

PRELIMINARY OFFICIAL STATEMENT DATED JULY \_\_\_\_\_, 2019

NEW ISSUES - Book-Entry-Only

See “RATING”

*In the opinion of Co-Bond Counsel, under existing law, and assuming compliance with the tax covenants described herein, interest on the Series 2019A 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. **INTEREST ON THE SERIES 2019B BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.** Co-Bond Counsel is further of the opinion that the Series 2019 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220. See “TAX MATTERS” regarding certain other tax considerations.*

**CITY OF LAUDERHILL, FLORIDA**

\$ \_\_\_\_\_ \*

**Half-Cent Sales Tax Revenue Bonds, Series 2019A**

and

\$ \_\_\_\_\_ \*

**Taxable Half-Cent Sales Tax Revenue Bonds, Series 2019B**

**Dated: Date of Delivery**

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

The City of Lauderhill, Florida (the “City”) is issuing its Half-Cent Sales Tax Revenue Bonds, Series 2019A (the “Series 2019A Bonds”) and its Taxable Half-Cent Sales Tax Revenue Bonds, Series 2019B (the “Series 2019B Bonds”) and, collectively with the Series 2019A Bonds, the “Series 2019 Bonds”) as fully registered bonds initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be available to purchasers in principal denominations of \$5,000 and integral multiples thereof under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive physical delivery of the Series 2019 Bonds. Beneficial Owners of Series 2019 Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Series 2019 Bonds. See “BOOK-ENTRY-ONLY SYSTEM.”

The Series 2019 Bonds are being issued pursuant to Ordinance No. 96-110 enacted by the City Commission of the City on April 29, 1996 (the “Bond Ordinance”), as amended and supplemented from time to time, including by Ordinance No. 19O-06-111 enacted by the City Commission of the City on July 8, 2019 (the “2019 Series Ordinance” and, collectively with the Bond Ordinance, the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Ordinance. See “APPENDIX A—Copy of the Ordinance.”

The City will act as the initial Paying Agent and Bond Registrar for the Series 2019 Bonds. Interest on the Series 2019 Bonds is payable on each April 1 and October 1, commencing April 1, 2020, until maturity or earlier redemption. The Series 2019 Bonds are subject to redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2019 BONDS—Redemption Provisions.”

Proceeds of the Series 2019A Bonds will be applied to finance (including through reimbursement), together with other legally available funds of the City, the acquisition, extension, construction, improvement, renovation and equipping of various improvements included in the five-year capital improvement plan adopted by the City from time to time, as more fully described herein, as same may be modified from time to time in accordance with the Ordinance and to pay costs of issuance of the Series 2019A Bonds (which may include costs related to all or a portion of the premium for a municipal bond insurance policy, if obtained, as more fully described herein). Proceeds of the Series 2019B Bonds will be applied to finance (including through reimbursement), together with other legally available funds of the City, the (i) acquisition of certain real property in the City and (ii) extension, construction, improvement, renovation and equipping on such real property, and/or certain adjacent land, of various improvements included in the five-year capital improvement plan adopted by the City from time to time, as more fully described herein, as same may or shall be modified from time to time in accordance with the Ordinance and to pay costs of issuance of the Series 2019B Bonds (which may include costs related to all or a portion of the premium for a municipal bond insurance policy, if obtained, as more fully described herein). See “PURPOSE OF THE SERIES 2019 BONDS,” and “ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2019 BONDS.”

The scheduled payment of principal of and interest on all or a portion of the Series 2019A Bonds and/or Series 2019B Bonds when due may be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds. The determination as to whether to obtain such municipal bond insurance policy for all or a portion of either Series of the Series 2019 Bonds (or none of them) will be made at the time of pricing. See “MUNICIPAL BOND INSURANCE OPTION.” As of the date hereof, the City has obtained a commitment from \_\_\_\_\_ (the “Insurer”) to provide a municipal bond insurance policy for the Series 2019 Bonds. See “MUNICIPAL BOND INSURANCE OPTION” and “APPENDIX E—Specimen Municipal Bond Insurance Policy.”

[LOGO]

**AS DESCRIBED UNDER “MUNICIPAL BOND INSURANCE OPTION” notwithstanding the references to the Insurer herein, there is no assurance that either Series of the Series 2019 Bonds, or any maturity of either, will be secured by a municipal bond insurance policy.**

The Series 2019 Bonds are being issued as Additional Bonds (and as Taxable Bonds, in the case of the Series 2019B Bonds) under the Bond Ordinance on a parity with the City’s Half-Cent Sales Tax Refunding Revenue Bonds, Series 2010 currently Outstanding in the aggregate principal amount of \$5,330,000, Half-Cent Sales Tax Refunding Revenue Bonds, Series 2011B currently Outstanding in the aggregate principal amount of \$2,005,000 and Half-Cent Sales Tax

Refunding Revenue Bond, Series 2015 currently Outstanding in the aggregate principal amount of \$2,530,000 (collectively, the “Prior Bonds”) and any Additional Bonds and Refunding Bonds hereafter issued and Outstanding under the Bond Ordinance. Additional Bonds and Refunding Bonds issued and Outstanding under the Bond Ordinance (including the Series 2019 Bonds) are referred to in the Bond Ordinance collectively as the “Bonds.”

The Series 2019 Bonds are payable from and secured by a lien on and pledge of the Gross Revenue and, to the extent provided in the Bond Ordinance, from the monies on deposit from time to time in the Funds and Accounts created under the Bond Ordinance (excluding the Reserve Account, which shall not secure the Series 2019 Bonds). For purposes of the Bond Ordinance, the term “Gross Revenue” means all proceeds of the Half-Cent Sales Tax (defined in the Bond Ordinance as the Local Government Half-Cent Sales Tax received by the City from the State of Florida pursuant to Chapter 218, Part VI, Florida Statutes) and all investment income from monies held on deposit in any of the Funds or Accounts created under the Bond Ordinance and pledged to the Bonds, all as calculated in accordance with the method of accounting used in the official annual financial statements of the City. See “SECURITY FOR THE SERIES 2019 BONDS” and “HALF-CENT SALES TAX.”

**Notwithstanding the foregoing, the Reserve Account established under the Bond Ordinance shall not secure the Series 2019 Bonds and the Series 2019 Bonds shall not be secured by, or entitled to any benefit from, amounts held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Ordinance. See “SECURITY FOR THE SERIES 2019 Bonds.”**

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS SOLELY FROM THE GROSS REVENUE AND, TO THE EXTENT PROVIDED IN THE BOND ORDINANCE, FROM THE MONIES ON DEPOSIT FROM TIME TO TIME IN THE FUNDS AND ACCOUNTS CREATED UNDER THE ORDINANCE (EXCLUDING THE RESERVE ACCOUNT, WHICH SHALL NOT SECURE THE SERIES 2019 BONDS). THE SERIES 2019 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE FAITH AND CREDIT OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY TAXES WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS, EXCEPT, WITH RESPECT TO THE CITY, AS PROVIDED IN THE ORDINANCE.

See the inside cover page hereof for maturities, principal amounts, interest rates, prices and yields for the Series 2019 Bonds.

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

The Series 2019 Bonds are offered when, as and if issued and received by the Underwriter, subject to approval of legality by Greenspoon Marder LLP, Fort Lauderdale, Florida and Hall & Rosenberg, PL, Sunrise, Florida, Co-Bond Counsel. Greenspoon Marder LLP, Fort Lauderdale, Florida and Hall & Rosenberg, PL, Sunrise, Florida, are also acting as Co-Disclosure Counsel to the City with respect to the Series 2019 Bonds. Hall & Rosenberg, PL, is serving as City Attorney to the City. The Underwriter is represented with respect to the issuance of the Series 2019 Bonds by Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida. Dunlap & Associates, Inc., Orlando, Florida is serving as Financial Advisor to the City. The Series 2019 Bonds are expected to be delivered through the facilities of DTC in New York, New York on or about August \_\_\_\_, 2019.

### **RBC CAPITAL MARKETS**

Dated: \_\_\_\_\_, 2019

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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 2019 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 2019 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, AMOUNTS, INTEREST RATES, PRICES, YIELDS  
AND INITIAL CUSIP NUMBERS**

\$ \_\_\_\_\_ \* Half-Cent Sales Tax Revenue Bonds, Series 2019A

\$ \_\_\_\_\_ \* Serial Series 2019A Bonds

<u>Maturity (October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP No.**</u>
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\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Series 2019A Bonds Due October 1, 20\_\_\_\_, Priced at \_\_\_\_\_ Yield \_\_\_\_\_ %  
Initial CUSIP No. \_\_\_\_\_\*

\$ \_\_\_\_\_ \* Taxable Half-Cent Sales Tax Revenue Bonds, Series 2019B

\$ \_\_\_\_\_ \* Serial Series 2019B Bonds

<u>Maturity (October 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial CUSIP No.**</u>
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\$ \_\_\_\_\_ \* \_\_\_\_\_ % Term Series 2019B Bonds Due October 1, 20\_\_\_\_, Priced at \_\_\_\_\_ Yield \_\_\_\_\_ %  
Initial CUSIP No. \_\_\_\_\_\*

\* Preliminary, subject to change.

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**CITY OF LAUDERHILL, FLORIDA**

**ELECTED OFFICIALS**

<u>City Commission</u>	<u>Term Expires</u>	<u>Occupation</u>
Ken Thurston Mayor	November, 2022	Realtor
M. Margaret Bates Vice Mayor	November, 2020	Mortgage Broker (retired)
Howard Berger Commissioner	November, 2020	Teacher
Richard Campbell Commissioner	November, 2020	Physical Therapist
Denise D. Grant Commissioner	November, 2022	Law Firm Director of Operations and Business Development

**SELECTED ADMINISTRATIVE STAFF**

<u>Name</u>	<u>Position</u>
Charles Faranda	City Manager
Andrea Anderson	City Clerk
Kennie Hobbs, Jr.	Assistant City Manager/Director-Finance and Support Services
Sean Henderson	Deputy Finance Director

**CONSULTANTS AND ADVISORS**

Co-Bond and Co-Disclosure Counsel	Greenspoon Marder LLP Fort Lauderdale, Florida
	Hall & Rosenberg, PL Fort Lauderdale, Florida
Financial Advisor	Dunlap & Associates, Inc. Orlando, Florida
City Attorney	Hall & Rosenberg, PL Sunrise, Florida

No dealer, broker, salesperson, or other person has been authorized by the City of Lauderdale, Florida (the “City”) or RBC Capital Markets, LLC (the “Underwriter”) to give any information or make any representations, 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 2019 Bonds (herein defined) by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from public documents, records and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Series 2019 Bonds have not been registered under the Securities Act of 1933, nor has the Ordinance (herein defined) been qualified under the Trust Indenture Act of 1939. The registration or qualification of the Series 2019 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 or the State of Florida, Broward County, Florida or any of their agencies has passed upon the merits of the Series 2019 Bonds. None of the Securities and Exchange Commission or the State of Florida, Broward County, Florida or any of their agencies has passed upon the accuracy or completeness of this Official Statement.

See “OTHER INFORMATION—Forward-Looking Statements Disclaimer” for certain information regarding statements contained herein that are not purely historical and are forward-looking statements, including statements regarding the City’s expectations, hopes, intentions or strategies regarding the future.

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

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 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 2019 BONDS.

\_\_\_\_\_ (THE “INSURER”) MAKES NO REPRESENTATION REGARDING THE SERIES 2019 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2019 BONDS. IN ADDITION, THE INSURER HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING THE INSURER SUPPLIED BY THE INSURER AND PRESENTED UNDER THE HEADING “MUNICIPAL BOND INSURANCE” OPTION AND “APPENDIX E- SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

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**

**CITY OF LAUDERHILL, FLORIDA**

**\$ \_\_\_\_\_\***  
**Half-Cent Sales Tax Revenue Bonds, Series 2019A**  
**and**  
**\$ \_\_\_\_\_\***  
**Taxable Half-Cent Sales Tax Revenue Bonds, Series 2019B**

**INTRODUCTION**

This Official Statement, which includes the cover page, the inside cover page, and the Appendices hereto, provides certain information regarding the issuance by the City of Lauderhill, Florida (the “City”) of its Half-Cent Sales Tax Revenue Bonds, Series 2019A (the “Series 2019A Bonds”) and its Taxable Half-Cent Sales Tax Revenue Bonds, Series 2019B (the “Series 2019B Bonds”) and, collectively with the Series 2019A Bonds, the “Series 2019 Bonds”). The City will act as the initial Paying Agent and Bond Registrar for the Series 2019 Bonds.

The Series 2019 Bonds are being issued pursuant to Ordinance No. 96-110 enacted by the City Commission of the City on April 29, 1996 (the “Bond Ordinance”), as amended and supplemented from time to time, including by Ordinance No. 19O-06-111 enacted by the City Commission of the City on July 8, 2019 (the “2019 Series Ordinance” and, collectively with the Bond Ordinance, the “Ordinance”). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Ordinance. See “APPENDIX A—Copy of the Ordinance.”

The Series 2019 Bonds are being issued as Additional Bonds (and as Taxable Bonds, in the case of the Series 2019B Bonds) under the Bond Ordinance on a parity with the City’s Half-Cent Sales Tax Refunding Revenue Bonds, Series 2010 currently Outstanding in the aggregate principal amount of \$5,330,000, Half-Cent Sales Tax Refunding Revenue Bonds, Series 2011B currently Outstanding in the aggregate principal amount of \$2,005,000 and Half-Cent Sales Tax Refunding Revenue Bond, Series 2015 currently Outstanding in the aggregate principal amount of \$2,530,000 (collectively, the “Prior Bonds”) and any Additional Bonds and Refunding Bonds hereafter issued and Outstanding under the Bond Ordinance.. Additional Bonds and Refunding Bonds issued and Outstanding under the Bond Ordinance (including the Series 2019 Bonds) are referred to in the Bond Ordinance collectively as the “Bonds.”

The Series 2019 Bonds are payable from and secured by a lien on and pledge of the Gross Revenue and, to the extent provided in the Bond Ordinance, from the monies on deposit from time to time in the Funds and Accounts created under the Bond Ordinance (excluding the Reserve Account, which shall not secure the Series 2019 Bonds).

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\* Preliminary, subject to change.

For purposes of the Bond Ordinance, the term “Gross Revenue” means all proceeds of the Half-Cent Sales Tax (defined in the Bond Ordinance as the Local Government Half-Cent Sales Tax received by the City from the State of Florida pursuant to Chapter 218, Part VI, Florida Statutes) and all investment income from monies held on deposit in any of the Funds or Accounts created under the Bond Ordinance and pledged to the Bonds, all as calculated in accordance with the method of accounting used in the official annual financial statements of the City. See “SECURITY FOR THE SERIES 2019 BONDS” and “HALF-CENT SALES TAX.”

**Notwithstanding the foregoing, the Reserve Account established under the Bond Ordinance shall not secure the Series 2019 Bonds and the Series 2019 Bonds shall not be secured by, or entitled to any benefit from, amounts held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Ordinance. See “SECURITY FOR THE SERIES 2019 BONDS.”**

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS SOLELY FROM THE GROSS REVENUE AND, TO THE EXTENT PROVIDED IN THE BOND ORDINANCE, FROM THE MONIES ON DEPOSIT FROM TIME TO TIME IN THE FUNDS AND ACCOUNTS CREATED UNDER THE ORDINANCE (EXCLUDING THE RESERVE ACCOUNT, WHICH SHALL NOT SECURE THE SERIES 2019 BONDS). THE SERIES 2019 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE FAITH AND CREDIT OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY TAXES WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS, EXCEPT, WITH RESPECT TO THE CITY, AS PROVIDED IN THE ORDINANCE.

The Series 2019 Bonds are subject to redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2019 BONDS—Redemption Provisions.”

The scheduled payment of principal of and interest on all or a portion of the Series 2019A Bonds and/or Series 2019B Bonds when due may be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds. The determination as to whether to obtain such municipal bond insurance policy for all or a portion of either Series of the Series 2019 Bonds (or none of them) will be made at the time of pricing. See “MUNICIPAL BOND INSURANCE OPTION.” As of the date hereof, the City has obtained a commitment from \_\_\_\_\_ (the “Insurer”) to provide a municipal bond insurance policy for the Series 2019 Bonds. See “MUNICIPAL BOND INSURANCE OPTION” and “APPENDIX E—Specimen Municipal Bond Insurance Policy.”

**AS DESCRIBED UNDER “MUNICIPAL BOND INSURANCE OPTION” NOTWITHSTANDING THE REFERENCES TO THE INSURER HEREIN, THERE IS NO ASSURANCE THAT EITHER SERIES OF THE SERIES 2019 BONDS, OR ANY MATURITY OF EITHER, WILL BE SECURED BY A MUNICIPAL BOND INSURANCE POLICY.**

This Official Statement includes summaries of, and references to, the Series 2019 Bonds, the Ordinance, statutes, and various documents and instruments. The summaries of, and references to, the Series 2019 Bonds, the Ordinance, statutes and various documents and instruments herein do not purport to be complete, comprehensive or definitive and each such summary and reference is qualified in its entirety by reference to the Bonds, the Ordinance and the applicable statute, document or instrument.

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

**DESCRIPTION OF THE CITY**

The City is a municipal corporation of the State of Florida (the “State”), duly organized and existing under the laws of the State, including the City’s Home Rule Charter. The City was incorporated in 1959 and is located in Broward County, Florida (the “County”). Some of the services that the City provides are: public safety (police and fire protection), streets, water and sanitary sewer utilities, recreation and social services, public improvements, planning and zoning, and general administrative services. The 2010 U.S. Census population of the City reflected 66,887 year-round residents. The City covers approximately seven square miles.

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 five members, each 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 City Commission and overseeing the daily operations of the City.

See “PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS” and “OTHER INFORMATION” for certain additional information about the City and “APPENDIX C—Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2018” for certain statistical and financial information regarding the City.

**PURPOSE OF THE SERIES 2019 BONDS**

**General**

Each of the Series 2019A Project and the Series 2019B Project (as such capitalized terms are hereinafter defined) is a “Project” within the meaning of the Bond Ordinance. See

“APPENDIX A—Copy of the Ordinance” and “ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2019 BONDS.”

**2019A Project**

Proceeds of the Series 2019A Bonds will be applied to finance (including through reimbursement), together with other legally available funds of the City, the acquisition, extension, construction, improvement, renovation and equipping of various improvements included in the five-year capital improvement plan adopted by the City from time to time, as more fully described on Exhibit A to the 2019 Series Ordinance, as same may be modified from time to time in accordance with the Ordinance (the “2019A Project”) and to pay costs of issuance of the Series 2019A Bonds (which may include costs related to all or a portion of the premium for a municipal bond insurance policy, if obtained, as more fully described herein). See “ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2019 BONDS.”

**2019B Project**

Proceeds of the Series 2019B Bonds will be applied to finance (including through reimbursement), together with other legally available funds of the City, the (i) acquisition of certain real property in the City and (ii) extension, construction, improvement, renovation and equipping on such real property, and/or certain adjacent land, of various improvements included in the five-year capital improvement plan adopted by the City from time to time, as more fully described on Exhibit B to the 2019 Series Ordinance, as same may or shall be modified from time to time in accordance with the Ordinance (the “2019B Project”) and to pay costs of issuance of the Series 2019B Bonds (which may include costs related to all or a portion of the premium for a municipal bond insurance policy, if obtained, as more fully described herein). See ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2019 BONDS.”

The Series 2019 Ordinance provides that notwithstanding anything to the contrary therein, if for any reason after the Series 2019B Bonds are issued the City reasonably expects that it will not expend the proceeds of the Series 2019B Bonds on the 2019B Project within three years from the date of issuance of the Series 2019 Bonds, the City shall modify the 2019B Project pursuant to Section 4.04 of the Bond Ordinance to include other capital projects set forth in the City’s then-current five-year capital improvement plan in sufficient time to permit the proceeds of the Series 2019B Bonds to be expended within three years from the date of issuance of the Series 2019 Bonds.

The Series 2019 Ordinance further provides that upon the sale, if any, by the City of all or a portion of the 2019B Project, the net proceeds of such sale shall be deposited to the 2019B Project Account to be applied within two years from the date of such sale to pay remaining Costs of the 2019B Project for which there are not sufficient amounts on deposit in the 2019B Construction Account to pay and/or to pay the Costs of another Project, all or in part.

## DESCRIPTION OF THE SERIES 2019 BONDS

### General Description

The Series 2019 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 2019 Bonds. Individual purchases of the Series 2019 Bonds will be made in book-entry form only, and purchasers will not receive physical delivery of the Series 2019 Bonds or any certificate representing their beneficial ownership interest in the Series 2019 Bonds. See “BOOK-ENTRY-ONLY SYSTEM.”

The Series 2019 Bonds are available to purchasers in principal denominations of \$5,000 or any integral multiple thereof. The Series 2019 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 2019 Bonds will be payable on April 1 and October 1 of each year, commencing on April 1, 2020. The City will act as initial Paying Agent and Bond Registrar for the Series 2019 Bonds.

In the event the book-entry-only system should be discontinued, the Series 2019 Bonds may be transferred and exchanged on the registration books of the Bond Registrar only upon presentation and surrender thereof to the Bond Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. The City and the Bond Registrar shall be required to execute, transfer or exchange any Series 2019 Bond during the period beginning at the close of business on a Record Date (or Special Payment Date) and ending at the close of business on the next Interest Payment Date (or date set for payment of interest for which such Special Record Date was set). The City and the Bond Registrar shall not be required to transfer or exchange any Series 2019 Bond: (a) during the fifteen days immediately preceding the date of mailing of notice of the redemption of such Bond; or (b) after such Bond has been selected for redemption or has matured.

### Redemption Provisions

The Series 2019 Bonds are subject to redemption prior to maturity as described below:

#### Optional Redemption.

*Series 2019A Bonds.* The Series 2019A Bonds maturing before October 1, 20\_\_\_\_ are not subject to redemption prior to maturity at the option of the City. The Series 2019A Bonds maturing on or after October 1, 20\_\_\_\_ are subject to redemption prior to maturity at the option of the City, in whole or in part at any time on or after October 1, 20\_\_\_\_, at a redemption price of one hundred percent (100%) of the principal amount of the Series 2019A Bonds to be redeemed, without premium, together with accrued interest to the redemption date.

*Series 2019B Bonds.* The Series 2019B Bonds maturing before October 1, 20\_\_\_\_ are not subject to redemption prior to maturity at the option of the City. The Series 2019B Bonds maturing on or after October 1, 20\_\_\_\_ are subject to redemption prior to maturity at the option of the City, in whole or in part at any time on or after October 1, 20\_\_\_\_, at a redemption price of one hundred percent (100%) of the principal amount of the Series 2019B Bonds to be redeemed, without premium, together with accrued interest to the redemption date.

Mandatory Redemption.

The Series 2019A Bonds maturing on October 1, 20\_\_\_\_\_ are subject to mandatory sinking fund redemption prior to maturity at a redemption price of one hundred percent (100%) of the principal amount of the Series 2019A Bonds redeemed or paid, together with accrued interest to the redemption date, on October 1 of each year as follows:

<u>Year</u> <u>(October 1)</u>	<u>Amortization</u> <u>Requirements</u>
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\*Final maturity

The Series 2019B Bonds maturing on October 1, 20\_\_\_\_\_ are subject to mandatory sinking fund redemption prior to maturity at a redemption price of one hundred percent (100%) of the principal amount of the Series 2019B Bonds redeemed or paid, together with accrued interest to the redemption date, on October 1 of each year as follows:

<u>Year</u> <u>(October 1)</u>	<u>Amortization</u> <u>Requirements</u>
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\*Final maturity

Partial Redemption. If less than all of the Series 2019 Bonds are to be redeemed, the Bond Registrar (upon written instructions from the City, when the City is not the Bond Registrar) shall select the Series 2019 Bonds for redemption from such maturity dates and in such amounts as are selected by the City, and, so long as the Series 2019 Bonds are held under the book-entry system by DTC, shall select such Series 2019 Bonds within such selected maturities on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures; provided that so long as such Series 2019 Bonds are held under the book-entry system, the selection for redemption of such Series 2019 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 2019 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 2019 Bonds 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 DTC Participants (hereinafter defined) 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 2019 Bonds on a pro rata basis.

If the Series 2019 Bonds are no longer held under a book-entry system and less than all of the Series 2019 Bonds are to be redeemed, the Holder of such Series 2019 Bonds to be redeemed, or such Holder's attorney or legal representative, shall present and surrender such Series 2019 Bonds 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 such Series 2019 Bond so surrendered, a new Series 2019 Bond of the same Series, maturity and bearing interest at the same rate.

Notice and Effect of Redemption. Not less than 30 days nor more than 45 days prior to a redemption date for the Series 2019 Bonds, the City shall cause a notice of redemption to be sent by registered or certified United States mail to the registered owners of the Series 2019 Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Bond Registrar. Notice having been given in the manner and under the conditions provided in the Ordinance, and moneys for payment of the redemption price being held by the Bond Registrar as provided in the Ordinance, the Series 2019 Bonds or portions of Series 2019 Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2019 Bonds on such date, and interest on the Series 2019 Bonds or portion of Series 2019 Bonds so called for redemption shall cease to accrue, and such Series 2019 Bonds or portions of Series 2019 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof, together with interest accrued thereon through the redemption date, provided the notice of redemption for such Series 2019 Bonds has not been rescinded, as described below.

Upon surrender for partial redemption of any Series 2019 Bond, there shall be prepared for and delivered to the registered owner a new Series 2019 Bond or Series 2019 Bonds of the same Series, maturity and interest rate in the amount of the unpaid principal.

Notwithstanding anything in the Bond Ordinance to the contrary, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the City if expressly set forth in such notice.

If a portion of an Outstanding Series 2019 Bond shall be selected for redemption, the Holder thereof, or such Holder's attorney or legal representative, shall present and surrender such Series 2019 Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption. The City shall execute and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or such owner's legal representative, without charge therefor, other than any applicable tax or other governmental charge, for the unredeemed portion of the principal amount of the Series 2019 Bond so surrendered, a Series 2019 Bond of the same Series, maturity and bearing interest at the same rate.

As long as a book-entry system is used for determining beneficial ownership of Series 2019 Bonds, notice of redemption will be sent to DTC. DTC will be responsible for notifying the DTC Participants, which will in turn be responsible for notifying the Beneficial Owners. Any failure of DTC to notify any DTC Participant, or of any DTC Participant to notify the Beneficial Owner of any such notice, will not affect the validity of the redemption of the Series 2019 Bonds.

### **BOOK-ENTRY-ONLY SYSTEM**

The following contains a description of the procedures and operations of DTC and is based upon information provided by DTC. The City and the Underwriter have not independently investigated or verified such procedures and operations and assume no responsibility for the accuracy or completeness of the description thereof.

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

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., as DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019 Bond certificate will be issued for each maturity of the Series 2019 Bonds, each in the aggregate principal amount of such maturity, as set forth on the inside cover page of this Official Statement, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities

certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and, together with Direct Participants, “DTC Participants”). DTC has Standard & Poor’s rating of AA+. The DTC rules applicable to the DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2019 Bond (“Beneficial Owner”) is in turn to be recorded on the DTC Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, will not effect any change in beneficial ownership of the Series 2019 Bonds. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by DTC Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, defaults and proposed amendments to the documents securing the Series 2019 Bonds. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices are provided directly to them.

Redemption notices shall be sent by the Bond Registrar to DTC. If less than all of the Series 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2019 Bonds will be made to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of DTC Participants.

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

DTC may discontinue providing its services as securities depository with respect to the Series 2019 Bonds. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates representing the Series 2019 Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates representing the Series 2019 Bonds will be printed and delivered. See "DESCRIPTION OF THE SERIES 2019 BONDS –General."

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE SOLE REGISTERED OWNER OF THE SERIES 2019 BONDS, THE CITY AND THE PAYING AGENT SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE SERIES 2019 BONDS FOR ALL PURPOSES UNDER THE ORDINANCE, INCLUDING RECEIPT OF ALL PRINCIPAL OF

AND INTEREST ON THE SERIES 2019 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE CITY AND THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE ORDINANCE. THE CITY AND THE PAYING AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO., AS THE REGISTERED OWNER OF THE SERIES 2019 BONDS.

The rights of holders of beneficial interests in the Series 2019 Bonds and the manner of transferring or pledging those interests are subject to applicable state law. Holders of beneficial interests in the Series 2019 Bonds may want to discuss the manner of transferring or pledging their interest in the Series 2019 Bonds with their legal advisors.

NEITHER THE CITY NOR THE PAYING AGENT SHALL HAVE ANY OBLIGATION WITH RESPECT TO ANY DEPOSITORY PARTICIPANT OR BENEFICIAL OWNER OF THE SERIES 2019 BONDS DURING SUCH TIME AS THE SERIES 2019 BONDS ARE REGISTERED IN THE NAME OF A SECURITIES DEPOSITORY PURSUANT TO A BOOK-ENTRY-ONLY SYSTEM OF REGISTRATION.

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**ESTIMATED SOURCES AND USES OF PROCEEDS OF THE SERIES 2019 BONDS**

The tables below set forth the expected sources and uses of proceeds of the Series 2019 Bonds.

**Series 2019A Bonds**

**Sources of Funds:**

Principal Amount of Series 2019A Bonds	\$
Plus: Original Issue Premium	
Less: Original Issue Discount	_____
 Total Sources of Funds	 \$_____

**Uses of Funds:**

Deposit to 2019A Construction Account <sup>(1)</sup>	\$
Cost of Issuance <sup>(2)</sup>	_____
 Total Uses of Funds	 \$_____

- 
- (1) Includes amounts to be applied to reimburse the City for capital expenditures relating to the 2019A Project. **[TO BE CONFIRMED]**
  - (2) Payable from proceeds of the Series 2019A Bonds and includes allocable Underwriter’s discount (including the fees of Underwriter’s Counsel), allocable fees of Co-Bond Counsel and Co-Disclosure Counsel and the City’s Financial Advisor, and allocable costs of rating, printing and other related costs of issuance, which may include all or a portion of the premium for a municipal bond insurance policy.

**Series 2019B Bonds**

**Sources of Funds:**

Principal Amount of Series 2019B Bonds	\$
Plus: Original Issue Premium	
Less: Original Issue Discount	_____
 Total Sources of Funds	 \$_____

**Uses of Funds:**

Deposit to 2019B Construction Account <sup>(1)</sup>	\$
Cost of Issuance <sup>(2)</sup>	_____
 Total Uses of Funds	 \$_____

- 
- (1) Includes amounts to be applied to reimburse the City for capital expenditures relating to the 2019B Project.
  - (2) Payable from proceeds of the Series 2019B Bonds and includes allocable Underwriter’s discount (including the fees of Underwriter’s Counsel), allocable fees of Co-Bond Counsel and Co-Disclosure Counsel and the City’s Financial Advisor, and allocable costs of rating, printing and other related costs of issuance, which may include all or a portion of the premium for a municipal bond insurance policy.

## SECURITY FOR THE SERIES 2019 BONDS

### **Pledge of Gross Revenue and Certain Funds and Accounts**

Pursuant to the Bond Ordinance, the City pledges and imposes a first lien upon the Gross Revenue and any and all other monies on deposit in the Funds and Accounts, including, without limitation, the investment earnings thereon, to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds (which term will include the Series 2019 Bonds upon issuance thereof) and the performance by the City of its other obligations under the Bond Ordinance. For purposes of the Bond Ordinance, the Rebate Fund is excluded from the definition of the term “Funds and Accounts” and is therefore not pledged to Outstanding Bonds.

The Bond Ordinance defines the “Gross Revenue” to mean all proceeds of the Half-Cent Sales Tax received by the City and all investment income from monies held on deposit in any of the Funds or Accounts created under the Bond Ordinance, all as calculated in accordance with the method of accounting used in the official annual financial statements of the City. Gross Revenue excludes investment income earned on funds held in the Rebate Fund established under the Bond Ordinance.

**Notwithstanding the foregoing, the 2019 Series Ordinance provides that notwithstanding anything to the contrary in the Bond Ordinance, the Reserve Account established under the Bond Ordinance shall not secure the Series 2019 Bonds and the Series 2019 Bonds shall not be secured by, or entitled to any benefit from, amounts held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Ordinance. See “No Reserve Account” below.**

The Bond Ordinance defines “Half-Cent Sales Tax” to mean the proceeds of the Local Government Half-Cent Sales Tax received by the City from the State of Florida pursuant to Chapter 218, Part VI, Florida Statutes. See “HALF-CENT SALES TAX.”

### **Construction Fund**

The Bond Ordinance establishes a Construction Fund to be held by the City. In connection with the Series 2019 Bonds, the City has established within the Construction Fund a 2019A Construction Account and a 2019B Construction Account, respectively, to which proceeds of the Series 2019A Bonds and Series 2019B Bonds, as applicable, will be deposited. See “ESTIMATED SOURCES AND USES OF FUNDS.”

The Bond Ordinance provides that monies in the Construction Fund derived from the proceeds of Bonds shall be held in trust and applied to the payment of the Cost of any Project in accordance with the Bond Ordinance and the applicable Series Ordinance. Pending such application, such monies are subject to a lien and charge in favor of the holders of the applicable Series of Outstanding Bonds in the manner provided in the Bond Ordinance until paid out as provided in the Bond Ordinance.

When the construction of any Project is completed, which fact shall be evidenced to the Finance Director by a certificate stating the date of such completion, signed and approved by the Consulting Engineers, the balance in the Construction Fund relating thereto not reserved for the payment of any remaining part of the Cost thereof, or not otherwise required to be applied in any specified manner by a Series Ordinance relating to Bonds issued to finance such Project, shall be transferred, at the discretion of the City, to the credit of the Principal Account (or the payment of principal of the Bonds), to the credit of the Redemption Account (for the purchase of Bonds) or to the Surplus Fund (such transfer to the Surplus Fund being subject to the City having first obtained an opinion of Counsel with expertise in the field of tax-exempt municipal finance to the effect that such transfer shall not cause interest on any Bonds, other than Taxable Bonds, to be subject to federal income taxation) or retained in the Construction Fund to pay the Cost of a different Project.

### **Flow of Funds**

Pursuant to the Bond Ordinance, the City has created and designated a Gross Revenue Fund, a Sinking Fund (including separate Accounts therein designated the Interest Account, the Principal Account, the Redemption Account and the Reserve Account), the Surplus Fund and the Rebate Fund. The Funds and Accounts will be held in the custody of the City, unless otherwise provided in a Series Ordinance. The monies in the Funds and Accounts (excluding the Rebate Fund) shall be held by the City in trust in favor of the Bondholders until paid out or transferred as provided in the Ordinance. **Notwithstanding the foregoing, the Reserve Account shall not secure the Series 2019 Bonds.** See “No Reserve Account” below.

The monies required to be accounted for in each of the Funds and Accounts established under the Bond Ordinance may be deposited in a single bank account, and funds allocated to the various Funds and Accounts may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the monies on deposit therein and such investments for the various purposes of such Funds and Accounts as provided in the Bond Ordinance. The designation and establishment of the various Funds and Accounts shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenue for certain purposes and to establish certain priorities for application of such revenue as provided in the Bond Ordinance.

Except as provided by the Bond Ordinance, all Gross Revenue collected by the City will be deposited, when initially received, to the credit of the Gross Revenue Fund. The City, not later than the 25th day of each month after the Bonds are first issued, shall withdraw and transfer amounts sufficient to make deposits to the credit of the Funds or Accounts described below, in the following order or priority:

(a) to the credit of the Interest Account, such sums as shall be required to pay one-sixth of the interest which will become due on the next semi-annual Interest Payment Date on all Bonds then Outstanding (except as to Capital Appreciation Bonds and Capital Appreciation and Income Bonds prior to their applicable Interest Commencement Date); provided, however, that

such monthly deposits for interest shall not be required to be made to the extent that money on deposit therein is sufficient for such purpose;

(b) to the credit of the Principal Account, such sums as shall be required to pay one-twelfth of the amount of principal which will become payable on the next principal payment date on all Serial Bonds then Outstanding (including the Accreted Value and Appreciated Value of any Serial Capital Appreciation Bonds and Capital Appreciation and Income Bonds, respectively, coming due on such maturity dates) and an amount equal to one-twelfth of the principal amount of Term Bonds then Outstanding required to be retired in satisfaction of the Amortization Requirements, if any, for such Bond Year (including the Accreted Value and Appreciated Value of any Term Capital Appreciation Bonds and Capital Appreciation and Income Bonds, respectively, which are required to be redeemed during such Bond Year); provided, however, that such monthly deposits for principal and Amortization Requirements shall not be required to be made to the extent that money on deposit therein is sufficient for such purpose;

(c) to the credit of the Reserve Account, such amount if any of any balance remaining after making the transfers under clauses (a) and (b) above as may be required to make the amount transferred in such month to the credit of the Reserve Account equal to the Reserve Account Deposit Requirement for such month for the Bonds then Outstanding; provided, however, that no such transfer shall be required in any month if the amount then to the credit of the Reserve Account shall not be less than an amount equal to the Reserve Account Requirement applicable to the Outstanding Bonds; and

(d) the balance, if any, remaining in the Gross Revenue Fund after making the deposits under clauses (a), (b) and (c) above shall be deposited to the credit of the Surplus Fund and expended as permitted by the Ordinance.

If the amount transferred in any month to the credit of any of the Funds or Accounts shall be less than the amount required to be transferred under the Ordinance, the requirement therefor shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be transferred in each month thereafter until such time as all such deficiencies have been funded.

Money held for the credit of the Redemption Account shall be applied to the retirement of Bonds as follows:

An Authorized Officer may endeavor to purchase any Bonds secured by the Ordinance and then Outstanding, whether or not such Bonds shall then be subject to redemption, on the most advantageous terms obtainable with reasonable diligence, such price not to exceed the principal of such Bonds plus the amount of the redemption premium, if any, which might on the next redemption date be paid to the holders of such Bonds under the provisions of the Ordinance if such Bonds should be called for redemption on such date from monies in the Sinking Fund. The Authorized Officer shall, prior to the date fixed for redemption, withdraw from the Interest Account and the Principal Account and transfer to the Redemption Account the interest accrued on such Bonds to date of settlement therefor and the purchase price for such Bonds. The

Authorized Officer may transfer funds from the Gross Revenue Fund to the Redemption Account to effectuate a purchase of Bonds as aforesaid provided that said Authorized Officer determines that such transfer will not impair the City's ability to fully fund the Funds and Accounts as provided in the Ordinance.

An Authorized Officer may call for redemption on each Interest Payment Date on which Bonds are subject to redemption, such amount of such Bonds as, with redemption premium, if any, will exhaust the monies which will be held for the credit of the Redemption Account on said Interest Payment Date as nearly as may be; provided, however, that no less than Fifty Thousand Dollars principal amount of Bonds or such other principal amount as may be provided in a Series Ordinance relating to the Bonds shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of the Ordinance. The Authorized Officer shall, prior to the redemption date, withdraw from the Interest Account and the Principal Account and transfer to the Redemption Account and then withdraw from the Redemption Account and set aside in separate accounts or deposit with the Paying Agent the respective amounts required for paying the interest on, and the principal and redemption premium of, the Bonds so called for redemption.

The expenses in connection with the purchase or redemption of any such Bonds shall be paid by the City from the Gross Revenue Fund. Notwithstanding the foregoing, in the event of any deficiencies in any of the Funds or Accounts or the Rebate Fund created by the Ordinance, the money in the Redemption Account shall be applied to make up all such deficiencies prior to applying any money in the Reserve Account for such purpose.

Money held for the credit of the Surplus Fund may be applied by the City in the following order of priority: (a) to make up deficiencies in any of the Funds and Accounts created by the Ordinance; and (b) to pay the principal of, redemption premium, if any, or Amortization Requirements, and the interest on, any Subordinated Obligation. Subject to prior application as described above, any monies in the Surplus Fund may be applied by the City: (i) to pay the Cost of the 2019A Project, the 2019B Project or any other Project; or (ii) to purchase or redeem Bonds or any notes issued in anticipation thereof; or (iii) for any other lawful purpose of the City.

Notwithstanding the foregoing, in the event of any deficiencies in any Funds or Accounts or the Rebate Fund, the money in the Surplus Fund shall be applied to make up all such deficiencies prior to applying any money in the Reserve Account for such purpose.

### **No Reserve Account**

**The 2019 Series Ordinance provides that notwithstanding anything to the contrary in the Bond Ordinance, the Reserve Account established under the Bond Ordinance shall not secure the Series 2019 Bonds and the Series 2019 Bonds shall not be secured by, or entitled to any benefit from, amounts held in the Reserve Account for the benefit of other Bonds issued and Outstanding under the Bond Ordinance.**

**Any amount deposited in the Reserve Account to secure a future Series of Bonds will be for the benefit of such Series of Bonds and not for the benefit of the Holders of the Series 2019 Bonds.**

Currently, none of the Prior Bonds are secured by the Reserve Account.

See “APPENDIX A – Copy of the Ordinance” for a detailed description of the requirements relating to the Reserve Account.

### **Additional Bonds**

The Series 2019 Bonds will meet the requirements of the Bond Ordinance relating to the issuance of Additional Bonds as a condition to their issuance.

In addition to the Prior Bonds and the Series 2019 Bonds, Additional Bonds may be issued in accordance with and secured by the Bond Ordinance, as supplemented, from time to time on a parity with the Prior Bonds and the Series 2019 Bonds and any other Additional Bonds or Refunding Bonds then Outstanding for the purpose of providing funds, together with other legally available funds, to pay all or any part of the Cost of a Project (other than the 2019A Project and 2019B Project) and to make deposits to the Funds and Accounts and pay other cost of issuance and expenses relating thereto, all as provided in a related Series Ordinance; provided, however, prior to or simultaneously with the delivery of any Additional Bonds, there shall be obtained and filed with the City, the following:

(a) A copy, certified by the Clerk, of any Series Ordinance relating to such Additional Bonds;

(b) A copy, certified by the Clerk, of a certificate signed by the Finance Director, stating the amount of Gross Revenue for any twelve (12) consecutive months of the eighteen (18) months immediately preceding the date of the Additional Bonds with respect to which the certificate is made ("Test Period");

(c) A written opinion of an Accountant or the Consulting Engineers stating that the Gross Revenue for the Test Period is equal to not less than 140% of the maximum Principal and Interest Requirements in the current or any future Bond Year for all Bonds then Outstanding and the Additional Bonds proposed to be issued;

(d) A written opinion of the City Attorney stating that he or she is of the opinion that the issuance of such Additional Bonds has been duly authorized, that all conditions precedent to the delivery of such Additional Bonds have been fulfilled, and that the Ordinance and any Series Ordinance relating to such Additional Bonds creates a valid and enforceable pledge of the Gross Revenue and a lien for the benefit of the Bonds and Bondholders thereof on the monies on deposit in the Funds and Accounts and on the Gross Revenue, prior to any other lien thereon, but on a parity with any Outstanding Additional Bonds (which would include Outstanding Prior Bonds and Series 2019 Bonds) and Outstanding Refunding Bonds;

(e) A certificate of an Authorized Officer stating that provision has been made in an applicable Series Ordinance to fund the Reserve Account Requirement as same will exist following issuance of such Additional Bonds; and

(f) A certificate of an Authorized Officer to the effect that no Event of Default as defined in the Ordinance has occurred and is continuing as of the date of said certificate, which shall be dated within fifteen days prior to the date of issuance of the Additional Bonds.

### **Refunding Bonds**

In addition to the Prior Bonds, the Series 2019 Bonds and any Additional Bonds, Refunding Bonds may be issued in accordance with and secured by the Ordinance, from time to time on a parity with Prior Bonds and the Series 2019 Bonds, and any Additional Bonds and Refunding Bonds, then Outstanding for the purpose of providing funds, together with other legally available funds, for refunding all or any portion of the Bonds or any one or more Series issued under the provisions of the Bond Ordinance, and/or refunding any Subordinated Obligation, including in each case the payment of all amounts necessary to defease the refunded obligations in accordance with the provisions thereof and as shall be specified in any Series Ordinance relating to the Refunding Bonds, and to make deposits to the Funds and Accounts and pay other costs of issuance and expenses relating thereto; provided, however, prior to or simultaneously with the delivery of any Refunding Bonds, there shall be obtained and filed with the City the following:

(a) A copy, certified by the Clerk, of any Series Ordinance relating to the Refunding Bonds;

(b) A written opinion of the City Attorney stating that he is of the opinion that the issuance of such Refunding Bonds has been duly authorized, that all conditions precedent to the delivery of such Refunding Bonds, including defeasance of the Bonds to be refunded, have been irrevocably provided for, fulfilled or otherwise satisfied, and that the Ordinance and any Series Ordinance relating to such Refunding Bonds creates a valid and enforceable pledge of the Gross Revenue and a lien for the benefit of the Refunding Bonds and Bondholders thereof on the monies on deposit in the Funds and Accounts and on the Gross Revenue, prior to any other lien thereon, but on a parity with the Outstanding Prior Bonds, Outstanding Series 2019 Bonds and any Outstanding Additional Bonds and Refunding Bonds;

(c) A copy, certified by the Clerk, of a certificate signed by an Authorized Officer, confirming any one of the following:

(i) that the maximum Principal and Interest Requirements for all Outstanding Bonds after issuance of the Refunding Bonds (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the maximum Principal and Interest Requirements for all Outstanding Bonds prior to issuance of the Refunding Bonds; or

(ii) that the Average Annual Debt Service Requirement for all Outstanding Bonds after issuance of the Refunding Bonds (excluding any Bonds being defeased by

proceeds of the Refunding Bonds) is not greater than the Average Annual Debt Service Requirement for all Outstanding Bonds prior to issuance of the Refunding Bonds; or

(iii) that the sum of the present values of the Principal and Interest Requirements for each year for all Outstanding Bonds after issuance of the Refunding Bonds (excluding any Bonds being defeased by proceeds of the Refunding Bonds) is not greater than the sum of the Present Values of the Principal and Interest Requirements for each year for all Outstanding Bonds prior to issuance of the Refunding Bonds, using as a discount factor for computation of same the yield on the Bonds being defeased.

(d) A certificate of an Authorized Officer stating that provision has been made in an applicable Series Ordinance to fund the Reserve Account Requirement as same will exist following issuance of such Refunding Bonds; and

(e) A certificate of an Authorized Officer to the effect that no Event of Default as defined in the Bond Ordinance has occurred and is continuing as of the date of said certificate, which shall be dated within fifteen days prior to the date of issuance of the Refunding Bonds.

### **Issuance of Subordinate Obligations**

The City may issue obligations other than the Bonds from time to time which are payable in whole or in part from the Gross Revenue but only if such obligations are, by their terms, subordinated to the lien on Gross Revenue in favor of all Bonds theretofore or thereafter issued under the provisions of the Bond Ordinance. Nothing in the Bond Ordinance shall be construed as in any way prohibiting or limiting the power of the City to enter into agreements, including interest rate swaps, incur obligations, undertake indebtedness or otherwise enter into financing transactions to the extent such agreements, obligations, indebtedness or financing transactions do not impose any liens upon the Gross Revenue and are payable from sources other than Gross Revenue. The foregoing shall include bond or revenue anticipation notes, including notes anticipated to be paid from proceeds of Bonds issued under the Bond Ordinance, and any other obligation of the City payable from funds, and subject to appropriation thereof, other than Gross Revenue.

### **Investment of Monies**

Monies held for the credit of the Construction Fund, the Gross Revenue Fund, the Sinking Fund, and the Surplus Fund shall, as nearly as may be practicable, be continuously invested and reinvested by an Authorized Officer in Investment Securities which shall mature, or which shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when monies held for the credit of said Funds and Accounts will be estimated by an Authorized Officer to be required for the purposes intended (which, in the case of the Reserve Account, may be as late as the final maturity date of the Bonds), or in Time Deposits; provided, however, that each such Time Deposit shall permit the monies so placed to be available for use at the time provided above. Any and all such investments shall comply with any requirements set forth in any certificate or other instrument of the City with respect to preventing any Series of Bonds (other than Taxable Bonds) from being

characterized as "arbitrage bonds" within the meaning of Section 148 of the Code or any successor provision thereto.

Investment Securities and Time Deposits so purchased as an investment of monies in any such Fund or Account shall be deemed at all times to be part of such Fund or Account. The interest accruing thereon and any gain realized from such investment shall be credited to, and any loss resulting from such investment shall be charged to, the respective Fund or Account. An Authorized Officer may sell or present for payment or redemption any Investment Securities so acquired whenever it shall be necessary in order to provide monies to make any payment from such Fund or Account. Neither the City, nor any agent thereof, shall be liable, or responsible, for any loss resulting from any such investment. In computing the amount in any Fund or Account, obligations purchased as an investment of monies therein shall be valued at the market price thereof.

Any and all income received from the investment of monies in the Sinking Fund (excluding the Reserve Account) and the Surplus Fund shall be deposited upon receipt thereof in the Gross Revenue Fund. Any and all income received from the investment of monies in the Reserve Account shall be deposited upon receipt thereof in the Gross Revenue Fund; provided, however, such income shall be retained in the Reserve Account in the event that amounts on deposit therein are less than the Reserve Account Requirement.

Any income received from the investment of monies in the Construction Fund shall remain therein until completion of the Project for which such monies were held and, to the extent any excess income remains at the end of such Project, same shall be applied in the manner set forth in Section 4.05 of the Bond Ordinance, as described above under "Construction Fund."

### **Limited Liability**

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS SOLELY FROM THE GROSS REVENUE AND, TO THE EXTENT PROVIDED IN THE BOND ORDINANCE, FROM THE MONIES ON DEPOSIT FROM TIME TO TIME IN THE FUNDS AND ACCOUNTS CREATED UNDER THE ORDINANCE (EXCLUDING THE RESERVE ACCOUNT, WHICH SHALL NOT SECURE THE SERIES 2019 BONDS). THE SERIES 2019 BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. THE FAITH AND CREDIT OF THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, BROWARD COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY TAXES WHATEVER THEREFOR, OR TO MAKE ANY APPROPRIATION FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2019 BONDS, EXCEPT, WITH RESPECT TO THE CITY, AS PROVIDED IN THE ORDINANCE. See "APPENDIX A – Copy of the Ordinance."

## Events of Default; Remedies

### Events of Default

Section 9.02 of the Bond Ordinance provides that each of the following is an “Event of Default” thereunder:

(a) payment of the principal of and the redemption premium, if any, on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable; or

(c) redemption of Term Bonds in accordance with an Amortization Requirement shall not be made as required; or

(d) the City admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee; or

(e) the City is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt or a petition in bankruptcy is filed against the City, or an order, judgment or decree is entered by a court of competent jurisdiction appointing, without the consent of the City, a receiver or trustee of the City and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety days from the date of entry thereof; or

(f) the City shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(g) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property, and such custody or control shall not be terminated within ninety days from the date of assumption of such custody or control; or

(h) the City shall default in its obligation to duly and punctually perform any other of the material covenants, conditions, agreements and provisions contained in the Bonds or in this Ordinance and such default shall continue for thirty days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the registered owners of not less than ten percent in aggregate principal amount of the Bonds then Outstanding; or

(i) written notice shall have been received by the City from a Credit Provider that an event of default has occurred under the agreement underlying a Credit Facility or Liquidity Facility, to the extent said notice is established as an event of default under the terms of any Series Ordinance relating to said Series of Bonds.

### Remedies

Section 9.03 of the Bond Ordinance provides that upon the happening and continuance of any Event of Default specified in clauses (a) through (i) of Section 9.02 of the Bond Ordinance, as described above, then and in every such case the holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding may, by a notice in writing to the City, declare the principal of all of the Bonds then Outstanding to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Bonds or in this Ordinance to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Bond Ordinance, monies shall have accumulated in the Sinking Fund sufficient to pay the principal of all matured Bonds then Outstanding, other than the principal of any Bonds not then due except by virtue of such declaration, and the interest accrued on such Bonds since the last Interest Payment Date, and all amounts then payable by the City under the Bond Ordinance shall have been paid or a sum sufficient to pay the same shall have been deposited by the City with the Paying Agent, and every other default in the observance or performance of any covenant, condition, agreement or provision contained in the Bonds or in this Ordinance (other than a default in the payment of the principal of such Bonds then due only because of a declaration under Section 9.03 of the Bond Ordinance) shall have been remedied, then and in every such case the holders of not less than a majority in aggregate principal amount of the Bonds not then due except by virtue of such declaration and then Outstanding may, by written notice to the City, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 9.04 of the Bond Ordinance provides that upon the happening and continuance of any Event of Default specified in Section 9.02 of the Bond Ordinance, the holders of not less than ten percent in aggregate principal amount of the Bonds then Outstanding hereunder may proceed to protect and enforce the rights of the Bondholders, under Florida law or under the Bond Ordinance, by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as such Bondholders shall deem most effectual to protect and enforce such rights.

Section 9.05 of the Bond Ordinance provides that notwithstanding anything to the contrary therein, if at any time the monies in the Sinking Fund shall not be sufficient to pay the principal of, the premium, if any, or the interest on the Bonds as the same are then due and payable (either by their terms or by the acceleration of maturities under the provisions of Section 9.03 of the Bond Ordinance), such monies together with any monies then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in Article IX of the Bond Ordinance or otherwise, shall be applied as provided in Section 9.05 of the of the Bond Ordinance.

See also “MUNICIPAL BOND INSURANCE OPTION” regarding the rights of the Insurer, if any, with respect to the Series 2019 Bonds.

## MUNICIPAL BOND INSURANCE OPTION

### General

At the time of pricing of the Series 2019 Bonds, a determination shall be made by the City as to whether to obtain a municipal bond insurance policy for all or a portion of either Series of the Series 2019 Bonds (or none of them) (the “Municipal Bond Insurance Policy” or the “Policy”). As of the date hereof, the City has obtained a commitment from \_\_\_\_\_, as the Insurer, to provide such Municipal Bond Insurance Policy, if any is obtained. See “APPENDIX E—Specimen Municipal Bond Insurance Policy” herein. Accordingly, certain information is provided herein regarding the Insurer. **Notwithstanding the references to the Insurer herein, there is no assurance that either Series of the Series 2019 Bonds, or any maturity of either, will be secured by a Municipal Bond Insurance Policy.**

If a Municipal Bond Insurance Policy is obtained, the following are selected risk factors relating to the Municipal Bond Insurance Policy and the Insurer. For purposes of such discussion, the Series 2019 Bonds secured by the Municipal Bond Insurance Policy (which may be less than all of the Series 2019 Bonds of either Series) are referred to as the “Insured 2019 Bonds.” Such discussion will apply to the Series 2019 Bonds only if the Municipal Bond Insurance Policy is obtained, and then, only with respect to the Insured 2019 Bonds.

In the event the Insurer of the Municipal Bond Insurance Policy securing the Insured 2019 Bonds becomes obligated to make payments with respect to the Insured 2019 Bonds, no assurance is given that such event will not adversely affect the market price of the Insured 2019 Bonds or the marketability (liquidity) for the Insured 2019 Bonds.

Certain of the long-term ratings on the Insured 2019 Bonds will be dependent in part on the financial strength of the Insurer and its claim paying ability. Such 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 such Insurer and of the ratings on the Insured 2019 Bonds insured by such Insurer will not be subject to downgrade and such event could adversely affect the market price of the Insured 2019 Bonds or the marketability (liquidity) for the Insured 2019 Bonds.

The obligations of the Insurer of the Municipal Bond Insurance Policy securing the Insured 2019 Bonds are contractual obligations and in an event of default by such 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 of the Municipal Bond Insurance Policy securing the Insured 2019 Bonds and no assurance or representation regarding the financial strength or projected financial strength of such Insurer is 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 2019 Bonds upon a claim under the Municipal Bond Insurance Policy, if one is obtained, for such payments and the claims paying ability of the Insurer of such Municipal Bond Insurance Policy, particularly over the life of the investment.

### **Rights of Insurer**

If there are any Insured 2019 Bonds, upon the occurrence and continuance of a default or an event of default under the Ordinance, the Insurer may be deemed to be the sole Holder of the Insured 2019 Bonds for all purposes, including, without limitation, for purposes of exercising remedies with respect thereto. No default or event of default may be waived with respect to the Insured 2019 Bonds, and no acceleration of the Insured 2019 Bonds may occur, without such Insurer's prior written consent. In addition, the Insurer shall have the right to consent to any amendment or supplement to the Ordinance that requires the consent of the Holders. Further, any amendment or supplement to the Ordinance that adversely affects the rights of the Insurer will be subject to the prior written consent of such Insurer. In the event the Insured 2019 Bonds are less than all of the Series 2019 Bonds, but represent at least a majority of the outstanding principal amount of the Series 2019 Bonds, the Insurer will effectively have the right to control the exercise of remedies with respect to the Series 2019 Bonds upon a default or Event of Default under the Ordinance and, subject to certain limitations set forth in the Ordinance, to approve any amendments and supplements to the Ordinance in lieu of the Holders of the Series 2019 Bonds.

### **The Policy**

[All to be updated]

#### General

Concurrently with the issuance of the Series 2019 Bonds, the Insurer may issue the Municipal Bond Insurance Policy for either Series of the Series 2019 Bonds, or any maturity thereof, if the City elects to obtain the Municipal Bond Insurance Policy (also referred to as the "Policy"). The Policy will guarantee the scheduled payment of principal of and interest on the Insured 2019 Bonds, if any, when due as set forth in the form of the Municipal Bond Insurance Policy included as Appendix E to this Official Statement.

#### Miscellaneous Matters

The Insurer makes no representation regarding the Series 2019 Bonds or the advisability of investing in the Series 2019 Bonds. In addition, the Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Insurer supplied by the Insurer and presented under the heading "MUNICIPAL BOND INSURANCE OPTION—The Policy."

## HALF-CENT SALES TAX

### General

As noted above, the Bond Ordinance defines “Gross Revenue” to include the proceeds received by the City from the “Half-Cent Sales Tax.” The term Half-Cent Sales Tax means, generally, the amount of the Local Government Half-Cent Sales Tax distributed by the State of Florida (the "State") from the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Trust Fund") to the City pursuant to the provisions of Chapter 218, Part VI, Florida Statutes (the "Sales Tax Act").

The State levies and collects a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, with the enactment of Chapter 218, Part VI, Florida Statutes, the Florida legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. See "Eligibility" below. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized.

Section 212.20, Florida Statutes, provides for the distribution of sales tax revenues collected by the State and further provides for the distribution of a portion of sales tax revenues to the Trust Fund, after providing for transfers to the General Fund. From 1993 until July 1, 2003, the proportion of sales tax revenues deposited in the Trust Fund (the "Statewide Half-Cent Sales Tax Revenues") was constant at 9.653% of all state sales tax remitted to the State by a sales tax dealer located within a particular county. Effective July 1, 2003, such proportion was reduced to 9.643%, effective July 1, 2004, such proportion was further reduced to 8.814% and effective September 1, 2014, such proportion was increased to 8.8854%, which remains in effect. Such amount deposited in the Trust Fund is earmarked for distribution to the governing body of such county and each participating municipality within that county pursuant to a distribution formula. The legislative intent of the increase described above was to offset a tax rate reduction for charges for electrical power and the legislative intent of the reductions described above was to freeze for one fiscal year the total amount of Statewide Half-Cent Sales Tax Revenues distributed to the counties and municipalities throughout the State. The negative impact on municipalities from decreases to the half-cent sales tax distribution was offset by the increased distribution to the Revenue Sharing Trust Fund for municipalities. Likewise, the negative impact of the change in half-cent sales tax distribution on smaller counties with a limited tax base was offset by the increased share of state taxes going for the emergency distribution. The net impact was to reduce the percentage of funds distributed to county governments equal to projected growth in income from the half-cent sales tax distribution. The general rate of sales tax in the State is currently 6%.

The Statewide Half-Cent Sales Tax Revenues are distributed from the Trust Fund on a monthly basis to participating units of local government in accordance with Sales Tax Act. For purposes of the foregoing, the Statewide Half-Cent Sales Tax Revenues do not include any sales tax revenues which may be distributed to Broward County, Florida (the "County") pursuant to Sections 212.054 and 212.055, Florida Statutes. The Sales Tax Act permits the City to pledge its share of the Statewide Half-Cent Sales Tax Revenues to the payment of principal and interest on indebtedness relating to any capital project.

As of October 1, 2001, the Trust Fund began receiving a portion of certain taxes imposed by the State on the sales of communication services (the "CST Revenues") pursuant to Chapter 202, Florida Statutes (the "CST Law"). Accordingly, moneys distributed from the Trust Fund now consist of funds derived from both general sales tax proceeds and CST Revenues required to be deposited into the Trust Fund. All moneys distributed to the County and then the City from the Trust Fund (whether derived from the general sales tax or from the portion of the CST Revenues) constitute Half-Cent Sales Tax Revenues for purposes of the Bond Ordinance and are a part of the Gross Revenue Funds pledged to the payment of Outstanding Bonds, including the Outstanding Series 2019 Bonds. Moneys received by the County or City pursuant to the CST Law that are not deposited in the Trust Fund do not constitute Half-Cent Sales Tax Revenues and are not pledged to the payment of the Outstanding Bonds, including the Outstanding Series 2019 Bonds, pursuant to the Bond Ordinance.

### **Eligibility**

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have:

- (i) reported its finances for its most recently completed fiscal year to the State Department of Financial Services as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of three (3) mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such three (3) mill ad valorem tax, to have received a remittance from the county pursuant to a municipal services benefit unit, collected an occupational license tax, utility tax, or ad valorem tax, or have received revenue from any combination of those four sources;
- (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;
- (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;

- (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and
- (vii) certified to the Florida Department of Revenue ("FDOR") that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law.

Although the Sales Tax Act does not impose any limitation on the number of years during which a county or municipality may receive distributions of the Statewide Half-Cent Sales Tax Revenues from the Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Statewide Half-Cent Sales Tax program, or the distribution formulas in Sections 212.20(6)(d) or 218.62 Florida Statutes, may be revised. To be eligible to receive distributions from the Trust Fund in future years, the City must comply with the financial reporting and other requirements of the Sales Tax Act. Otherwise, the City would lose its Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by the FDOR. Pursuant to the Bond Ordinance, the City has covenanted that it will proceed diligently to perform all things necessary on its part to maintain its eligibility to receive the Half-Cent Sales Tax. The City has complied in all material respects with the requirements of the Sales Tax Act, including the filing of a certificate of compliance with FDOR, which is necessary in order for the City to receive its portion of the proceeds of the Statewide Half-Cent Sales Tax from the Trust Fund during the Fiscal Year ended September 30, 2019, and expects to take all action necessary in order for the City to receive its portion of the Statewide Half-Cent Sales Tax proceeds from the Trust Fund in the future. The City has always maintained eligibility to receive the Sales Tax Revenues. **[TO BE CONFIRMED]**

### **Distribution Formula**

Statewide Half-Cent Sales Tax revenues collected within a county and deposited in the Trust Fund are distributed among such county and the eligible municipalities therein in accordance with the following formula:

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County's share (expressed as a percentage of such Half-Cent Sales Tax revenues)	=	Unincorporated county population	+	$\frac{2}{3}$ of the incorporated population
		total county population	+	$\frac{2}{3}$ of the incorporated county population
Each municipality's share (expressed as a percentage of such Half-Cent Sales Tax revenues)	=	Municipality population		
		Total county population	+	$\frac{2}{3}$ of the incorporated county population

For purposes of the foregoing formula, “population” is based upon the latest official State estimate of population certified prior to the beginning of the local government fiscal year.

### Recent Legislation

The Florida Legislature passed CS/HB 7087 during its 2018 session that went into effect on July 1, 2018. Among other things, CS/HB 7087 implemented new, extended, or expanded sales tax exemptions for: sales tax credits for contributions to the Gardiner Scholarship and Florida Tax Credit Scholarship programs; certain generators for nursing homes and assisted living facilities; and certain purchases of agriculture related fencing materials and building materials for repair of storm damage from Hurricane Irma. Additionally, CS/HB 7087 added sales tax holidays including: a ten-day "back-to-school" holiday for clothing, footwear, school supplies, and computers; and seven-day "disaster preparedness" holiday for sales of specified items related to disaster preparedness.

The City does not expect CS/HB 7087 will have an adverse impact on its ability to pay debt service on the Outstanding Bonds, including the Outstanding Series 2019 Bonds. **[TO BE CONFIRMED]**

The Florida Legislature passed CS/HB 7123 during its 2019 session, which went into effect on May 15, 2019. CS/HB 7123 includes a temporary three-day “back-to-school” holiday for certain clothing, school supplies, and personal computers, and a permanent seven-day “disaster preparedness” holiday for specified disaster preparedness items. The City does not expect CS/HB 7123 will have an adverse impact on the receipt by the City of Half-Cent Sales Tax revenues included in Gross Revenue and pledged to the Outstanding Bonds, including the Series 2019 Bonds. **[TO BE CONFIRMED]**

### Proposed Legislation

From time to time legislation is proposed in the Florida Legislature that affect the Statewide Half-Cent Sales Tax. No assurance can be given that pursuant to action by the Florida Legislature in the future: (i) changes will not be made to the Sales Tax Act, or (ii) such changes

to the Sales Tax Act will not have a material adverse impact on the receipt by the City of Half-Cent Sales Tax revenues included in Gross Revenue and pledged to the Outstanding Bonds, including the Series 2019 Bonds.

**Historical Collections**

The following table sets forth historical data regarding the collection of Gross Revenue collected for the Fiscal Years shown below (audited) and projected (unaudited) collections of Gross Revenue for Fiscal Year 2019, based on actual collections through \_\_\_\_\_, 2019. **[Were any new municipalities incorporated during this period?]**

Historical Collections of Gross Revenue

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$4,311,001.64	\$4,539,496.75	\$4,639,163.74	\$4,838,714.55	

Source: City of Lauderhill, Florida Department of Finance and Support Services.

The City’s percentage of the County-wide total distributions of the Statewide Half-Cent Sales Tax revenues in each of the State Fiscal Years ended June 30, 2015 through June 30, 2018, inclusive, **[can this be updated?]** has been approximately \_\_\_%.

The amount of the Statewide Half-Cent Sales Tax Revenues distributed to the City is subject to increase or decrease due to (i) more or less favorable economic conditions, (ii) increases or decreased in the dollar volume of taxable sales within the County, (iii) legislative changes in the sales tax rate and changes in the amount of Statewide Half-Cent Sale Tax Revenues deposited into the Trust Fund, and (iv) other factors which are beyond the control of the City, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sale tax collected by the State, deposited into the Trust Fund, and then available for distribution to the City.

In particular, the share of the Statewide Half-Cent Sales Tax Revenues deposited in the Trust Fund which is to be distributed to the City will be affected by changes in the relative populations of the incorporated and unincorporated areas of the County and are also subject to change by the annexation of previously unincorporated areas of the County by municipalities in the County or by the incorporation of previously unincorporated areas of the County. Should any unincorporated area of the County hereafter be annexed into a municipality or incorporate as a municipality, the share of the Statewide Half-Cent Sales Tax Revenues received by the City would be reduced.

**Pro Forma Historical Debt Service Coverage**

Set forth below is a table that shows the collection of Gross Revenue for Fiscal Years 2015 through 2018 and budgeted collections for Fiscal Year 2019 and the pro forma coverage of the Principal and Interest Requirements on the Series 2019 Bonds, assuming the Series 2019 Bonds were Outstanding during such Fiscal Years.

**City Of Lauderhill, Florida**  
**Pro Forma Historical Gross Revenue, Debt Service and**  
**Coverage**  
**(assuming debt service payments were required in each of the years indicated)**

<u>Fiscal Year</u>	<u>A</u> Total <u>Gross Revenue</u> <sup>(1)</sup>	<u>B</u> <u>Prior Bonds</u>	<u>C</u> <u>Series 2019 Bonds</u> <sup>(3)</sup>	<u>D=A/B+C</u> Debt Service Coverage on <u>Bonds</u> <sup>(3)</sup>
2019				
2018				
2017				
2016				
2015				

Source: City of Lauderhill, Florida Department of Finance and Support Services.

- (1) Projected for 2019, based on actual collections through \_\_\_\_, 2019. Actual for Fiscal Years 2015-2018.
- (2) Represents the maximum Principal and Interest Requirements on the Prior Bonds, which occurs in Fiscal Year 20\_\_.
- (3) Estimated, subject to change, based on the final pricing details of the Series 2019 Bonds. Represents the maximum Principal and Interest Requirements on the Series 2019 Bonds, which occurs in Fiscal Year 20\_\_. Note that principal amortization on the Series 2019[A][B] Bonds does not commence until 20\_\_\_\_. The maximum Principal and Interest Requirements on the Series 2019 Bonds are included solely for purposes of showing the amount of coverage that would have been available if the Series 2019 Bonds had been issued and outstanding as of the beginning of Fiscal Year 2015.

**OUTSTANDING NON-SELF SUPPORTING DEBT**  
**AND CERTAIN OTHER OBLIGATIONS**

**General**

The City meets certain of its financial needs through debt financing. The tables which follow set forth a schedule of the non-self supporting and self-supporting outstanding debt of the City as of June 30, 2019.

### Non-Self Supporting Debt<sup>(1)</sup>

<u>Name of Issue</u>	<u>Outstanding Principal Amount As of June 30, 2019</u>	<u>Final Maturity Date</u>
Half-Cent Sale Tax Refunding Revenue Bond, Series 2015 *	\$5,330,000	October 1, 2025
Half-Cent Sales Tax Refunding Revenue Bonds, Series 2011B*	\$2,005,000	October 1, 2023
Half-Cent Sales Tax Refunding Revenue Bonds, Series 2010*	\$2,530,000	October 1, 2024
Tax-Exempt Communications Service Tax Promissory Note, Series 2011		October 1, 2031
Taxable Communications Service Tax Promissory Note, Series 2011		October 1, 2026
Tax-Exempt Electric Franchise Promissory Note, Series 2011 <sup>(2)</sup>	\$3,017,302	October 1, 2026
Taxable Electric Franchise Promissory Note, Series 2011 <sup>(2)</sup>	\$2,557,565	October 1, 2026
Water Utility Tax Promissory Note, Series 2010	\$5,261,000	October 1, 2025
Capital Improvement Revenue Bonds, Series 2013 <sup>(3)</sup>		January 1, 2038
Capital Improvement Revenue Bond, Series 2014 <sup>(3)</sup>		January 1, 2029

Source: City of Lauderhill, Florida Department of Finance and Support Services.

<sup>(1)</sup> All outstanding non-self supporting debt bears interest at a fixed rate per annum.

<sup>(2)</sup> Additionally supported by the City's covenant to budget and appropriate from legally available non-ad valorem revenues on an annual basis amounts necessary to pay debt service on such loan in the event of certain events specified in the loan documents.

<sup>(3)</sup> Additionally supported by the City's covenant to budget and appropriate from legally available non-ad valorem revenues sufficient to cure a debt service deficiency, under the terms and conditions described in the related bond documents.

\*Collectively, the Prior Bonds.

## Self-Supporting Debt<sup>(1)</sup>

<u>Name of Issue</u>	<u>Outstanding Principal Amount As of June 30, 2019</u>	<u>Final Maturity Date</u>
Water and Sewer Revenue Bonds, Series 2018		October 1, 2038
Water and Sewer Refunding Revenue Bonds, Series 2016A		October 1, 2031
Taxable Water and Sewer Refunding Revenue Bonds, Series 2016B <sup>(1)</sup>		October 1, 2022
Stormwater Utility Refunding Revenue Bond, Series 2015B	\$3,060,000	April 1, 2024
Stormwater Utility Refunding Revenue Bond, Series 2015	\$2,925,000	October 1, 2028
Stormwater Utility Revenue Bond, Series 2014	\$1,610,000	October 1, 2029
Water and Sewer Revenue Bonds, Series 2012		October 1, 2027

Source: City of Lauderhill, Florida Department of Finance and Support Services.

- <sup>(1)</sup> All outstanding self-supporting debt bears interest at a fixed rate per annum. The City's Water and Sewer Revenue Bonds, Series 2018 were issued on November 8, 2018 and are not reflected in the City's Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2018 attached hereto as "APPENDIX C."

## Direct Debt

The City's General Obligation Refunding Bonds, Series 2015 bear a fixed rate of interest, are outstanding in the principal amount of \$ \_\_\_\_\_ as of June 30, 2019, and are scheduled to mature on January 1, 2030. The City's General Obligation Bonds, Series 2017 bear a fixed rate of interest, are outstanding in the principal amount of \$ \_\_\_\_\_ as of June 30, 2019 and are scheduled to mature on January 1, 2042. The City's General Obligation Bonds, Series 2018 bear a fixed rate of interest, are outstanding in the principal amount of \$ \_\_\_\_\_ as of June 30, 2019 and are scheduled to mature on January 1, 2043.

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## **Other Liabilities of the City**

The City has also entered into various State Revolving Loan Funding Agreements (collectively, the “Loan Agreements”) with the State Department of Environmental Protection for stormwater and water and sewer improvements. A total of approximately \$ \_\_\_\_\_ in principal amount of these loans was outstanding as of June 30, 2019. The obligations of the City under the Loan Agreements are secured by a subordinate pledge of stormwater revenues and water and sewer revenues, as applicable.

The City has also entered into certain subject to annual appropriation capital equipment leases, including a financing lease in an initial principal amount of \$4,000,000 having a scheduled termination date of October 1, 2022. These leases are not indebtedness of the City.

The City has also caused to be issued its Refunding Certificates of Participation, Series 2017 (City Hall Project) (the “COPs”), which are outstanding as of June 30, 2019 in the principal amount of \$ \_\_\_\_\_. The COPs are not indebtedness of the City and are related to a subject-to-annual appropriation lease between the City and the Lauderhill Finance Corporation relating to the City’s administration building, which lease has a scheduled termination date of January 1, 2027.

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**COMBINED DEBT SERVICE REQUIREMENTS**

The following table sets forth the debt service requirements on the City’s Outstanding Prior Bonds and the Series 2019 Bonds<sup>(1)</sup>

Fiscal Year Ending	<u>Outstanding Prior Bonds</u>			<u>Series 2019A Bonds<sup>(2)</sup></u>			<u>Series 2019B Bonds<sup>(2)</sup></u>			Total Aggregate Debt Service <sup>(2)</sup>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
10/1/2019	\$1,460,000	\$189,527.90	\$1,649,527.90							
10/1/2020	1,505,000	405,299.20	1,910,299.20							
10/1/2021	1,545,000	358,049.20	1,903,049.20							
10/1/2022	1,595,000	309,555.00	1,904,555.00							
10/1/2023	1,635,000	259,524.00	1,894,524.00							
10/1/2024	1,735,000	208,285.00	1,943,285.00							
10/1/2025	485,000	152,889.00	637,889.00							
10/1/2026	495,000	141,782.00	636,782.00							
10/1/2027	510,000	128,466.50	638,466.50							
10/1/2028	525,000	114,543.50	639,543.50							
10/1/2029	535,000	100,001.00	635,001.00							
10/1/2030	555,000	85,021.00	640,021.00							
10/1/2031	570,000	69,259.00	639,259.00							
10/1/2032	585,000	52,957.00	637,957.00							
10/1/2033	600,000	35,992.00	635,992.00							
10/1/2034	620,000	18,352.00	638,352.00							
<b>TOTAL</b>	<u>\$14,995,000</u>	<u>\$2,629,503.30</u>	<u>\$17,584,503.30</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<sup>(1)</sup> Totals may not foot due to rounding.

<sup>(2)</sup> Estimated, subject to change, based on the final pricing details of the Series 2019 Bonds.

Source: City of Lauderhill, Florida

## **PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS**

### **General**

For a more detailed discussion and additional information regarding the City's pension plans and other post-employment benefits, see Notes 2, 10 and 11 and the required supplemental information on pages 88 through 94 inclusive, in the Excerpts from the Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2018 set forth in APPENDIX C.

### **Pension Plans**

#### Overview

The City maintains four separate single-employer, defined benefit plans for City employees, consisting of (i) the General Employee Retirement System (the "GERS"); (ii) the Firefighter Retirement System (the "FRS"); (iii) the Police Retirement System (the "PRS"); and (iv) the Confidential and Managerial Retirement System (the "CMRS"). The plans provide retirement, disability and death benefits to plan members and their beneficiaries. All employees are eligible to make voluntary contributions to a defined benefit plan (457 plan). Some managerial employees participated in a previously available 401-(A) money purchase plan. With the exception of the City Manager and directors of City departments, all other full-time employees hired after September 30, 2002 are required to participate in one of the defined benefit pension plans based on their job classification.

The assets of each plan may be used only for the benefit of the members and beneficiaries of that plan in accordance with the terms of each plan document. A separate five-member board of trustees administers each plan. Plan provisions are amended through the collective bargaining process and must be approved by the City Commission of the City.

#### General Employee Retirement System

For 2018, the City's annual pension cost for the GERS of \$966,275 equaled its required and actual contribution. The required contribution was determined by the October 1, 2017 actuarial valuation using the entry age normal actuarial cost method. Actuarial assumptions are 7.00% investment return, 2.0% inflation and 5% projected salary increases. As required by Chapter 112, Part VII, Florida Statutes, unfunded liabilities are amortized over 20 years. A one-time 3% cost of living increase was granted to current retirees as of November 25, 2002. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. GERS unfunded actuarial accrued liability is being amortized on an open level dollar basis. Twenty-five years remained in the amortization period at September 30, 2018.

At September 30, 2018, the City reported a liability of \$3,600,378 for its proportionate share of the pension plan's net pension liability. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017. At September 30, 2018, the City's

proportionate share was 11.86%, which was a decrease of 6.51% from its proportionate share measured as of September 30, 2017.

The components of the net pension liability of the City at September 30, 2018 with respect to the GERS were as follows:

Total pension liability	
Plan fiduciary net position	\$30,348,416
City net pension liability	<u>26,748,038</u>
	<u>\$ 3,600,378</u>

Plan fiduciary net position as a percentage of total pension liability 88.14%

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

For the Fiscal Year ended September 30, 2018, the City recognized pension expense of \$902,820. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual differences	\$ --	\$751,657
Change of assumptions	774,381	--
Net difference between projected and actual earnings on pension plan investments	<u>794,054</u>	<u>1,918,386</u>
Total	<u>\$1,568,435</u>	<u>\$2,670,043</u>

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

The amounts reports as deferred outflows of resources and deferred outflows related to the pension plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount:
2019	\$ (107,385)
2020	(144,020)
2021	(501,232)
2022	<u>(348,971)</u>
 Total	 <u><u>\$(1,101,608)</u></u>

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

### Firefighter Retirement System

For 2018, the City's annual pension cost for the FRS of \$3,575,356 equaled its required and actual contribution. The required contribution was determined by the October 1, 2017 actuarial valuation, using the entry age normal actuarial cost method. Actuarial assumptions are 7.85% investment return, 3% inflation and 7% projected salary increases. Cost of living adjustment is 1.5% after three years in retirement. In addition, contributions in the amount of \$372,790 were received from the State from fire and casualty insurance premium taxes. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. FRS unfunded actuarial accrued liability is being amortized on a closed level dollar basis. Twenty-five years remained in the amortization period at September 30, 2018.

At September 30, 2018, the City reported a liability of \$14,770,257 for its proportionate share of the pension plan's net pension liability. The net pension liability was measured as of September 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017. At September 30, 2018, the City's proportionate share was 14.65%, which was a decrease of 0.19% from its proportionate share measured as of September 30, 2017.

The components of the net pension liability of the City at September 30, 2018 with respect to the FRS were as follows:

Total pension liability	\$100,798,915
Plan fiduciary net position	<u>(86,028,658)</u>
City net pension liability	<u><u>\$ 14,770,257</u></u>
 Plan fiduciary net position as a percentage of total pension liability	 85.35%

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

For the Fiscal Year ended September 30, 2018, the City recognized pension expense of \$3,569,912. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual differences	\$ --	\$2,277, 116
Change of assumptions	4,536,637	--
Net difference between projected and actual earnings on pension plan investments	<u>1,015,997</u>	<u>3,703,486</u>
Total	<u>\$5,552,634</u>	<u>\$5,980,602</u>

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

The amounts reported as deferred outflows of resources and deferred outflows related to the pension plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount:
2019	\$ 346,575
2020	(480,586)
2021	(266,639)
2022	<u>(27,318)</u>
Total	<u>\$(427,968)</u>

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

#### Police Retirement System

For 2018, the City's annual pension cost for the PRS of \$2,529,175 equaled its required and actual contribution. The required contribution was determined by the October 1, 2017 actuarial valuation, using the entry age normal actuarial cost method. Actuarial assumptions are 7.4% investment return, 3% inflation and 5.5% projected salary increases. The post-retirement supplement is \$10 per month per year of credited service for all members employed by the City on or after April 25, 2011, provided that such members have at least 20 years of credited service with the City or provided such members left the City at age 55 or older with more than five years of credited service with the City **[(or more than seven years of credited service, if hired by**

**the City on or after September 28, 2016).] [For bargaining unit employees employed by the City on or after September 28, 2016, the supplemental payment is \$10 per month per year of service up to a maximum of twenty years of service (\$200 per month).] [NOTE: bracketed language not in 2018 CAFR—is it still correct?] In addition, a contribution in the amount of \$438,599 was received from the State from fire and casualty insurance premium taxes. The actuarial value of assets was determined using the market value of investments. PRS unfunded actuarial accrued liability is being amortized on a closed level dollar basis. Thirty years remained in the amortization period at September 30, 2018.**

At September 30, 2018, the City reported a liability of \$13,065,573 for its proportionate share of the pension plan's net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017. At September 30, 2018, the City's proportionate share was 15.49%, which was an increase of 0.99% from its proportionate share measured as of September 30, 2017.

The components of the net pension liability of the City at September 30, 2018 with respect to the PRS were as follows:

Total pension liability	\$84,346,770
Plan fiduciary net position	<u>(71,281,197)</u>
City net pension liability	\$13,065,573

Plan fiduciary net position as a percentage of total pension liability	84.51%
--	--------

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

For the Fiscal Year ended September 30, 2018, the City recognized pension expense of \$2,448,198. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Beginning balance as of 9/30/17	\$3,655,913	\$4,644,077
Amortization payments	(1,387,743)	(1,277,337)
Investment gain/loss	--	94,384
Demographic gain/loss	1,103,892	--
Change of assumptions	<u>1,377,890</u>	<u>--</u>
Balance as of 9/30/18	<u>\$4,749,952</u>	<u>\$3,461,124</u>

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

The amounts reported as deferred outflows of resources and deferred outflows related to the pension plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount:
2019	\$ 220,596
2020	(456,637)
2021	(226,417)
2022	440,218
2023	415,336
Thereafter	<u>895,732</u>
Total	<u>\$1,288,828</u>

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

#### Confidential and Managerial Retirement System

For 2018, the City's annual pension cost for the CMRS of \$2,564,476 equaled its required and actual contribution. The required contribution of 8% for employees was determined by the October 1, 2017 actuarial valuation, using the entry age normal actuarial cost method. Actuarial assumptions are 7.50% investment return, 3.0% inflation and 5.55% projected salary increases. The Board of Trustees may authorize a non-recurring cost of living adjustment benefit increase for retired members commencing in the third year after retirement, if the plan has a positive actuarial experience for the prior fiscal year. The actuarial value of assets was determined using the market value of investments. CMRS unfunded actuarial accrued liability is being amortized on a layered amortization. Nine years remained in the amortization period at September 30, 2018.

At September 30, 2018, the City reported a liability of \$11,345,015 for its proportionate share of the pension plan's net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017. At September 30, 2018, the City's proportionate share was 27.93%, which was a decrease of 3.40% from its proportionate share measured as of September 30, 2017.

The components of the net pension liability of the City at September 30, 2018 with respect to the CMRS were as follows:

Total pension liability	\$40,613,587
Plan fiduciary net position	<u>(29,268,572)</u>
City net pension liability	<u>\$11,345,015</u>
Plan fiduciary net position as a percentage of total pension liability	72.07%

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

For the Fiscal Year ended September 30, 2018, the City recognized pension expense of \$1,631,453. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Beginning balance as of 9/30/17	\$2,394,479	\$1,941,722
Amortization payments	(1,269,195)	(716,773)
Investment gain/loss	62,119	--
Demographic gain/loss	714,669	--
Change of assumptions	<u>342,355</u>	<u>--</u>
Balance as of 9/30/18	<u>\$2,244,427</u>	<u>\$1,224,949</u>

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

The amounts reported as deferred outflows of resources and deferred outflows related to the pension plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount:
2019	\$ 503,861
2020	151,654
2021	140,134
2022	<u>223,829</u>
Total	<u>\$1,019,478</u>

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

### **Other Post-Employment Benefits**

#### General

The City's Other Post-Employment Benefits (OPEB) is presented in accordance with GASB Statement 75. GASB 75 replaces the requirements of GASB Statement No. 45, as amended, and GASB Statement No. 57. The objective of GASB 75 is to improve the financial reporting by state and local governments for OPEB (other than pensions) and to improve information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions of GASB 75 became effective beginning with the financial statements of the City for the Fiscal Year Ended September 30, 2018. While GASB requires recognition and disclosure of the unfunded OPEB liability, there is no current requirement that the liability of such plan be funded. **[TO BE DISCUSSED: The City's Comprehensive Annual Financial Report for Year Ended September 30, 2018 notes that "the adoption of statement no. 75 has a material impact on the financial position or results of operation of the City."]**

GASB 75 requires governments to account for other OPEB on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. The post-employment benefit liability is recognized on the Statement of Net Position over time.

**[All to be confirmed]:**

**The City provides a single employer optional post-employment healthcare insurance coverage to eligible individuals, as well as dental and vision insurance coverage. Eligible individuals include all regular employees of the City who retired from active service and are eligible for retirement or disability benefits under the GERS, FRS, PRS and CMRS pension plans sponsored by the City. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children. Eligible individuals may choose healthcare coverage under an health maintenance organization (HMO) plan or**

under a preferred provider organization (PPO). The benefit continues until the retiree dies or terminates the benefit. Retirees contribute an amount equal to the actual premium for health insurance that is charged by the carrier. The premium varies depending on whether the retiree elects coverage under the HMO or PPO plan and whether the retiree elects single or family coverage. With respect to dental and vision coverage, it is assumed that the premium charged for retirees is not influenced by the fact that there are active employees who are covered by the same insurance, since the cost of dental and vision is not presumed to increase with age. However, there is an implied subsidy in the healthcare insurance premium for retirees because the premium charged for these retirees is the same as the premium charged for active employees, who are younger than retirees, on average. In addition, pursuant to Section 112.0801, Florida Statutes, employees who retired from the City may continue their participation in a City-sponsored health and/or dental insurance plan at the same premiums applicable to active employees. Benefit provisions and City contribution requirements are established and may be amended by the City Commission through collective bargaining.

Employees Covered

As of October 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	32
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	371
Total Participants covered by OPEB Plan	403

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

The City's total OPEB liability of \$4,597,791 was measured as of October 1, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.64%
Healthcare cost Trend Rates:	
Current Year Trend	3.59%
Second Year Trend	9.50%
Decrement	0.50%
Ultimate Trend	5.00%
Year Ultimate Trend is Reached	2028
Salary Increases	2.00%

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

The discount rate was based on the index provided by Bond Buyer 20-Bond General Obligation Index based on the 20 year AA municipal bond rate as of October 1, 2017. Mortality rates: SOA RP-2014 Total Dataset Mortality with Scale MP-2017(Base year 2006).

#### Changes in the Total OPEB Liability

	Fiscal Year Ending September 30, 2018
OPEB Liability Beginning of Year	\$4,597,791
Changes for the Year:	
Service Cost	157,335
Interest	163,217
Assumption Changes	(237,479)
Difference Between Actual and Expected Experience	-
Change in Actuarial Cost Method	-
Benefit Payments	(227,635)
OPEB Liability End of Year	<u>\$4,453,229</u>

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

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The October 1, 2017 valuation was prepared using a discount rate of 3.64%. If the discount rate were 1% higher than what was used in this valuation, the Total OPEB Liability as of September 30, 2018 would decrease to \$3,988,672 or by ( 10.43%). If the discount rate were 1% lower than what was used in this valuation, the Total OPEB Liability would increase to \$4,500,315 or by 1.06%.

	Discount Rate		
	1% Decrease	Baseline 3.64%	1% Increase
Total OPEB Liability	\$4,500,315	\$4,453,229	\$3,988,672

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

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The October 1, 2017 valuation was prepared using an initial trend rate of 3.59%. If the trend rate were 1% higher than what was used in this valuation, the Total OPEB Liability as of September 30, 2018 would increase to \$5,100,518 or by 14.54%. If the trend rate were 1% lower than what was used in this valuation, the Total OPEB Liability would decrease to \$4,165,865 or by (6.45%).

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 3.59%	1% Increase
Total OPEB Liability	\$4,165,865	\$4,453,229	\$5,100,518

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

OPEB Expense

For the year ended September 30, 2018, the City recognized an OPEB expense as follows:

	September 30, 2018
Service Cost	\$ 157,335
Interest	163,217
Amortization of Deferred Charges: Difference Between Expected and Actual Experience	278,848
Changes of Assumption or Other Inputs	(13,284)
Net OPEB Expense	\$ 586,116

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

## TAX MATTERS

### Matters Relating to the Series 2019B Bonds

#### 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 2019A Bonds in order to assure that interest on the Series 2019A Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. The City’s failure to comply with these requirements may cause interest on the Series 2019A Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City 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 2019A Bonds. The opinions of Co-Bond Counsel with respect to the Series 2019A 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 City with such requirements, and Co-Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the Series 2019A Bonds. The Ordinance does not require the City to redeem the Series 2019A Bonds or to pay any additional interest or penalty in the event the interest on the Series 2019A Bonds becomes taxable.

In the opinion of Bond Counsel, assuming continuing compliance by the City with the tax covenants referred to above, under existing law, interest on the Series 2019A 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, Co-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 2019A Bonds.

Co-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 Co-Bond Counsel are based on existing law, which is subject to change. As to questions of fact material to such opinions, Co-Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and others (including certifications as to the use of proceeds of the Series 2019A Bonds and of the property financed thereby), without undertaking to verify the same by independent investigation. Co-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 Co-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 Co-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 2019A Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2019A 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 2019A 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 2019A 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 2019A 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 2019A Bonds, gain from the sale or other disposition of the Series 2019A Bonds, the market value of the Series 2019A Bonds, or the marketability of the Series 2019A 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 2019A Bonds may occur. Prospective purchasers of the Series 2019A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2019A 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

Co-Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2019A Bonds. Owners of the Series 2019A Bonds are advised that, if the IRS does audit the Series 2019A Bonds, under current IRS procedures, at least during the early stages of an audit,

the IRS will treat the City as the taxpayer, and the owners of the Series 2019A Bonds may have limited rights to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2019A Bonds until the audit is concluded, regardless of the ultimate outcome. As noted above, the Ordinance does not require the City to redeem the Series 2019A Bonds or to pay any additional interest or penalty in the event the interest on the Series 2019A Bonds becomes taxable.

#### Tax Treatment of Original Issue Discount

The Series 2019A Bonds maturing on October 1, 20\_\_ through October 1, 20\_\_, inclusive, were sold at prices less than the stated principal amounts thereof (the “Discount Bonds”). The difference between the principal amount of the Discount Bonds and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Bonds of the same maturity was sold, is “original issue discount.” Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above as to stated interest on the Series 2019A Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering may be determined according to rules which differ from those described above. Prospective purchasers of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or the disposition of Discount Bonds and with respect to the state and local tax consequences of owning and disposing of Discount Bonds.

#### Tax Treatment of Original Issue Premium

The Series 2019A Bonds maturing on October 1, 20\_\_ through October 1, 20\_\_, inclusive (the “Premium Bonds”) were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount

equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond. Purchasers of Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Premium Bonds and with respect to the state and local consequences of owning and disposing of Premium Bonds.

## **Matters Relating to the Series 2019B Bonds**

### General

The following discussion is generally limited to “U.S. owners,” meaning beneficial owners of Series 2019B Bonds that for United States federal income tax purposes are individual citizens or residents of the United States, corporations or other entities taxable as corporations created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), and certain estates or trusts with specific connections to the United States. ***Partnerships holding Series 2019B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2019B Bonds (including their status as U.S. owners).***

### Interest Income

Interest on the Series 2019B Bonds is included in gross income for United States Federal income tax purposes.

### Recognition of Income Generally.

Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017, to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount and market discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Bonds under the Code

### Defeasance

The legal defeasance of the Series 2019B Bonds may result in a deemed sale or exchange of the Series 2019B Bonds under certain circumstances; owners of the Series 2019B Bonds should consult their tax advisors as to the federal income tax consequences of such an event. Prospective purchasers of the Series 2019B Bonds should consult with their own tax advisors as

to the federal, state and local, and foreign tax consequences of their acquisition, ownership and disposition of the Series 2019B Bonds.

### Information Reporting and Backup Withholding

General information reporting requirements will apply to payments of principal and interest made on a Series 2019B Bond and the proceeds of the sale of a Series 2019B Bond to non-corporate holders of the Series 2019B Bonds, and “backup withholding,” at a rate equal to the fourth lowest rate of tax under Section 1(c) of the Code will apply to such payments if the owner fails to provide an accurate taxpayer identification number in the manner required or fails to report all interest required to be shown on its federal income tax returns. A beneficial owner of a Series 2019B Bond that is a U.S. owner generally can obtain complete exemption from backup withholding by providing a properly completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification).

### Unearned Tax Affecting U.S. Owners

For taxable years beginning after December 31, 2012, a U.S. owner that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a tax on the lesser of (1) the U.S. owner’s “net investment income” for the taxable year and (2) the excess of the U.S. owner’s modified adjusted gross income for the taxable year over a certain threshold. A U.S. owner’s net investment income will generally include its interest income and its net gains from the disposition of the Series 2019B Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. owner that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the tax.

### **State Taxation**

In the opinion of Co-Bond Counsel, interest on the Series 2019 Bonds is exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

## **OTHER INFORMATION**

### **Ratings**

\_\_\_\_\_ (“\_\_\_\_\_”) has assigned a rating of “\_\_\_\_\_” to the Series 2019 Bonds. The rating reflects only the view of \_\_\_\_\_, and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by \_\_\_\_\_, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating, if any, may have an adverse effect on the market price of the Series 2019 Bonds. If there are any Insured 2019 Bonds, such Insured 2019 Bonds will have additional

rating(s) as a result of the related Municipal Bond Insurance Policy. See “MUNICIPAL BOND INSURANCE OPTION.”

## **Underwriting**

RBC Capital Markets, LLC, as the Underwriter, has agreed, pursuant to a contract with the City, subject to certain conditions, to purchase (i) the Series 2019A Bonds from the City at a purchase price of \$\_\_\_\_\_ (representing the \$\_\_\_\_\_ aggregate principal amount of the Series 2019A Bonds [less] [plus] [net] original issue [discount][premium] of \$\_\_\_\_\_ and less an Underwriter’s discount of \$\_\_\_\_\_) and (ii) (i) the Series 2019B Bonds from the City at a purchase price of \$\_\_\_\_\_ (representing the \$\_\_\_\_\_ aggregate principal amount of the Series 2019B Bonds [less] [plus] [net] original issue [discount][premium] of \$\_\_\_\_\_ and less an Underwriter’s discount of \$\_\_\_\_\_). The Underwriter’s obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2019 Bonds if any are purchased.

The Underwriter intends to offer the Series 2019 Bonds to investors at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without prior notice. The Series 2019 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriter and its affiliates may have certain creditor and/or other rights against the City and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## **Financial Advisor**

Dunlap & Associates, Inc., Orlando, Florida, is employed as Financial Advisor to the City (the “Financial Advisor”) in connection with the issuance of the Series 2019 Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Series 2019 Bonds is contingent upon the issuance and delivery of the Series 2019 Bonds. Dunlap & Associates, Inc.,

in its capacity as Financial Advisor, has relied on the opinion of Co-Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2019 Bonds, or the possible impact thereon of any present, pending or future actions taken by any legislative or judicial bodies.

## **Litigation**

The City is involved in various lawsuits arising in the ordinary course of operations. Although the outcome of these matters is not presently determinable, it is the opinion of management of the City, based upon consultation with legal counsel, that the outcome of these matters will not materially affect the financial position of the City.

At the closing of the Series 2019 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 2019 Bonds or the Ordinance, or seeking to enjoin or restrain any of the transactions referred to therein or contemplated thereby.

## **Registration and Qualification of 2019 Bonds For Sale**

The sale of the Series 2019 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 2019 Bonds been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Series 2019 Bonds under the securities laws of any jurisdiction in which the Series 2019 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2019 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 2019 Bonds by the City and with regard to the tax-exempt status of the Series 2019 Bonds are subject to the approving opinions of Greenspoon Marder LLP, Fort Lauderdale, Florida and Hall & Rosenberg, PL, Lauderhill, Florida, Co-Bond Counsel, whose approving opinions will be available at the time of delivery of the Series 2019 Bonds. Greenspoon Marder LLP, Fort Lauderdale, Florida and Hall & Rosenberg, PL, Sunrise, Florida, are also serving as Co-Disclosure Counsel in connection with the Series 2019 Bonds. Certain legal matters in connection with the issuance of the Series 2019 Bonds will be passed upon for the City by Hall & Rosenberg, PL, Sunrise, Florida, City Attorney, and for the Underwriter by its counsel, Moskowitz, Mandell, Salim & Simowitz, P.A., Fort Lauderdale, Florida.

The proposed text of the approving legal opinions of Co-Bond Counsel to be delivered concurrently with the delivery of the Series 2019 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 2019 Bonds.

The legal opinions to be delivered by Co-Bond Counsel, Co-Disclosure Counsel to the City and the City Attorney concurrently with the delivery of the Series 2019 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 2019 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 Co-Bond Counsel and Co-Disclosure Counsel and payment of the Underwriter's discount, which includes the fees of counsel to the Underwriter, are contingent upon the issuance of the Series 2019 Bonds.

The firms serving as Co-Bond Counsel and Co-Disclosure Counsel may, from time to time, serve as counsel to the Underwriter in transactions unrelated to the Series 2019 Bonds. The Underwriter has not identified any additional potential or actual material conflicts arising from such representation that require disclosure.

### **Financial Statements**

The City of Lauderhill's audited Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2018 is included herein as APPENDIX C and is an integral part of this Official Statement. Such audited Comprehensive Annual Financial Report, including the auditor's report, has been included in this Official Statement as a public document and consent from the auditor was not requested. The auditor has not performed any services relating to the inclusion of such audited Comprehensive Annual Financial Report in this Official Statement.

### **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 2019 Bonds and agrees to provide certain financial information and operating data annually commencing with the Fiscal Year ending September 30, 2019 and to provide notices of the occurrence of certain enumerated events, as described in the Continuing Disclosure Certificate. Such covenants have been made in order to assist the Underwriter 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 2019 Bonds or any Beneficial Owner of a 2019 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. Digital Assurance Certification, L.L.C. is expected 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”). On March 18, 2014, one of the ratings of National Public Finance Guarantee Corporation was upgraded. This rating change affected the City’s then outstanding General Obligation Bonds, Series 2005 and Half-Cent Sales Tax Revenue Bonds, Series 2003. Notice of this rating change was not provided by the City as required by the applicable Prior Undertakings until June 19, 2014. In addition, while preparing information for the Official Statement relating to the City’s Water and Sewer Revenue Bonds, Series 2018, the City determined that the table reflecting the top ten customers of its Water and Sewer System for Fiscal Year 2017, which was filed on April 27, 2018 pursuant to its Prior Undertaking relating to the City’s Water and Sewer Refunding Revenue Bonds, Series 2016A Bonds and Water and Sewer Refunding Revenue Bonds, Series 2016B Bonds, was incorrectly compiled due to a clerical error. The City filed the corrected information on November 28, 2018. Other than as aforesaid, as of the date hereof, the City is in compliance in all material respects with its obligations under the Prior Undertakings that are currently in effect.

## **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. The City's actual results could differ materially from those discussed in such 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, 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. 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.

## **Authorization and Approval**

The 2019 Series Ordinance authorizing the issuance of the Series 2019 Bonds confirms the use of this Official Statement in connection with the public offering for sale of the Series 2019 Bonds, and authorizes the use of this Official Statement in the offering of the Series 2019 Bonds by the Underwriter. See "APPENDIX A—Copy of the Ordinance."

## **CITY OF LAUDERHILL, FLORIDA**

By: \_\_\_\_\_  
City Manager

**APPENDIX A**

**Copy of the Ordinance**

**APPENDIX B**

**Form of Opinion of Co-Bond Counsel**

**APPENDIX C**

**Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2018**

**APPENDIX D**

**Form of Continuing Disclosure Certificate**

**APPENDIX E**

**Specimen Municipal Bond Insurance Policy**