTED FINANCIAL RESULTS

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, 2020 (the "CAFR"), audited by Marcum LLP, independent certified public accountants, and included herein as part of Appendix E, are an integral part of this Official Statement. The consent of Marcum LLP to the inclusion of the CAFR herein was not requested. In addition, the City did not request Marcum LLP 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 Official 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, 2020 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 forty-eight 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 Wastewater 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.

The City routinely makes various interfund loans and transfers, reflected as of September 30, 2020 in the Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2020 included as Appendix E hereto.

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

See "CERTAIN INVESTMENT CONSIDERATIONS — Selected COVID-19 and Related Matters" for certain additional information regarding the impact of the COVID-19 pandemic on the City's financial results and operations.

General

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 a resolution by the City Commission on or before the thirtieth day of September of the Fiscal Year currently ending.

Fiscal Year 2021 Budget

The Covid-19 pandemic outbreak presented many financial challenges for the City and has resulted in many difficult decisions, not only as it relates to the closure of certain City facilities in Fiscal Year 2020, but also in forecasting major revenues for the adopted Fiscal Year 2021 budget. The City's history of planning and analysis has helped it mitigate the current COVID-19 crisis and achieve a balanced budget amidst volatile revenues such as state revenues and charges for services. The City was able to achieve a structural balance between expenditures and revenues for Fiscal Year 2021 by relying on sound financial policies, keeping abreast of the constantly evolving financial climate locally and nationally, and working with staff to prioritize projects and operations. Appropriations are utilized for one-time capital projects when fund balance requirements are surpassed and a cost benefit exists to mitigate further exponential costs.

As presented during the June and July, 2020 Virtual Budget Workshops, the City's finance and budget team projected an approximately $1.2 million loss in non-ad valorem revenues compared to Fiscal Year 2020 budgeted amounts, due to the pandemic. While simultaneously proposing to maintain service levels for the City's residents, the Fiscal Year 2021 budget was presented to the City Commission without any increases in fire assessment rates, debt service millage rates and charges for services.

For Fiscal Year 2021, the City deferred the majority of new requests from all departments, deferred the majority of its capital replacement plan and accommodated less pay-as-you-go capital improvement projects. Eleven (11) vacant full-time positions were frozen in various departments and various operating reductions were implemented in major departments, such as public works, parks, recreation and cultural affairs. Although these allowances may result in delayed initiatives, the City does not anticipate any significant impacts to the City's delivery of services to the community.

The City's Fiscal Year 2021 annual budget (the "2021 Adopted Budget") was adopted on September 20, 2020 in the approximate amount of $311.0 million with a General Fund budget of approximately $154.9 million (including transfers in), which represents a 0.9% increase (or $2.89 million) over the prior Fiscal Year's adopted budget of $308,097,547.

The General Fund operating millage rate of 5.1875 mills in Fiscal Year 2021 is unchanged from Fiscal Year 2020. In addition, the City levied 0.5000 mills for operating expenses in Fiscal Year 2021 (unchanged from Fiscal Year 2020) in connection with its emergency management services special taxing district, which is currently the maximum millage levy permitted under the City's charter. The City's overall millage rate, when including millage levied for debt service, represented a decrease of -0.42% from the prior Fiscal Year.

Fiscal Year 2022 Budget

The City is in the process of developing its Fiscal Year 2022 budget, which is scheduled for adoption on September 20, 2021, at which time the millage for general operating expenses and operating expenses of its emergency management services special taxing district will be determined. The final Official Statement will reflect the adopted millages and any other significant differences in the adopted Fiscal Year 2022 budget from the matters discussed under this caption. As noted earlier herein, the Florida Constitution provides that no municipality may levy more than 10 mills, exclusive of voted millage.

Staff has recommended a Fiscal Year 2022 budget which maintains the Fiscal Year 2021 millage rate, respectively, of 5.1875 for general operating expenses and 0.5000 for operating expenses in connection with the City's emergency management services special taxing district. The voted millage relating to the Series 2021 Bonds will be included in the Fiscal Year 2022 budget and, accordingly, the City's proposed overall millage rate, when including millage levied for debt service on the Series 2018 Bonds and the Series 2021 Bonds, will represent an increase of 0.47% when compared to the overall Fiscal Year 2021 millage rate.

The total recommended budget for Fiscal Year 2022 is $433,510,744. This represents a 39% increase (or $122. 5 million) over the 2021 Adopted Budget. The increase is primarily attributable to the Series 2021 Projects to be funded all or in part with proceeds of the Series 2021 Bonds, debt service coming due during Fiscal Year 2022 on the Series 2021 Bonds, improvements to the City's water and wastewater system and stormwater system (together with debt service on amounts borrowed to fund certain of such improvements) and funds being made available from the American Rescue Plan Act in the amount of approximately $10 million which will be used for public safety expenditures. Other increases are related to the annual adjustments to salaries and benefits, firefighter and general pension contributions and new programs and facilities relating to the Youth Sports Complex described under "THE SERIES 2021 PROJECTS' and the City's Senior Citizen Center. See "CERTAIN INVESTMENT CONSIDERATIONS."

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 (2016 through 2020), 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.

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CITY OF POMPANO BEACH, FLORIDA
GENERAL FUND BALANCE SHEET FOR FISCAL YEARS ENDED SEPTEMBER 30, 2016-2020
(audited)

	2016	2017	2018	2019	2020
ASSETS					
Cash and cash equivalents	$2,209,692	$1,380,414	$1,820,411	$2,034,761	$5,070,316
Restricted cash and cash equivalents	7,345	7,500	-	1,311,567	1,151,136
Restricted investments	-	-	-	-	-
Unrestricted investments	48,759,311	34,118,138	25,878,825	44,372,527	43,163,528
Interest receivable	130,244	175,295	112,656	184,939	157,000
Accounts receivables, net	2,752,684	2,642,650	2,604,013	2,711,771	2,727,255
Notes receivable		111,133	-		
Assets held for resale & redevelopment		-			
Advances to other funds	2,500,000	2,500,000	2,383,475	2,262,142	1,847,579
Due from other funds	533,532	816.392	3,943,423	3,939,423	4,137,901
Due from other governments	2,270,952	2,280,250	2,259,767	2,325,535	2,979,174
Inventories	178,506	220,269	200,298	195,862	232,663
Prepaids	69,055	218,083	918,912	225,487	1,337,137
Other assets	70,582	70,465	98,451	119,758	122,539
Total assets	$59,481,903	$44,540,589	$40,220,040	59,683,772	62,926,228
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,049,090	$1,802,614	1,168,761	962,625	1,089,616
Accrued expenditures	1,354,587	1,700,512	1,747,532	1,982,251	2,366,092
Due to other governments	643,748	122,542	351,361	-	1
Deposits	310	-	2,112	6,178	9,296
Unearned revenue/deferred revenue	1,271,896	1,418,643	1,448,028	1,239,309	1,138,297
Total liabilities:	4,319,631	5,044,311	4,717,794	4,190,363	4,603,302
Deferred inflows of resources:					
Unavailable revenue	52,379	136,546	67,159	179,869	621,379
Fund balances(1) :					
Nonspendable	2,747,561	3,049,485	3,502,685	2,683,491	3,417,379
Restricted	7,345	7,500	-	-	-
Assigned	2,619,233	7,654,999	3,508,214	4,980,796	5,334,837
Unassigned	49,735,754	28,647,748	28,424,188	47,649,253	48,949,331
Total fund balances(2)	55,109,893	39,359,732	35,435,087	55,313,540	57,701,547
Total liabilities, deferred inflows of resources and fund balances	59,481,903	$44,540,589	$40,220,040	$59,683,772	$62,926,228

Source: Compiled from the City's Comprehensive Annual Financial Reports for the Fiscal Years 2016-2020.
Note: The changes in unrestricted investments from Fiscal Year 2016 to Fiscal Year 2017 is primarily the result of one-time major capital outlays. Approximately $9.3 million of this amount was reimbursed with proceeds of the Series 2018 Bonds. The changes in unassigned fund balance from Fiscal Year 2016 to Fiscal Year 2017 is primarily the result of one-time major capital outlays. Approximately $14.8 million of this amount (inclusive of the $9.3 million referred to earlier in this footnote) was reimbursed with proceeds of the Series 2018 Bonds. The changes in unassigned fund balance from Fiscal Year 2018 to Fiscal Year 2019 is primarily the result of the $14.8 million referred to earlier in this footnote being reimbursed with proceeds of the Series 2018 Bonds.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES---GENERAL FUND FOR FISCAL YEARS ENDING SEPTEMBER 30, 2016-2020
(audited)

	2016	2017	2018	2019	2020
REVENUES:					
Taxes	$67,281,594	$69,789,816	$76,119,012	$82,001,774	$85,498,462
Judgments, fines and forfeitures	967,783	833,271	827,619	858,789	749,169
Permits, fees and special assessments	20,648,906	21,012,262	23,669,162	28,732,832	29,250,595
Intergovernmental	13,029,191	13,437,062	14,665,030	15,217,665	15,525,085
Charges for services	14,054,800	16,800,021	18,544,844	19,550,823	18,352,165
Pari-Mutuel	2,428,142	2,310,138	2,148,790	2,066,464	1,273,349
Donations	6,918	6,200	3,669	24,431	18,228
Investment earnings	816,049	531,782	314,304	2,325,732	2,233,726
Other revenue	499,952	913,378	622,010	635,597	394,960
Total revenues	119,733,335	125,633,930	136,914,440	151,414,107	153,295,739
EXPENDITURES					
Current:					
General government	23,122,869	24,171,291	22,139,508	25,334,012	25,759,483
Public safety	61,510,746	65,167,424	68,406,002	72,430,716	75,610,054
Physical environment	14,260,931	14,070,082	18,649,812	19,974,521	20,661,710
Transportation	2,508,226	2,577,398	2,845,973	2,960,382	3,109,657
Economic environment					
Culture and recreation	7,434,047	11,296,047	12,070,275	13,129,605	13,290,235
Debt Service:					
Principal	566,247	762,915	700,687	802,036	1,504,376
Interest	77,094	73,291	59,742	57,580	159,140
Capital outlay	2,730,844	1,683,144	8,341,226	4,634,244	5,432,499
Total expenditures	112,211,004	119,801,592	133,213,225	139,323,096	145,527,154
Excess (deficiency) of revenues over (under) expenditures	7,522,331	5,832,338	3,701,215	12,091,011	7,768,585
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	96,156	104,203	1,634,202	122,472	143,239
Proceeds from sale of capital assets	2,257,875	-	-	1,913,511	3,034,050
Transfers in	1,951,918	3,327,037	221,491	16,294,181	1,217,605
Transfers out[(2)]	(18,572,407)	(25,013,739)	(9,481,553)	(10,542,722)	(9,775,472)
Total other financing sources (uses)	(14,266,458)	(21,582,499)	(7,625,860)	7,787,442	(5,380,578)
Net change in fund balances	(6,744,127)	(15,750,161)	(3,924,645)	19,878,453	2,388,007
Fund balances - beginning	61,854,020	55,109,893	39,359,732	35,435,087	55,313,540
Fund balances – ending(1)	$55,109,893	$39,359,732	$35,435,087	$55,313,540	$57,701,547

Source: Compiled from comprehensive Annual Financial Report for the Fiscal Years 2016-2020.

(1) The decreases in General Fund balances in the fiscal years shown above are primarily attributed to the planned utilization of unassigned fund balances for transfers to the City's Capital Projects Fund to be committed to various capital projects. The changes in unassigned fund balance from Fiscal Year 2018 to Fiscal Year 2019 is primarily the result of the $14.8 million referred to earlier in the balance sheet footnote being reimburse with the proceeds of the Series 2018 Bonds.

LIABILITIES OF THE CITY

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 reviewed and analyzed by a professional independent actuary. The case and claims information is provided by the claims administration firm and confirmed by an actuarial evaluation. The actuary makes recommendations for adjustment to the loss claim reserves annually, as recorded by the City.

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 and Other Obligations; Future Debt and Other Obligations

See “Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2020” attached as Appendix E for more information regarding the existing debt and obligations described below and for certain other long-term obligations of the City.

As noted earlier, the City has issued the Series 2018 Bonds, which are outstanding as of July 2, 2021 in the amount of $93,380,000. On June 24, 2021, the City issued its $10,515,000 Water and Wastewater Revenue Bond, Series 2021 secured by a pledge of the net revenues of the City’s water and wastewater system and its $9,265,000 Stormwater Utility Revenue Bond, Series 2021 secured by a pledge of the net revenues of the City's stormwater utility system. Each of these bond issues matures on March 1, 2041.

The City has also obtained two long-term loans from the Florida Water Pollution Control Financing Corporation that are secured by a subordinate lien on the net revenues of the City's stormwater utility system. The City has applied for long-term loans, and anticipates that it will seek additional long-term loans, from the State with respect to its water and wastewater system and its stormwater utility system during Fiscal Year 2021 and Fiscal Year 2022. The City is also evaluating the possibility of issuing long-term water and wastewater revenue bonds to fund water and wastewater improvements within the next twelve to twenty-four months, but no final determination has been made in this regard.

The City has entered into various subject to annual appropriation capital equipment leases. 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 July 2, 2021 in the principal amount of $23,275,000 and have a final lease payment date of January 1, 2040. The equipment leases and COPs are not indebtedness of the City. The COPs 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.

The City is currently evaluating causing additional certificates of participation to be issued during Fiscal Year 2022 to finance, respectively, a new public parking garage in the vicinity of the parking garage described above, together with related improvements, and a municipal charter school to be owned and operated by the City. See "DESCRIPTION OF THE CITY" for information about the proposed municipal charter school.

The City also has served as a conduit issuer in connection with certain outstanding revenue bonds of the City, payable solely from payments made by the conduit borrower to third party assignees of the City. The City is currently in the process of serving as a conduit issuer for the same conduit borrower in connection with additional revenue bonds anticipated to be issued in Fiscal Year 2022, which will be payable solely from payments made by the conduit borrower to third party assignees of the City.

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 one of the community redevelopment trust funds of the CRA. The City's CRA is evaluating the issuance of additional bonds for community redevelopment purposes in Fiscal Year 2022, but no final determination has been made in this regard.

Other than as noted above, 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.

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

		City				Overlapping Rates (1)							
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
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
2018	2017	4.9865	0.5000	-	5.4865	5.6690	4.9740	0.3100	1.2483	0.4882	0.0860	0.0320	18.2940
2019	2018	5.1361	0.5000	0.4663	6.1024	5.6690	6.4029	0.2936	1.0855	0.4882	0.0860	0.0320	20.1596
2020	2019	5.1875	0.5000	0.4451	6.1326	5.6690	6.7393	0.2795	1.0324	0.4882	0.0985	0.2795	20.7190

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020, 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, 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, 2020. 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 GOVERNMENTAL DEBT (IN THOUSANDS)
SEPTEMBER 30, 2020

Governmental Unit	Debt Outstanding	Est'd Percentage Applicable[1]	Est'd Share of Overlapping Debt
Debt repaid with property taxes:			
County	$127,315	6.81%	8.670
Broward County School Board	337,861	6.81%	22.996
Subtotal, overlapping debt			31,666
City direct debt:			
City direct debt (ad valorem security)	-		101,105
City direct debt (non ad valorem security)			19,052
Subtotal, direct debt			120,157
Total direct and overlapping debt	$464,996	13.62%	$151,823

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020, 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, 2020.

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]
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
2018	-	-	-	0.00%	0.00
2019	$102,865,880	$39,366	$102,826,514	0.80%	917.62
2020	101,105,600	72,735	101,032,865	0.74%	901.61

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020.

[1] See Schedule 5 of the City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020 for property value data.
[2] See Schedule 14 of the City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020 for population data.

Collective Bargaining Agreements

The City operates under two (2) collective bargaining agreements covering certain City employees. The Federation of Public Employees (FOPE) is the bargaining unit for the City's general employees. General employees that have been classified as bargaining employees are identified and covered in the agreement. [The agreement between the City and FOPE expires on September 30, 2021. The City is currently in negotiations with FOPE regarding the agreement.][**TO BE UPDATED PRIOR TO POSTING**].

The Pompano Beach Professional Fire Fighters, Local 1549, of the International Association of Fire Fighters (IAFF) is the bargaining unit for the City's fire fighters. All certified employees of the Fire Department, with the exception of the Fire Chief, the Assistant Chief and the Division Chiefs are covered in the agreement. The agreement between the City and IAFF expires on September 30, 2022. There are currently no active negotiations with the IAFF.

CERTAIN INVESTMENT CONSIDERATIONS

The future financial condition of the City could be affected adversely by, among other things, legislation, regulatory actions, changes in demand for services, economic conditions, demographic changes, hurricanes, litigation and public health emergencies. In addition to those items listed in the preceding sentence, some of the possible changes in the future may include, but not be limited to, the following:

COVID-19 and Related Matters

The City's financial results could be harmed by a national or localized outbreak of a highly contagious, epidemic or pandemic disease. The outbreak of COVID-19, a respiratory virus which was first reported in China, has since spread to other countries, including the United States, and is considered a Public Health Emergency of International Concern by the World Health Organization. The United States State Department and the Center for Disease Control, as well as other governmental authorities, nations and airlines have issued travel restrictions and warnings for a number of countries around the world. The spread of COVID-19 has led to quarantine and other "social distancing" measures throughout the United States. These measures have included recommendations and warnings to limit non-essential travel and promote telecommuting. As a result of the spread of COVID-19, the Governor of Florida declared a state of emergency on March 9, 2020 and subsequently executed various other executive orders which, among other things, (i) closed bars and restaurants to dine-in customers, (ii) suspended vacation rentals and (iii) issued a mandatory "safer at home" order for the entire State effective April 3, 2020 through April 30, 2020. The State has now entered phase three of reopening which effectively lifted all COVID-19 restrictions on restaurants and other businesses. In December, 2020, COVID-19 vaccines were approved and began to be administered under emergency use authorizations and are currently being administered in the County.

The City is following safety guidelines consisting of the requirement of facial coverings, along with social distancing being either required and/or encouraged, depending on the setting. Additionally, there are industry specific recommendations for safety, but all businesses are now permitted to open and there are no curfews in place. The City Hall and other City facilities fully opened to public on June 14, 2021. Also, parks are open and outdoor recreation and competitive leagues are allowed to resume.

The City has taken measures to address the impact of the pandemic in the 2021 Adopted Budget, as described under “CERTAIN MATTERS RELATING TO ANNUAL BUDGET PROCESS AND GENERAL FUND BUDGET – Fiscal Year 2021 Budget.” Currently, overall total projected general fund revenues are in line with the total general fund revenues collected to date. However, certain program revenues, such as charges for services, are tracking lower than projected, due to park closures. The collection of ad valorem tax revenue is on target. The City's tax base remained fairly stable with the final valuation estimated at approximately $14.5 billion for Fiscal Year 2021. Although the preliminary taxable values for the Fiscal Year ending September 30, 2021 are estimated at approximately $14.4 billion, the effects of COVID-19 on taxable values are expected to be seen in Fiscal Year 2022. However, the City does not anticipate declines in assessed value at this time. The City's regional economic base remains diversified, comprised of wholesale and retail trade, construction, light manufacturing and tourism.

On March 27, 2020, the federal CARES Act was signed into law in response to COVID-19 in order to provide direct federal assistance to local governments with populations over 500,000. The County received funds to assist with the COVID-19 public health emergency for eligible expenses incurred from March 1, 2020 to December 31, 2020. The County was authorized to enter into agreements to share a portion of the funding with each city and unincorporated area of the County. On October 23, 2020, the funding agreement between the County and the City was executed providing for reimbursement of eligible City expenditures up to $7,584,536. As of July 6, 2021, the City has received approximately $6.65 million and has spent the funds across four major categories: public health expenses, payroll expenses, facility compliance expenses and economic support expenses.

On March 11, 2021, the federal American Rescue Plan Act was signed into law. Based on information provided by the National League of Cities, the City anticipates receiving $25.7 million in funding. The City has received $12.8 million in Fiscal Year 2021. The City anticipates receiving the remaining $12.9 million that has been allocated to it in Fiscal Year 2022. The City plans to spend the funds across four major categories: public health emergency response, community recovery and resiliency, economic stabilization and general government expenditures.

The City is continuing to monitor the impact of COVID-19 on its financial results and operations. While the effects of COVID-19 may be temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies. The City cannot predict with certainty whether there will be a reduction in taxable assessed values or properties in the City or a reduction in ad valorem tax collections as a result of the COVID-19 pandemic. However, notwithstanding any decreased in assessed valuation or ad valorem tax collections, the City is required by the Master Ordinance to levy sufficient ad valorem taxes in each year to pay debt service each year on the Bonds, including the Series 2021 Bonds.

Climate Change

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures, rainfall intensification and rising sea levels. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the City. The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the City.

However, to mitigate against such impacts, the City has a stormwater master plan that is updated on a five (5) year cycle to address changes in groundwater rise and devise infrastructure capital improvement projects to address the impacts of climate change.

Cybersecurity

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the City. City systems provide support to departmental operations and constituent services by collecting and storing confidential data, including security information, confidential information related to safety, information applying to suppliers and business partners, and personally identifiable information of constituents and employees. The secure processing, maintenance and transmission of this information is critical to departmental operations and the provision of municipal services. Increasingly, governmental entities are being targeted by cyberattacks seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers/hackers can exploit in attempts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there. The potential disruption, access, modification, disclosure or destruction of data could result in interruption of the efficiency of City commerce, initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions in operations and the services provided, and the loss of confidence in City operations, ultimately adversely affecting City revenues.

The City maintains a comprehensive information security program to protect the confidentiality, integrity, and availability of the City's critical systems and confidential data. Such comprehensive information security program is designed to assess and mitigate current threats and the risk of data breaches to the City. Additionally, the City obtains insurance for risks due to data breaches and other cybersecurity risks through a third-party provider.

PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS

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, 2020,” including Note I (N) and (O), Note II (J) and Note III (A) through (D), 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 City has no required contributions to this plan.

The GERS was established by City Ordinance on December 8, 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.

At September 30, 2020, the City recorded a net pension liability related to the GERS Plan and a net pension liability related to the PFRS Plan in its government-wide and enterprise fund statements of net position, as applicable. For governmental activities it is expected that the net pension liability will be liquidated by the General and EMS Funds. For business-type activities, the 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 investments 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 Statues, 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 2021 Bonds in order to assure that interest on the Series 2021 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 2021 Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer has covenanted in the Ordinance 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 2021 Bonds. The opinions of Bond Counsel with respect to the Series 2021 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 2021 Bonds. The Ordinance does not require the Issuer to redeem the Series 2021 Bonds or to pay any additional interest or penalty in the event the interest on the Series 2021 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 2021 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.

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 2021 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 2021 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

Prospective purchasers of the Series 2021 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2021 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 2021 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 2021 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 2021 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 2021 Bonds, gain from the sale or other disposition of the Series 2021 Bonds, the market value of the Series 2021 Bonds, or the marketability of the Series 2021 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 2021 Bonds may occur. Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2021 Bonds.

Additional Matters Relating to On-going IRS Audit Program

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 2021 Bonds. Owners of the Series 2021 Bonds are advised that, if the IRS does audit the Series 2021 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 2021 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 2021 Bonds until the audit is concluded, regardless of the ultimate outcome. As noted above, the Ordinance does not require the Issuer to redeem the Series 2021 Bonds or to pay any additional interest or penalty in the event the interest on the Series 2021 Bonds becomes taxable.

Tax Treatment of Original Issue Premium

The Series 2021 Bonds maturing on July 1, 20__ through July 1, 20__, inclusive (collectively, 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 2021 Bonds have received underlying ratings of "____" from Moody's Investors Service, Inc. and "____" (______ outlook) from S&P Global Ratings, a division of S&P Global Inc.

If there are any Insured Series 2021 Bonds, such Insured Series 2021 Bonds will have additional rating(s) as a result of the Insurance Policy. See "SECURITY FOR THE SERIES 2021 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 2021 Bonds may have an adverse effect on the market price and/or liquidity of the Series 2021 Bonds.

Competitive Sale

The Series 2021 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 2021 Bonds pursuant to the Official Notice of Sale relating to the Series 2021 Bonds (collectively, the "Underwriter").

The Underwriter has submitted a winning bid to purchase the Series 2021 Bonds at an aggregate purchase price of $________ (representing the original principal amount of $________ [plus][less][net] original issue [premium][discount] of $________, and less a Underwriter's discount of $________).

The Underwriter's obligation to purchase the Series 2021 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 2021 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 2021 Bonds, were provided by the Underwriter and may be changed by the Underwriter, and the Underwriter may offer and sell the Series 2021 Bonds to certain dealers (including dealers depositing the Series 2021 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 2021 Bonds. The financial advisor has advised the City in matters relating to the planning, structuring and issuance of the Series 2021 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 2021 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 2021 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 2021 Bonds For Sale

The sale of the Series 2021 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 2021 Bonds been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Series 2021 Bonds under the securities laws of any jurisdiction in which the Series 2021 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2021 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 2021 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 2021 Bonds. Greenspoon Marder LLP, Fort Lauderdale, Florida is also serving as Disclosure Counsel in connection with the Series 2021 Bonds. Certain legal matters in connection with the issuance of the Series 2021 Bonds will be passed upon for the City by Mark E. 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 Bonds. The Underwriters have not identified any additional potential or actual material conflicts arising from such representation that require disclosure.

Validation

The Series 2021 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 August 7, 2018. The time for taking an appeal from such judgment has expired without an appeal being taken.

Financial Statements

The City of Pompano Beach's audited Annual Comprehensive Financial Report for Year Ended September 30, 2020 is included herein as APPENDIX E and is an integral part of this Official Statement. Such excerpts from the audited Annual Comprehensive 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 2021 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 2021 Bonds and agrees to provide certain financial information and operating data annually relating to the City commencing with the Fiscal Year ending September 30, 2022 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 2021 Bonds or any Beneficial Owner of a Series 2021 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 Digital Assurance Certification L.L.C. 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.

It should be noted that the information to be provided annually pursuant to the Continuing Disclosure Certificate relating to the Series 2021 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 2021 Bonds confirms the use of this Official Statement in connection with the public offering for sale of the Series 2021 Bonds, and authorizes the use of this Official Statement in the offering of the Series 2021 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

THE FOLLOWING INFORMATION CONCERNING THE CITY IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE SERIES 2021 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 between any line items of any division and between departments of the same fund. The following budget adjustments, must be approved the City Commission: (i) adjustments which increase the overall spending authority of the fund, (ii) adjustments that change the intent of the budget from that contemplated by the City Commission, and (iii) adjustments requiring a transfer between funds.

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 30^{th} year (as of 2020) 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, 2020 to January 2, 2021, the City experienced a 5.69% increase in its assessed taxable value. New construction increased by 28% compared to Fiscal Year 2020.

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

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CITY OF POMPANO BEACH, FLORIDA
Demographic and Economic Statistics
Last Ten Calendar Years

		Broward County					
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**
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	5,327,588	48,680	41.7	83.2	11,259	3.3
2018	110,227	5,541,001	50,269	42.0	82.7	11.256	2.8
2019	112,058	5,861,529	52,308	42.8	82.4	11,084	2.8
2020	112,941	*	*	*	*	10,804	7.3

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020, citing City of Pompano Development Services Department via:
US Census, American Fact Finder 2015-2019 American Community Survey 5-year Est.
Broward County School Board, School Enrollment Counts, Historic Benchmark Day Figures
Florida Dept. Economic Opportunity, US Dept. of Labor, Bureau of Labor Statistics,

Note: *Indicates information not available.

The following table reflects the principal employers in the City for the Fiscal Year ended September 20, 2020 and nine years prior to that Fiscal Year.

2020				**2011**			
TAXPAYER (Local Exposure Recognition)	**TAXABLE ASSESSED VALUE**	**Rank**	**PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION**	**TAXPAYER (Local Exposure Recognition)**	**TAXABLE ASSESSED VALUE**	**Rank**	**PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION**
John Knox Village of Florida	$86,919,160	1	0.64%	PPI Inc Isle of Capri	$43,848,800	1	0.50%
West Atlantic Blvd Owner LLC	76,950,000	2	0.56	John Knox Village FL 451Heritage Dr	41,919,680	2	0.48%
City of Pompano Beach	75,013,460	3	0.55	EQR Bayview LLC	36,652,950	3	0.42%
PPF Industrial	58,659,850	4	0.43	John Knox Village FL 621 6th St.	31,824,560	4	0.36%
Bell Fund VI Pompano Beach LLC	57,107,990	5	0.42	Associate Grocers	30,627,800	5	0.35%
Palm Vacation Group.	53,302,030	6	0.39	SNH/LTA Properties Trust	22,590,000	6	0.26%
Jefferson Lighthouse Gardens	48,717,110	7	0.36	John Knox Village FL 400 3 St	21,737,280	7	0.25%
PPI Inc.	46,725,790	8	0.34	Archdiocese of Miami	20,208,160	8	0.23%
Pompano Hotel I LLC	42,368,760	9	0.31	Ft Lauderdale BTS LLC.	19,800,000	9	0.23%
EQR Bayview LLC	41,612,370	10	0.30	Centro Heritage SPE 1 LLC	19,608,580	10	0.22%
Total taxable assessed value of principal taxpayers	587,376,520		4. 03%	Total taxable assessed value of principal taxpayers	288,817,810		3.30%
Total taxable assessed value of other taxpayers	13,064,105,939		95.70%	Total taxable assessed value of other taxpayers	8,479,106,925		96.70%
Total taxable assessed valuation of all taxpayers	$13,651,482,459		100.00%	Total taxable assessed valuation of all taxpayers	$8,767,924,735		100.00%

Source: City of Pompano Beach, Florida Comprehensive Annual Financial Report for Year Ended September 30, 2020, citing Broward County Property Appraiser 2019 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, 2020 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) 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 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, 2020, pension plan membership consisted of the following:

Inactive members or their beneficiaries currently receiving benefits	455
Inactive members entitled to but not yet receiving benefits	26
Active members	520
Total	1,001

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. 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).

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.

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. The annually required contributions as actually determined have been made by the City and County without exception.

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. The City is not obligated to make any contributions to this Plan.

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, 2018, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	402
Inactive plan members entitled but not yet receiving benefits	3
Active plan members	186
Total	591

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, 2020, the balance in the DROP account was $15,058,744, with 47 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, 2020, the balance of DROP loans outstanding was $290,085.

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, 2020, the balance in the share plan account was $6,447,404. 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, 2020, the balance in the police officers' Share Plan account was $287,189, 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 is collected by the State and is remitted to the PFRS. As of the October 1, 2019 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide future benefit improvements totaled $459,331. This balance pertains to the firefighter members (Chapter 175 funds) and was allocated to the members' Share Plan accounts on January 1, 2020. As of the October 1, 2019 actuarial valuation, the cumulative balance of additional premium tax revenues used to provide Share Plan benefits to police officer members (Chapter 185 funds) totaled $201,642. Chapter 185 premium tax funds in excess of the minimum received in 2020 totaled $552,325, of which $276,163 was allocated to reduce the unfunded actuarial liability of the plan and $201,644 was allocated to the members' Share Plan accounts on September 30, 2020.

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

	Police and Firefighters'	General Employees
Contributions:		
Plan members:		
General Employees	-	10.00% [1]
Police	8.60%	-
Fire	11.60%	-
Contributions made:		
Employer	$ 10,943,984	$ 10,130,579
Plan members	1,995,263	3,104,113
State	2,750,611 [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, 2020 the PFRS Plan received $2,750,611. 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, 2020, the balance in the Share Plan account was $6,447,404. A Supplemental Retirement Benefit Plan was established for police offer members who were vested with a minimum ten years of service as of February 28, 2017 were each given a share. Share Plan funds are held in an account with posted earnings for the remaining active police members until retirement pay status is attained. As of September 20,2020, the balance in the police officers' Share Plan account was $287,189 and the manner of allocation and distribution has not yet been determined.

Selected Matters Relating to Pension Liability

The City's net pension liability for the PFRS Plan was measured as of September 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019. 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, 2020 were as follows:

Total pension liability	$360,679,005
Plan fiduciary net position	252,596,087
Net pension liability	$108,082,918
Plan fiduciary net position as a percentage of the total pension liability	70.03%

Changes in the City's net pension liability for the GERS Plan and PFRS Plan for the fiscal year ended September 30, 2020 is as follows:

	Police and Firefighters			General Employees		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**	**Total Pension Liability**	**Plan Fiduciary Net Position**	**Net Pension Liability**
Beginning Balance	$ 351,449,439	$ 245,063,938	$ 106,385,501	$ 262,840,687	$ 191,219,657	$ 71,621,030
Changes for the year						
Service cost	4,762,331	-	4,762,331	5,005,369	-	5,005,369
Interest	25,509,361	-	25,509,361	20,253,594	-	20,253,594
Changes of assumptions	(8,917,944)	-	(8,917,944)			
Differences between expected and actual experience	10,857,184	-	10,857,184	4,333,704	-	4,333,704
Contributions- employer	-	10,943,984	(10,943,984)	-	9,330,496	(9,330,496)
Contributions- member	-	1,995,263	(1,995,263)	-	2,880,798	(2,880,798)
Contributions- nonemployer contributing member	-	2,750,611	(2,750,611)	-	-	-
Net investment income (loss)	-	15,361,708	(15,361,708)	-	5,374,056	(5,374,056)
Benefit payments, including refunds of member contributions	(22,981,366)	(22,981,366)	-	(16,084,009)	(16,084,009)	-
Refunds of contributions	-	-	-	(285,177)	(285,177)	-
Administrative expense	-	(604,803)	604,803	-	(572,997)	572,997
Other changes	-	66,752	(66,752)	-	-	-
Net changes	9,229,566	7,532,149	1,697,417	14,617,711	643,167	13,974,544
Ending Balances	$ 360,679,005	$ 252,596,087	$108,082,918	$277,458,398	$191,862,824	$85,595,574

The City's aggregate net pension liability for the GERS Plan measured at September 30, 2019 and PFRS Plan measured at September 30, 2020 was $193,678,492 for the Fiscal Year ended September 30, 2020.

For the year ended September 30, 2020, the City recognized pension expense related to the pension plans as follows:

	Police and Firefighters	General Employees	Total
Pension expense	$12,991,291	$17,328,099	$ 30,319,390

At September 30, 2020, 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	$ 7,238,123	$1,149,947	$ 4,458,655	$532,239	$11,696,778	$1,682,186
Changes of assumptions	-	5,945,296	11,837,134	-	11,837,134	5,945,296
Net difference between projected and actual earnings on pension plan investments	4,381,499	-	1,723,498	-	6,104,997	-
Employer contributions subsequent to the measurement date	-	-	10,130,579	-	10,130,597	-
Total	$ 11,619,622	$7,095,243	$ 28,149,866	$532,239	$ 39,769,488	$7,627,482

The City reported $10,130,579 as part of the 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 subsequent Fiscal Year. 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**
2021	$3,770,258	$4,122,595	$6,713,875	$332,650
2022	5,243,743	2,972,648	5,331,921	199,589
2023	2,122,801	-	3,465,739	-
2024	482,820	-	2,507,754	-
	$11,619,622	$7,095,243	$18,019,289	$532,239

Selected Matters Relating to the GERS Plan

The City's net pension liability for the GERS Plan was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018. 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, 2020 were as follows:

Total pension liability	$277,458,398
Plan fiduciary net position	191,862,824
Net pension liability	$85,595,574
Plan fiduciary net position as a percentage of the total pension liability	69.15%

The total pension liability for the GERS Plan was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions applied to all measurement periods:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar Closed
Remaining amortization period	1 to 30 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increase	4.25-7.50%, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense

The discount rate used to measure the total pension liability was 7.65%. 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 based on the RP2000 Generational for males and females.

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap Equity	35.00%	6.19%
US Small/Mid Cap Equity	15.00%	7.37%
International Equity	10.00%	6.92%
U.S. Direct Real Estate	15.00%	5.74%
Absolute Return	10.00%	3.93%
U.S. Aggregate Bond	15.00%	0.84%
Total	100.00%	

The following presents the net pension liability, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
City's net pension liability	$118,176,719	$85,595,574	$58,316,760

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, 2019 updated to September 30, 2020 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	7.3%
Expected long-term rate of return	7.3%
Municipal bond rate	N/A
Inflation	2.0%
Annual salary increases, excluding inflation	0.99%-9.03%
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 August 2019 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, 2020 are summarized in the following table:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Equity	50.00%	6.39%
Fixed income	22.50%	1.62%
Real estate	7.50%	5.27%
Hedge funds and private equity	15.00%	3.80%
Short-term investments	-%	1.32%
Infrastructure	5.00%	5.69%
Cash	-%	0.88%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.30%. 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 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	**Current Discount Rate (7.30%)**	**1% Increase (8.30%)**
City's net pension liability	$145,690,771	$108,082,918	$76,590,459

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 Statues, 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 2020, 58 retirees received health care benefits. Annual payments amounted to $1,882,853 for such Fiscal Year, towards which the City made $611,781 (implicit subsidy) in benefit payments. Retirees made the remaining payments of $1,271,072 for the Fiscal Year ended September 30, 2020.

The City's total OPEB liability of $13,512,239 was measured as of September 1, 2020 and was determined by an actuarial valuation as of October 1, 2019.

The total OPEB liability as of September 30, 2020 (reporting date) was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate
2.14% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Salary Increases
3.00% per annum.

Cost-of-living increases
Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.

Healthcare cost trend rates
Increases in healthcare costs are assumed to be 7.00% for the 2019/20 Fiscal Year graded down by 0.50% per year to 5.00% for the 2023/24 and later Fiscal Years.

Age-related morbidity
Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.

Implied subsidy
Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy for the retiree of $450.00 under the HMO plan or $575.00 under the PPO plan has been assumed at age 62 for the 2019/20 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.

Retirement
For general employees, retirement is assumed to occur at the earlier of age 55 with 20 years of service or age 62 with three years of service, but no earlier than age 60; for firefighters and police officers, retirement is assumed to occur at age 47 with 20 years of service (if hired before May 27, 2014), age 50 with 20 years of service (if hired after May 26, 2014), or age 55 with 10 years of service, but no earlier than age 55.

Other decrements
Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability study (Class 1 for general employees and Class 4 for firefighters and police officers).

Coverage election
50% of eligible employees are assumed to elect medical coverage upon retirement or disability in accordance with their current election as to plan choice and spousal coverage; coverage for spouses is assumed to end upon the retiree's death.

Spouses and dependents
Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.

COBRA
Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Mortality rates
Mortality rates were based on sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general employees with full generational improvements in mortality using Scale MP-2017.

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Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2019	$12,950,407
Changes for the year:	
Service cost	1,012,407
Expected interest growth	292,293
Demographic experience	222,445
Benefit payments	(611,781)
Assumption changes	(353,532)
Net changes	561,832
Balance at 9/30/2020	$ 13,512,239

Since the prior measurement date, the discount rate was changed from 3.58% per annum to 2.14% per annum.

Sensitivity of Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.14 percent) or 1-percentage-point higher (3.14 percent) than the current discount rate:

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	$14,733,662	$13,512,239	$12,414,247

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.0% decreasing to 5.0%)	1% increase (8.0% decreasing to 6.0%)
Total OPEB liability	$11,982,362	$13,512,239	$15,323,139

For the year ended September 30, 2020, the City recognized OPEB expense of $687,126. At September 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$249,667	$ 316,972

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended September 30,	
2021	$(5,793)
2022	(5,793)
2023	(5,793)
2024	(5,793)
2025	(5,793)
Thereafter	(38,340)
	$(67,305)

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, 2020