

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2026

NEW ISSUE: BOOK-ENTRY ONLY

RATINGS: See "Ratings" herein.

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2026 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption "TAX MATTERS," and (b) not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2026 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Such interest, however, may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

\$ _____ *

CITY OF PORT ST. LUCIE, FLORIDA

SPECIAL OBLIGATION REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2026

Dated: Date of Delivery

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

The City of Port St. Lucie, Florida (the "City") is issuing its \$ _____ * City of Port St. Lucie, Florida Special Obligation Refunding and Improvement Revenue Bonds, Series 2026 (the "Series 2026 Bonds"). The Series 2026 Bonds will be issued only as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof and will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be available to purchasers only under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive delivery of the Series 2026 Bonds. So long as any purchaser is the Beneficial Owner (as defined herein) of a Series 2026 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on such Series 2026 Bond. See "DESCRIPTION OF THE SERIES 2026 BONDS - Book-Entry Only System" herein. Interest on the Series 2026 Bonds will be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2027. U.S. Bank Trust Company, National Association, Jacksonville, Florida, will serve as the initial Paying Agent and Registrar.

The Series 2026 Bonds are subject to redemption prior to their maturity dates and/or purchase in lieu of optional redemption. See "DESCRIPTION OF THE SERIES 2026 BONDS"

The Series 2026 Bonds are being issued under the authority of, and in full compliance with, the Constitution and the laws of the State of Florida, including Chapter 166, Florida Statutes, as amended, the Charter of the City, and other provisions of law, Ordinance No. ____ enacted by the City Council on April 27, 2026, and Resolution No. ____ adopted on April 27, 2026 (collectively, the "Bond Resolution"). Proceeds from the Series 2026 Bonds, together with other legally available funds, will be used to (i) refund a portion of the City's outstanding Special Assessment Refunding Bonds, Series 2016 (Southwest Annexation Special Assessment District No. 1) (the "Series 2016 Bonds"), (ii) refund a portion of the City's outstanding Taxable Special Obligation Refunding Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), (iii) finance the Cost of the Park Project (as defined in the Bond Resolution), and (iv) pay costs of issuing the Series 2026 Bonds. See "PURPOSE OF THE SERIES 2026 BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

* Preliminary, subject to change.

The Series 2026 Bonds, and the interest thereon, are limited, special obligations of the City payable from and secured solely by Non-Ad Valorem Revenues (as defined herein). For a discussion of the security for the Series 2026 Bonds, see "SECURITY FOR THE SERIES 2026 BONDS" herein.

THE SERIES 2026 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE CITY, SECURED AND PAYABLE SOLELY BY A COVENANT OF THE CITY, SUBJECT TO CERTAIN CONDITIONS SET FORTH IN THE BOND RESOLUTION, TO BUDGET AND APPROPRIATE FROM NON-AD VALOREM REVENUES AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2026 BONDS, ALL IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. NO HOLDER OF ANY SERIES 2026 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2026 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2026 BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE NON-AD VALOREM REVENUES BUDGETED AND APPROPRIATED AS PROVIDED IN THE BOND RESOLUTION, ALL IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION.

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

The Series 2026 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the opinion on certain legal matters relating to their issuance by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed on for the City by Richard Berrios, Esq., City Attorney, and Bryant Miller Olive P.A., Miami, Florida, Disclosure Counsel. The Underwriters are being represented by Nelson Mullins Riley & Scarborough LLP, Orlando, Florida. PFM Financial Advisors LLC, Orlando, Florida, is serving as Municipal Advisor to the City with respect to the Series 2026 Bonds. It is expected that settlement for the Series 2026 Bonds will occur through the facilities of DTC in New York, New York, on or about _____, 2026.

Jefferies

PNC Capital Markets LLC

Dated: _____, 2026

RED HERRING LANGUAGE:

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The City has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

\$ _____ *
CITY OF PORT ST. LUCIE, FLORIDA
SPECIAL OBLIGATION REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2026

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

<u>Maturity (July 1)</u>	<u>Principal Amounts*</u>	<u>Interest Rates</u>	<u>Yields</u>	<u>Initial CUSIP Numbers**</u>
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*\$ _____ % Term Bond Due July 1, 20__ Yield ____ % CUSIP No.† _____

*\$ _____ % Term Bond Due July 1, 20__ Yield ____ % CUSIP No.† _____

**CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standards & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are included herein solely for the convenience of the purchasers of the Series 2026 Bonds. Neither the City nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

* Preliminary, subject to change.

CITY OF PORT ST. LUCIE, FLORIDA

City Hall
121 S.W. Port St. Lucie Boulevard
Port St. Lucie, Florida 34984
772-871-1775

MEMBERS OF THE CITY COUNCIL

Shannon Martin, Mayor
Jolien Caraballo, Vice Mayor
Stephanie Morgan, Councilwoman
David Pickett, Councilman
Anthony Bonna, Sr., Councilman

CITY OFFICIALS

City Manager

Jesus Merejo

Finance Director

Stephen Okiye

City Attorney

Richard Berrios

City Clerk

Sally Walsh

BOND COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Miami, Florida

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to 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 the City or the Underwriters. This Official Statement neither constitutes an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds, 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 furnished by the City, DTC (as to itself and the book-entry only system) and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of, the Underwriters. 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 the implication that there has been no change in the affairs of the City since the date hereof.

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

Upon issuance, the Series 2026 Bonds will not be registered under the Securities Act of 1933 or any state securities law, will not be listed on any stock or other securities exchange, and neither the Securities and Exchange Commission (the "SEC") nor any other federal, state, municipal or other governmental entity, other than the City, will have passed upon the accuracy or adequacy of this Official Statement or approved the Series 2026 Bonds for sale. The Bond Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exceptions contained in such Act.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement they may be obtained from Sally Walsh, City Clerk, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984, (772) 871-1775, upon prepayment of reproduction costs, postage and handling expenses.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2026 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2026 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS,

PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITERS AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2026 BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITES.

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OFFICIAL STATEMENT
relating to the issuance of
\$ _____*
CITY OF PORT ST. LUCIE, FLORIDA
SPECIAL OBLIGATION REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2026

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover page and the Appendices hereto, is to furnish certain information with respect to the issuance by the City of Port St. Lucie, Florida (the "City"), of its Special Obligation Refunding and Improvement Revenue Bonds, Series 2026, being issued in the aggregate principal amount of \$_____* (the "Series 2026 Bonds"). The Series 2026 Bonds are authorized to be issued pursuant to the Constitution and the laws of the State of Florida, including Chapter 166, Florida Statutes, as amended, the Charter of the City, and other provisions of law, Ordinance No. ____ enacted by the City Council on April 27, 2026, and Resolution No. ____, adopted on April 27, 2026 (collectively, the "Bond Resolution").

Capitalized terms used but not defined herein have the same meaning as when used in the Bond Resolution unless the context clearly indicates otherwise. See "APPENDIX C - FORM OF BOND RESOLUTION" attached hereto.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for the payment of the Series 2026 Bonds, and the rights and obligations of Registered Owners thereof. In particular, certain provisions of the Bond Resolution are summarized herein, but these summaries are qualified by the complete provisions of the Bond Resolution, and reference is made to the Bond Resolution for additional provisions not summarized herein. Copies of such documents may be obtained from Sally Walsh, City Clerk, 121 S.W. Port St. Lucie Boulevard, Port St. Lucie, Florida 34984, (772) 871-1775, upon prepayment of reproduction costs, postage and handling expenses.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any other statement which may have been made verbally or in writing in connection with the Series 2026 Bonds, other than the Bond Resolution, is to be construed as a contract with the Registered Owners of the Series 2026 Bonds.

* Preliminary, subject to change.

PURPOSE OF THE SERIES 2026 BONDS

General

The Series 2026 Bonds are being issued to provide funds, together with other legally available funds, to (i) refund a portion of the City's outstanding Special Assessment Refunding Bonds, Series 2016 (Southwest Annexation Special Assessment District No. 1) (the "Series 2016 Bonds"), (ii) refund a portion of the City's outstanding Taxable Special Obligation Refunding Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), (iii) finance the Cost of the Park Project, as more particularly described in "The Park Project" below, and (iv) pay costs of issuing the Series 2026 Bonds.

The net proceeds of the Series 2016 Bonds were issued and used by the City to (i) advance refund all of the City's outstanding Special Assessment Bonds, Series 2007B (Southwest Annexation Special Assessment District No.1) (the "Series 2007B Bonds"), and (ii) pay costs and expenses of issuing the Series 2016 Bonds.

The proceeds of the Series 2017 Bonds were issued and used by the City to (i) advance refund all of the City's outstanding Special Assessment Refunding, Series 2008A (City Center Special Assessment District) (the "Series 2008A Bonds"), and (ii) pay costs and expenses of issuing the Series 2017 Bonds.

The Park Project

The "Park Project" involves capital improvements to the 75-acre Torino Regional Park to expand recreational amenities and meet the needs of the City's growing population. The site features upland areas, a lake, and preserved natural space, with a focus on balancing active recreation and environmental preservation. Phase 1 improvements include:

- Dragon's Lair Skate Park, designed to meet national standards and support USA BMX Freestyle events
- Pickleball courts and a covered basketball court
- Destination playground and splash pad facilities
- Walking trails and shaded fitness areas
- Restroom facilities at key activity areas
- Multiple pavilions and gathering spaces
- Maintenance building and support infrastructure
- Bus pickup area
- Parking areas, internal roadways, utilities, drainage, lighting, and landscaping

The project also includes access improvements along NW North Torino Parkway, including a roundabout west of Briscoe Drive.

Plan of Refunding

Concurrently with the delivery of the Series 2026 Bonds, a portion of the proceeds of the Series 2026 Bonds, together with other legally available funds of the City, shall be deposited into an escrow deposit trust fund (the "2016 Escrow Fund") pursuant to the terms and provisions of an escrow deposit agreement (the "2016 Escrow Deposit Agreement"), between the City and Zions Bancorporation, National Association, Colorado Springs, Colorado, as Escrow Agent for the Series 2016 Bonds and a portion of the proceeds of the Series 2026 Bonds, together with other legally available funds of the City, shall be deposited into an escrow deposit trust fund (the "2017 Escrow Fund") pursuant to the terms and provisions of an escrow deposit agreement (the "2017 Escrow Deposit Agreement"), between the City and U.S. Bank Trust Company, National Association, Jacksonville, Florida, as Escrow Agent for the Series 2017 Bonds. The moneys deposited into the 2016 Escrow Fund shall be held in cash and invested in United States Treasury Obligations and used to pay the principal of and interest on the Series 2016 Bonds maturing on and after July 1, 2027 (the "2016 Refunded Bonds") and the moneys deposited into the 2017 Escrow Fund shall be held in cash and invested in United States Treasury Obligations and used to pay the principal of and interest on the Series 2017 Bonds maturing on or after July 1, 2027 (the "2017 Refunded Bonds"), as the same become due and payable upon maturity or prior redemption. Upon the deposit of such moneys and the application thereof all in accordance with each Escrow Deposit Agreement, in the opinion of Bond Counsel, rendered in reliance on a verification report from Robert Thomas CPA, LLC, Overland Park, Kansas, the 2016 Refunded Bonds and the 2017 Refunded Bonds will be deemed defeased and no longer outstanding for purposes of the resolution pursuant to which they were issued.

The bondholders of the 2016 Refunded Bonds shall be entitled to payment solely from the moneys deposited in the 2016 Escrow Fund pursuant to the 2016 Escrow Deposit Agreement. The bondholders of the 2017 Refunded Bonds shall be entitled to payment solely from the moneys deposited in the 2017 Escrow Fund pursuant to the 2017 Escrow Deposit Agreement. See "VERIFICATION OF ARITHMETICAL COMPUTATIONS" herein. The refunding of the 2016 Refunded Bonds and the 2017 Refunded Bonds are being undertaken to effect debt service savings for the City.

The 2016 Refunded Bonds and the 2017 Refunded Bonds each will be called for redemption less than 90 days after the date of delivery of the Series 2026 bonds at a redemption price of 100% of the principal amount thereof, plus accrued interest, without premium, to the redemption date.

The moneys held pursuant to the 2016 Escrow Deposit Agreement and the 2017 Escrow Deposit Agreement will not be available to pay debt service on the Series 2026 Bonds.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds expected to be received from the sale of the Series 2026 Bonds, together with other available moneys, and their expected applications are as follows:

Sources of Funds	
Par Amount of Series 2026 Bonds	\$
[Plus][Less] Original Issue [Premium][Discount]	
Available City Moneys	
<hr/>	
TOTAL SOURCES	\$
USES	
Project Fund Deposit	\$
Escrow Fund Deposits:	\$
Cash Deposits	
SLGS Purchases	
Delivery Date Expenses:	
Underwriters Discount	
Costs of Issuance ⁽¹⁾	
<hr/>	
TOTAL USES	\$

⁽¹⁾ Includes Underwriters' Discount, Bond Counsel, Disclosure Counsel and Municipal Advisor fees and expenses, rating agency fees and expenses, expenses and other costs associated with issuance of the Series 2026 Bonds.

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DESCRIPTION OF THE SERIES 2026 BONDS

Set forth below are descriptions of certain provisions contained in the Series 2026 Bonds and the Bond Resolution. Such provisions are qualified by reference to the full text thereof contained in the Bond Resolution. Other provisions contained in the Bond Resolution and in the Series 2026 Bonds, including but not limited to, provisions concerning events of default, remedies, supplemental and amendatory resolutions, with and without the consent of Bondholders, and defeasance of the Series 2026 Bonds are set forth in "APPENDIX C - FORM OF BOND RESOLUTION" hereto.

General

The Series 2026 Bonds shall be dated as of their date of delivery, shall be numbered from 1 upward in order of maturity preceded by the letter "R," shall be issued in the form of fully registered bonds in the denominations of \$5,000 and any integral multiple thereof, shall be in book-entry only form of registration, shall bear interest from their date of delivery, payable semi-annually, on January 1 and July 1 of each year, commencing on July 1, 2026. Principal of the Series 2026 Bonds shall be payable annually on each July 1, commencing July 1, 2027. Principal of and interest on the Series 2026 Bonds will be payable in the manner described under "DESCRIPTION OF THE SERIES 2026 BONDS- Book-Entry Only System" herein.

The Series 2026 Bonds will bear a Certificate of Authentication to be manually executed by U.S. Bank Trust Company, National Association, Jacksonville, Florida (the "Paying Agent" and "Registrar"), and no Series 2026 Bond will be valid or obligatory for any purpose unless the Certificate of Authentication thereon has been duly executed by the Registrar.

Book-Entry Only System

The Series 2026 Bonds will be available only in book-entry form in authorized denominations of \$5,000 and any integral multiple thereof. Purchasers of the Series 2026 Bonds will not receive certificates representing their interests in the Series 2026 Bonds purchased. The City has entered into a letter of representations with The Depository Trust Company ("DTC") providing for such book-entry system.

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE. THE CITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2026 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2026 BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2026 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2026 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2026 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

The Depository Trust Company (“DTC”), will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for the Series 2026 Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 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 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 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 registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2026 Bonds certificates will be printed and delivered to DTC.

NEITHER THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF, REDEMPTION PRICE OR INTEREST ON THE SERIES 2026 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Discontinuance of Securities Depository

DTC may discontinue providing its services with respect to the Series 2026 Bonds at any time by giving notice to the City or the Paying Agent and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry transfers through DTC at any time. In the event that the DTC book-entry only system is discontinued and it is not replaced with another book-entry system, the following provisions will apply: both principal of and interest on the Series 2026 Bonds shall be payable to the Holder in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Interest on the Series 2026 Bonds will be payable on each Interest Payment Date by check or draft of the Paying Agent, made payable to and mailed to the Bondholders, as shown on the registration books of the City on the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date. At the request of any Holder, such interest payments may be made by the Paying Agent by wire transfer to such Holder. Principal of the Series 2026 Bonds shall be payable to the Bondholders upon presentation, when due, at the designated corporate trust office of the Paying Agent.

Redemption Provisions

Optional Redemption

The Series 2026 Bonds which mature prior to July 1, 20__ are not subject to optional redemption. The Series 2026 Bonds which mature on or after July 1, 20__ are subject to redemption at the option of the City on or after July 1, 20__, in whole or in part at any time, in such manner as may be determined by the City and by lot within maturity if less than all, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date set for redemption and without premium.

Mandatory Sinking Fund Redemption

The Series 2026 Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption, in part, prior to maturity at a redemption price equal to the principal amount of such Series 2026 Bonds to be redeemed, without premium, plus accrued interest to the date of redemption, in the year and in the amount as follows:

Year (<u>July 1</u>)	Principal <u>Amount</u>
---------------------------	----------------------------

*Maturity.

The Series 2026 Bonds maturing on July 1, 20__ are subject to mandatory sinking fund redemption, in part, prior to maturity at a redemption price equal to the principal amount of such Series 2026 Bonds to be redeemed, without premium, plus accrued interest to the date of redemption, in the year and in the amount as follows:

Year (<u>July 1</u>)	Principal <u>Amount</u>
---------------------------	----------------------------

*Maturity.

Notice of Redemption

Notice of such redemption, which shall specify the Series 2026 Bond or Series 2026 Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the City, and (A) shall be filed with the Paying Agent of such Series 2026 Bonds, and (B) shall be mailed first class, postage prepaid, not less than 20 days prior to the redemption date to all Holders of Series 2026 Bonds to be redeemed at their addresses

as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail such notice to the Holders of the Series 2026 Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Series 2026 Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Series 2026 Bonds.

Each notice of redemption shall state: (1) the CUSIP numbers and any other distinguishing number or letter of all Series 2026 Bonds being redeemed, (2) the original issue date of such Series 2026 Bonds, (3) the maturity date and rate of interest borne by each Series 2026 Bond being redeemed, (4) the redemption date, (5) the Redemption Price, (6) the date on which such notice is mailed, (7) if less than all Outstanding Bonds are to be redeemed, the certificate number (and, in the case of a partial redemption of any Series 2026 Bond, the principal amount) of each Series 2026 Bond to be redeemed, (8) that on such redemption date there shall become due and payable upon each Series 2026 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2026 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable, (9) that the Series 2026 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar at an address specified, (10) the name and telephone number of a person designated by the Registrar to be responsible for such redemption, (11) unless sufficient funds have been set aside by the City for such purpose prior to the mailing of the notice of redemption, that such redemption is conditioned upon the deposit of sufficient funds for such purpose on or prior to the date set for redemption, and (12) any other conditions that must be satisfied prior to such redemption.

The City may provide that redemption may be contingent upon the occurrence of certain conditions and that if such conditions do not occur the notice of redemption will be rescinded, provided notice of rescission shall be mailed in the manner described above to all affected Holders not later than three business days prior to the date of redemption.

Purchase in Lieu of Optional Redemption

Notwithstanding anything in the Bond Resolution to the contrary, at any time the Series 2026 Bonds are subject to optional redemption pursuant to the Bond Resolution, all or a portion of the Series 2026 Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the City, on the date which would be the redemption date if such Series 2026 Bonds were redeemed rather than purchased in lieu thereof, at a purchase price equal to the Redemption Price which would have been applicable to such Series 2026 Bonds on the redemption date for the account of and at the direction of the City who shall give the Paying Agent, as trustee, notice at least ten (10) days prior to the scheduled redemption date accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Series 2026 Bonds. In the event the Paying Agent, as trustee, is so directed to purchase the Series 2026 Bonds in lieu of optional redemption, no notice to the holders of the Series 2026 Bonds to be so purchased (other than the notice of redemption otherwise required under the Bond Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase the funds which would have been used to pay the Redemption Price for such Series 2026 Bonds if such Series 2026 Bonds had been redeemed rather than purchased. Each Series 2026 Bond purchased shall not be canceled or discharged and shall be registered in the name of the City. The Series 2026 Bonds to be purchased under the Bond Resolution in the manner set forth above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

Interchangeability, Negotiability and Transfer

So long as the Series 2026 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of Series 2026 Bonds do not apply to the Series 2026 Bonds to the extent of a conflict with the DTC book-entry system.

The Series 2026 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2026 Bonds of the same maturity of any other authorized denominations.

The Series 2026 Bonds issued under the Bond Resolution shall be and have all the qualities and incidents of negotiable instruments under the law merchant and the Uniform Commercial Code of the State of Florida, subject to the provisions for registration of transfer contained in the Bond Resolution and in the Series 2026 Bonds. So long as any of the Series 2026 Bonds shall remain Outstanding, the City shall maintain and keep, at the office of the Registrar, books for the registration of transfer of the Series 2026 Bonds.

The transfer of any Series 2026 Bond shall be registered only upon the books of the City, at the office of the Registrar, under such reasonable regulations as the City may prescribe, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney with signature guaranteed. Upon the registration of transfer of any such Series 2026 Bond, the City shall issue, and cause to be authenticated, in the name of the transferee a new Series 2026 Bond or Series 2026 Bonds of the same aggregate principal amount and maturity as the surrendered Series 2026 Bond. The City, the Registrar and any Paying Agent or fiduciary of the City may deem and treat the Person in whose name any Outstanding Series 2026 Bond shall be registered upon the books of the City as the absolute owner of such Series 2026 Bond, whether such Series 2026 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and interest on such Series 2026 Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2026 Bond to the extent of the sum or sums so paid and neither the City nor the Registrar nor any Paying Agent or other fiduciary of the City shall be affected by any notice to the contrary.

Any Paying Agent of any fully registered Series 2026 Bond shall effect payment of interest on such Series 2026 Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which Series 2026 Bonds shall be exchanged or the transfer of Series 2026 Bonds shall be registered, the City shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of the Bond Resolution. Execution of Series 2026 Bonds by the Mayor and Clerk for purposes of exchanging, replacing or registering the transfer of Series 2026 Bonds may occur at the time of the original delivery of the Series 2026 Bonds. All Series 2026 Bonds surrendered in any such exchanges or registration of transfer shall be held by the Registrar in safekeeping until directed by the City to be cancelled by the Registrar. For every such exchange or registration of transfer, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or registration of transfer. The City and the Registrar shall not be obligated to make any such exchange or registration of transfer of Series 2026 Bonds during the fifteen (15) days next preceding a Payment Date on the Series 2026 Bonds or in the case of any proposed redemption of the Series 2026 Bonds, then, during the fifteen (15) days next preceding the date of

the first mailing of notice of such redemption and, in the case of the Series 2026 Bonds called for redemption, continuing until such redemption date.

The City may elect to issue the Series 2026 Bonds as uncertificated registered public obligations (not represented by instruments), commonly known as book-entry obligations, provided it shall establish a system of registration therefor by Supplemental Resolution. In accordance with the Bond Resolution, the City elects to initially provide for a book-entry only system of registration for the Series 2026 Bonds.

Series 2026 Bonds Mutilated, Destroyed, Stolen or Lost

In case any Series 2026 Bond shall become mutilated, or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Series 2026 Bond of like tenor as the Series 2026 Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2026 Bond upon surrender and cancellation of such mutilated Series 2026 Bond or in lieu of and substitution for the Series 2026 Bond destroyed, stolen or lost, and upon the Holder furnishing the City and the Registrar proof of his ownership thereof and indemnity satisfactory to the City and the Registrar and complying with such other reasonable regulations and conditions as the City or the Registrar may prescribe and paying such expenses as the City and the Registrar may incur. All Series 2026 Bonds so surrendered or otherwise substituted shall be cancelled by the Registrar. If any of the Series 2026 Bonds shall have matured or be about to mature, instead of issuing a substitute Series 2026 Bond, the City may pay the same or cause the Series 2026 Bond to be paid, upon being indemnified as aforesaid, and if such Series 2026 Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Series 2026 Bonds issued pursuant to the Bond Resolution shall constitute original, additional contractual obligations on the part of the City whether or not the lost, stolen or destroyed Series 2026 Bond be at any time found by anyone, and such duplicate Series 2026 Bond shall be entitled to equal and proportionate benefits and rights to the same extent as all other Series 2026 Bonds issued in accordance with the Bond Resolution.

SECURITY FOR THE SERIES 2026 BONDS

The Series 2026 Bonds shall not be or constitute general obligations or indebtedness of the City as "bonds" within the meaning of any constitutional or statutory provision, but shall be special obligations of the City, payable solely from amounts budgeted and appropriated by the City from Non-Ad Valorem Revenues in accordance with the Bond Resolution. No Holder of any Series 2026 Bond shall ever have the right to compel the exercise of any ad valorem taxing power to pay such Series 2026 Bond or be entitled to payment of such Series 2026 Bond from any moneys of the City except from the Non-Ad Valorem Revenues, in the manner and to the extent provided in the Bond Resolution.

Non-Ad Valorem Revenues shall mean the legally available non-ad valorem revenues of the City available to be budgeted and appropriated to pay the annual debt service on the Series 2026 Bonds. With respect to that portion of the Series 2026 Bonds allocable to the refunding of Series 2016 Bonds, Non-Ad Valorem Revenues shall include the special assessment proceeds derived from the special assessments levied within the Southwest Annexation Special Assessment District No. 1 with respect to the capital improvements refinanced by the Series 2016 Bonds.

Covenant to Budget and Appropriate

The City covenants and agrees to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its annual budget for each Fiscal Year, by amendment if necessary, legally available Non-Ad Valorem Revenues of the City in an amount which is sufficient to pay

scheduled debt service on the Series 2026 Bonds. Such covenant and agreement on the part of the City to budget and appropriate sufficient amounts of legally available Non-Ad Valorem Revenues is cumulative and shall continue until such legally available Non-Ad Valorem Revenues in amounts sufficient to make all required debt service payments shall have been budgeted, appropriated and actually paid; provided, however, that such covenant shall not constitute a lien, either legal or equitable, on any of the City's legally available Non-Ad Valorem Revenues or other revenues, nor shall it preclude the City from pledging in the future any of its legally available Non-Ad Valorem Revenues or other revenues to other obligations (subject to the anti-dilution provisions set forth below and in the Bond Resolution), nor shall it give the Bondholders a prior claim on the legally available Non-Ad Valorem Revenues. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues. Anything herein to the contrary notwithstanding, the obligation of the City to make debt service payments hereunder shall be secured only by the legally available Non-Ad Valorem Revenues actually budgeted and appropriated, as provided for in the Bond Resolution. The City may not expend moneys not appropriated or in excess of its current budgeted revenues. The obligation of the City to budget, appropriate and make debt service payments from its legally available Non-Ad Valorem Revenues is subject to the availability of legally available Non-Ad Valorem Revenues after satisfying funding requirements for obligations having an express lien on or pledge of such Non-Ad Valorem Revenues and after paying all Essential Services Expenses, as defined in the Bond Resolution.

The City covenants and agrees to transfer to the Paying Agent for the Series 2026 Bonds, solely from funds budgeted and appropriated as described in the Bond Resolution, on or before the date designated for payment of any principal of, Redemption Price, if applicable, or interest on the Series 2026 Bonds, sufficient moneys to pay such principal, Redemption Price, if applicable, or interest. The Registrar and Paying Agent shall utilize such moneys for payment of the principal and interest on the Series 2026 Bonds when due.

Anti-Dilution Test

The City will not in any Fiscal Year while any of the Series 2026 Bonds are Outstanding, issue any Senior Lien CB&A Obligations unless for the Computation Period, (A) the total Non-Enterprise Non-Ad Valorem Revenues, less (B) the product of (i) Non-Enterprise Non-Ad Valorem Revenues divided by Total Non-Enterprise Fund Revenues, times (ii) Essential Services Expenses, less (C) current interest and principal payments on Senior Lien Non-Enterprise Non-Ad Valorem Revenue Obligations equals or exceeds one hundred ten percent (110%) of Proposed CB&A Debt Service.

"Computation Period" shall mean (1) the period of 12 consecutive months out of the 24 months or (2) the complete Fiscal Year immediately preceding the date of issuance of the proposed Senior Lien CB&A Obligations.

"Enterprise Fund Revenues" shall mean all revenues received by the City from the operation of its (1) water and wastewater utility system, (2) stormwater utility system, and (3) building department.

"Essential Services Expenses" shall mean the expenses for services necessary for the conducting of the public safety and general governmental operations of the City during the Computation Period, as shown in the City's Consolidated Annual Financial Report.

"Non-Enterprise Non-Ad Valorem Revenues" shall mean all Non-Ad Valorem Revenues received during the Computation Period (1) without regard to any restriction upon the use of such Non-Ad Valorem Revenues or any existing or future liens on such Non-Ad Valorem Revenues and (2) excluding Enterprise Fund Revenues.

“Senior Lien CB&A Obligations” shall mean obligations secured by (1) a direct pledge of Non-Enterprise Non-Ad Valorem Revenues annually budgeted, appropriated and deposited into a debt service fund pursuant to a covenant to budget an appropriate, or (2) a covenant to budget and appropriate from Non-Enterprise Non-Ad Valorem Revenues but excludes obligations as to which the covenant to budget and appropriate Non-Enterprise Non-Ad Valorem Revenues (A) either (i) supplements some other primary source of security or (ii) relates to payments into a debt service reserve account or reimbursement under a debt service reserve fund surety policy reimbursement agreement, or (B) is expressly junior and subordinate to other covenants to budget and appropriate from Non-Enterprise Non-Ad Valorem Revenues, provided that the debt service coverage, without reference to the covenant to budget and appropriate referred to herein, on the obligations described in this clause (B) is at least 1.1x for the most recent Fiscal Year, otherwise the exclusion shall not apply for purposes of this definition.

“Senior Lien Non-Enterprise Non-Ad Valorem Revenue Obligations” shall mean Senior Lien Direct Pledge Obligations and Senior Lien CB&A Obligations.

“Total Non-Enterprise Fund Revenues” shall mean all revenues received by the City during the Computation Period, excluding Enterprise Fund Revenues.

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DEBT SERVICE SCHEDULE

The following table shows the estimated principal and interest requirements for the Series 2026 Bonds.

Fiscal Year Ending (September 30)	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2028			
2049			
2050			
2051			
2052			
2053			
2054			
2055			
2056			

TOTAL

DESCRIPTION OF NON-AD VALOREM REVENUES

The following is a description of the major Non-Ad Valorem Revenue sources of the City.

General

The City generally receives two primary sources of revenue: ad valorem taxes and non-ad valorem revenues. Ad valorem taxes may not be pledged for the payment of debt obligations of the City maturing more than twelve months from the date of issuance thereof without approval of the electorate of the City. *The ad valorem tax revenues of the City are NOT pledged as security for the payment of the Series 2026 Bonds and the City is NOT obligated to budget and appropriate ad valorem tax revenues for the payment of the Series 2026 Bonds.*

Non-ad valorem revenues of the City may be pledged or applied, subject to certain limitations disclosed herein, for the payment of debt obligations of the City. Such non-ad valorem revenues include a broad category of revenues, including, but not limited to, revenues received from the federal and state governments, investment income and income produced from certain services and facilities of the City, as described below.

As more fully described herein under "SECURITY FOR THE SERIES 2026 BONDS," the City has covenanted and agreed in the Bond Resolution, subject to certain restrictions and limitations, to budget and appropriate legally available and sufficient Non-Ad Valorem Revenues in each year to pay principal of and interest on the Series 2026 Bonds. The Holders of the Series 2026 Bonds do not have a lien on any specific Non-Ad Valorem Revenues of the City and the City has certain debt and other obligations payable in the same manner as the Series 2026 Bonds and also has outstanding certain other debt obligations payable from a prior lien upon and pledge of certain specific Non-Ad Valorem Revenues sources of the City.

A large percentage of the revenues of the City, including ad valorem taxes and Non-Ad Valorem Revenues, are deposited into the City's Governmental Funds. Furthermore, as described herein under "SECURITY FOR THE SERIES 2026 BONDS," the obligation of the City to budget and appropriate legally available Non-Ad Valorem Revenues is subject to a variety of factors, including the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the City or which are legally mandated by applicable law, and the obligation of the City to have a balanced budget.

The City is permitted by the Florida Constitution to levy ad valorem taxes at a rate of up to \$10 per \$1,000 of assessed valuation for general governmental expenditures. The General Fund ad valorem tax millage rate for the Adopted Fiscal Year 2025-2026 Budget is \$4.2991 per \$1,000. The City is also permitted by the Florida Constitution to levy ad valorem taxes above the \$10 per \$1,000 cap to pay debt service on general obligation long-term debt if approved by a voter referendum.

The Florida Department of Financial Services ("FDfs") has developed, as part of the Uniform Accounting System Manual's Chart of Accounts, six major categories of local government revenues: taxes; permits, fees and special assessments; intergovernmental revenues; charges for services; judgments, fines and forfeitures; and miscellaneous revenues. Using such categories, the following describes the sources of the City's Non-Ad Valorem Revenues and outlines the City's classification of such Non-Ad Valorem Revenues pursuant to the above-described categories:

Taxes

Electric Municipal Utilities Tax Revenues

The "Utilities Tax" (also, commonly referred to as the "Public Services Tax") is imposed by the City pursuant to the Constitution of the State and Section 166.231, Florida Statutes, and other applicable provisions of law. Florida law authorizes any municipality in the State to levy a utilities tax on the purchase within such municipality of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. Services competitive with those enumerated in the previous sentence, as defined by ordinance, shall be taxed on a comparable base at the same rates. However, fuel oil shall be taxed at a rate not to exceed 4 cents per gallon.

Florida law provides that a municipality may exempt from the utilities tax the first 500 kilowatts of electricity per month purchased for residential use, metered or bottled gas or fuel oil for agricultural purposes, purchases of electricity, natural gas, liquefied petroleum gas or manufactured gas by industrial customers for use in industrial manufacturing or processing facilities in the municipality and electrical energy used in a facility located in a designated enterprise zone. The City has not adopted any such exemptions but it does exempt purchases by the United States of America, the State, the County, the St. Lucie County School District, the City and their respective commissions and agencies from the levy of such tax, as well as purchases by any recognized church in this State for use exclusively for church purposes, pursuant to State law. Additional statutory exemptions are accorded to purchases for resale or for use as fuel in the generation of electricity, or the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines.

The utilities tax shall not be applied against any fuel adjustment charge. The term "fuel adjustment charge" means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.

The utilities tax must be collected by the seller from purchasers at the time of sale and remitted to the City on a monthly basis. Taxes on most utility services are separately itemized on the bill rendered to customers, but separate disclosure is not required. A failure by a consumer to pay that portion of the bill attributable to the utilities tax may result in a suspension of the service involved in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

The City, in accordance with Section 166.231, Florida Statutes, has imposed a utilities tax of ten percent (10%) on the purchase of electricity pursuant to Ordinance No. 10-40, enacted by the City Council on May 24, 2010, effective on May 24, 2010 (the "Electric Municipal Utility Tax"). The Electric Municipal Utility Tax is collected by Florida Power & Light Company ("FPL") and remitted to the City monthly.

The amount of Electric Municipal Utility Tax received by the City may fluctuate as the price of electricity and the other services subject to the Electric Municipal Utility Tax fluctuates and a sustained increase in the price thereof may have an adverse effect on the amount of Electric Municipal Utility Tax collected.

Communications Services Tax Revenues

The Communications Services Tax Simplification Act, enacted by Chapter 2000-260, Laws of Florida, as amended by Chapter 2001-140, Laws of Florida, and now codified in part as Chapter 202, Florida Statutes (the "CSTA") established, effective October 1, 2001, a local communications services tax on the sale of communications services as defined in Section 202.11, Florida Statutes, and as of the same date repealed Section 166.231(9), Florida

Statutes, which previously granted municipalities the authority to levy a utility services tax on the purchase of telecommunications services. See "DESCRIPTION OF NON-AD VALOREM REVENUES -- Taxes – *Electric Municipal Utilities Tax Revenues*" above. Pursuant to Ordinance No. 09-33 enacted by the City Council on March 23, 2009, the City has imposed the local communications services tax at a rate of 5.10% which began April 1, 2009 and was later increased to 5.52% in June 2009. The rate is in addition to the 0.12% add-on permitted by Section 337.401, Florida Statutes, and established by the City for waiving the right to collect permit fees for the use of the rights-of-way by communications providers.

The proceeds of the local communications services tax, less Florida Department of Revenue's ("FDOR") cost of administration which may not exceed 1% of the total tax generated, are deposited in the Local Communications Services Tax Clearing Trust Fund (the "CST Trust Fund") and distributed monthly to the appropriate jurisdiction. The local communications services tax revenues received by the City are deposited into the City's General Fund and may be used for any public purpose. The revenues that are received by the City from such communications services tax which derive from the CST Trust Fund created with the FDOR pursuant to Section 202.193, Florida Statutes, may be pledged for the repayment of current or future bonded indebtedness.

One effect of the CSTA was to replace the former utilities tax on telecommunications, including pre-paid calling arrangements, as well as any revenues from franchise fees on cable and telecommunications service providers and permit fees relating to placing or maintaining facilities in rights-of-way collected from providers of certain telecommunications services, with the local communications services tax. This change in law was intended to be revenue neutral to the counties and municipalities. The local communications services tax applies to a broader base of communications services than the former utilities tax on telecommunications.

The local communications services tax applies to the purchase of "communications services" which originated or terminated within the City, with certain exemptions described below. "Communication services" under the CSTA are defined as the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term does not include:

- (a) Information services.
- (b) Installation or maintenance of wiring or equipment on a customer's premises.
- (c) The sale or rental of tangible personal property.
- (d) The sale of advertising, including, but not limited to, directory advertising.
- (e) Bad check charges.
- (f) Late payment charges.
- (g) Billing and collection services.
- (h) Internet access service, electronic mail service, electronic bulletin board service, or similar on-line services.

While such services have historically been taxed if the charges for such services are not stated separately from the charges for communications services, on a customer's bill, providers now have the ability to exclude such services from the tax if they can be reasonably identified from the selling dealer's books and records kept in the regular course of business. The dealer may support the allocation of charges with books and records kept in the regular course of business covering the dealer's entire service area, including territories outside of Florida.

The sale of communications services to (i) the federal government, or any instrumentality or agency thereof, or any entity that is exempt from state taxes under federal law, (ii) the State or any county, municipality or political

subdivision of the State when payment is made directly to the dealer by the governmental entity, and (iii) any home for the aged or educational institution (which includes state tax-supported and nonprofit private schools, colleges and universities and nonprofit libraries, art galleries and museums, among others) or religious institutions (which include, but are not limited to, organizations having an established physical place for worship at which nonprofit religious services and activities are regularly conducted) that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), are exempt from the local communications services tax.

The CSTA provides that, to the extent that a provider of communications services is required to pay to a local taxing jurisdiction a tax, charge, or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the local communications services tax, such provider is entitled to a credit against the amount of such local communications services tax payable to the State in the amount of such tax, charge, or fee with respect to such services or revenues. The amount of such credit is deducted from the amount that such local taxing jurisdiction is entitled to receive under Section 202.18(3), Florida Statutes.

Under the CSTA, local governments must work with the FDOR to properly identify service addresses to each municipality and county. If a jurisdiction fails to provide the FDOR with accurate service address information, the local government risks losing tax proceeds that it should properly receive. The City believes it has provided the FDOR with all information that the FDOR has requested as of the date hereof and that such information is accurate.

The Federal Internet Tax Freedom Act ("ITFA") imposed a moratorium on taxation of Internet access by states and political subdivisions. As amended by the Internet Tax Nondiscrimination Act ("ITNA"), "Internet Access" includes telecommunications services (unregulated non-utility telecommunications, such as cable services) purchased, used or sold by a provider of internet access to provide Internet access, including related communication services, such as email and instant messaging. On February 24, 2016, President Obama signed the Trade Facilitation and Trade Enforcement Act of 2015, in which was a provision granting a Permanent Moratorium on Internet Access Taxes (Public Law 114-125, Sec. 922). Since the moratorium has been in place since the inception of Chapter 202, Florida Statutes, and Internet Access was not taxable pursuant to State law, the City does not anticipate any negative impact on future collections of local communications services tax revenues because of this action.

Providers of communications services collect the local communications services tax and may deduct 0.75% as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code database or a data base that is either supplied or certified by the FDOR). The communications services providers remit the remaining proceeds to the FDOR for deposit into the CST Trust Fund. The FDOR then makes monthly contributions from the CST Trust Fund to the appropriate local governments after deducting up to 1% of the total revenues generated as an administrative fee.

The amount of local communications services tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the geographic area of the City, (ii) legislative changes, and/or (iii) technological advances which could affect consumer preferences.

The amount of the local communications services tax revenues collected within the geographic area of the City may be adversely affected by de-annexation. Such de-annexation would decrease the number of addresses contained within the geographic area of the City. [At this time there are no de-annexations anticipated within the geographic area of the City.]

Chapter 2023-157 was signed into law during the 2023 State Legislative session and provides that any local communications services tax rate in effect as of January 1, 2023, may not be increased before January 1, 2031. Chapter

2023-157, now part of Section 202.19, Florida Statutes, also provides that any increases to discretionary sales tax, levied pursuant to Section 212.055, Florida Statutes, may not be added to the local CST under Section 202.19, Florida Statutes, before January 1, 2031.

Business Tax Revenues

The "Business Tax" (formerly called the "Occupational License Tax") includes the business taxes levied and collected by the City pursuant to Chapter 205, Florida Statutes, and Ordinance 96-64 enacted by the City Council on December 19, 1994, as amended. Section 205.042, Florida Statutes, authorizes the City to levy "a business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction." The Business Tax may be levied on:

- (1) Any person who maintains a permanent business location or branch office within the municipality, for the privilege of engaging in or managing any business within its jurisdiction.
- (2) Any person who maintains a permanent business location or branch office within the municipality, for the privilege of engaging in or managing any profession or occupation within its jurisdiction.
- (3) Any person who does not qualify under subsection (1) or subsection (2) and who transacts any business or engages in any occupation or profession in interstate commerce, if the Business Tax is not prohibited by the United States Constitution.

All Business Tax receipts are issued for payment by the City beginning July 1 of each year and such taxes are due and payable on or before September 30 of each year. Each Business Tax receipt expires on September 30 of the succeeding year and becomes delinquent on October 1. Business Tax receipts that are not renewed when due and payable are delinquent and subject to a delinquency penalty of 10 percent for the month of October, plus an additional 5 percent penalty for each subsequent month of delinquency until paid. However, the total delinquency penalty may not exceed 25 percent of the Business Tax for the delinquent establishment.

Any person who engages in or manages any business, occupation, or profession without first paying the required Business Tax, is subject to a penalty of 25 percent of the tax due, in addition to any other penalty provided by law or ordinance. Any person who engages in any business, occupation, or profession covered by Chapter 205, Florida Statutes, who does not pay the required Business Tax within 150 days after the initial notice of tax due, and who does not obtain the required Business Tax receipt, is subject to civil actions and penalties, including court costs, reasonable attorneys' fees, additional administrative costs incurred as a result of collection efforts, and a penalty of up to \$250.

Chapter 205, Florida Statutes, provides that the City may only increase by ordinance the rates of Business Taxes every other year by up to 5 percent. The increase, however, may be enacted only by a majority plus one vote of City Council.

Intergovernmental Revenues

All revenues received by a local unit from federal, state, and other local government sources in the form of grants, shared revenues, payments in lieu of taxes and payments in lieu of franchise fees would be included in the intergovernmental revenues category. The category can be further classified into eight subcategories: federal grants, federal payments in lieu of taxes ("PILOT"), state grants, state shared revenues, state PILOT, if any, local grants, local shared revenues, and local PILOT. If a particular grant is funded from separate intergovernmental sources, then the

revenue is recorded proportionately. The City's Half-Cent Sales Tax, approved by voters in November 2018, helps fund road improvements, enhances water quality in local rivers, and supports the construction of roads and sidewalks.

Half-Cent Sales Tax Revenues

Section 212.05, Florida Statutes (the "Sales Tax Act") authorizes the levy and collection by the State of a sales tax upon, 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, 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. 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. As of October 1, 2001, the Half-Cent Sales Tax Trust Fund (hereinafter defined) began receiving a portion of certain taxes imposed by the State on communications services pursuant to Chapter 202, Florida Statutes. Accordingly, moneys distributed from the Half-Cent Sales Tax Trust Fund now consist of funds derived from both general sales tax proceeds and certain taxes imposed on the sales of communications services required to be deposited into the Half-Cent Sales Tax Trust Fund.

The Half-Cent Sales Tax is collected on behalf of the State by businesses at the time of sale at retail, use, consumption, or storage for use or consumption, of taxable property and remitted to the State on a monthly basis. The Sales Tax Act provides for penalties and fines, including criminal prosecution, for non-compliance with the provisions thereof.

The general rate of sales tax in the State is currently 6%. Section 212.20, Florida Statutes, provides for the distribution of 8.9744%, reduced by 0.1%, of sales tax revenues to the Half-Cent Sales Tax Clearing Trust Fund (the "Half-Cent Sales Tax Trust Fund"), after providing for certain transfers to the State's General Fund. Such amount deposited in the Half-Cent Sales Tax Trust Fund is earmarked for distribution to the governing body of such county and each participating municipality within that county pursuant the following distribution formula:

$$\begin{array}{l}
 \text{County Share} \\
 \text{(percentage of total Half-Cent Sales Tax receipts)} \\
 \\
 \text{Municipality Share} \\
 \text{(percentage of total Half-Cent Sales Tax receipts)}
 \end{array}
 =
 \begin{array}{l}
 \frac{\text{unincorporated area population}}{\text{total county population}} + \frac{2/3 \text{ incorporated area population}}{2/3 \text{ incorporated area population}} \\
 \\
 \frac{\text{municipality population}}{\text{total county population}} + \frac{2/3 \text{ incorporated area population}}{\text{population}}
 \end{array}$$

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. Should the City annex any area or should any area of the City de-annex from the City, the share of the Half-Cent Sales Tax received by the City would be respectively increased or decreased according to the foregoing formula.

The Half-Cent Sales Tax is distributed from the Half-Cent Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with the Sales Tax Act and is deposited by the City into the

City's General Fund. The Sales Tax Act permits the City to pledge its share of the Half-Cent Sales Tax for the payment of principal of and interest on any capital project.

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have satisfied the Eligibility Requirements (defined below). Those requirements include, but are not limited to, the following:

- (i) reported its finances for its most recently completed fiscal year to the Florida Department of Financial Services ("DFS") 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 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 3 mill ad valorem tax, to have received certain revenues from a county (in the case of a municipality), collected an occupational license tax, utility tax, or ad valorem tax, or 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 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.

The requirements described in (i) through (vii) are referred to herein as the "Eligibility Requirements". If the City does not comply with the Eligibility Requirements, the City would lose its Half-Cent Sales Tax Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by FDOR. The City has continuously maintained eligibility to receive the Half-Cent Sales Tax.

Although the Sales Tax Act does not impose any limitation on the number of years during which the City can receive distribution of the Half-Cent Sales Tax revenues from the Half-Cent Sales Tax 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 Half-Cent Sales Tax Program, and it is not unusual for the distribution formulas in Sections 212.20(6)(d) or 218.62, Florida Statutes, to be revised from time to time.

The amount of Half-Cent Sales Tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the County, (ii) legislative changes relating to the overall sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Half-Cent Sales Tax Trust Fund, (iii) changes in the relative population of the City, which affect the percentage of Half-Cent Sales Tax received by the City, and (iv) other factors

which may be 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 sales tax collected by the State and then distributed to the City.

State Revenue Sharing

A portion of certain taxes levied and collected by the State is shared with local governments under provisions of Section 218.215, Florida Statutes. The amount deposited by the FDOR into the State Revenue Sharing Trust Fund for Municipalities is 1.3653% of available sales and use tax collections after certain required distributions, and the net collections from the one-cent municipal fuel tax.

The amount of revenues from the State Revenue Sharing Trust Fund for Municipalities distributed to any one municipality is the average of three factors: an adjusted population factor; a sales tax collection factor, which is the proportion of the local municipality's ordinary sales tax distribution the municipality would receive if the distribution were strictly population-based; and a relative revenue-raising ability factor, which measures the municipality's ability to raise revenue relative to other qualifying municipalities in the State.

The following are sources of revenues that are deposited into the State Revenue Sharing Trust Fund for Municipalities.

Sales Tax Revenues. Prior to July 1, 2000, a state tax was levied on cigarette packages at varying rates, depending upon the length and number of cigarettes in a package and, pursuant to Section 210.20(2)(a), Florida Statutes, certain amounts derived from such cigarette taxes were deposited to the Revenue Sharing Trust Fund for Municipalities after deducting therefrom certain charges for administration and collection. Effective July 1, 2000, the cigarette tax revenues were eliminated from distribution to the Revenue Sharing Trust Fund for Municipalities and replaced with sales and use tax proceeds. Currently, 1.3653% of the available proceeds of the sales and use tax imposed pursuant to Chapter 212, Florida Statutes, is transferred monthly to the Revenue Sharing Trust Fund for Municipalities after certain other transfers have been made and certain charges for administration and collection have been deducted therefrom.

The sales and use tax provides the majority of the receipts for the guaranteed entitlement from the Revenue Sharing Trust Fund for Municipalities. For the State's fiscal year 2025-2026, approximately \$505.3 million or 82.6% of the deposits of the Revenue Sharing Trust Fund for Municipalities were from the sales and use tax, and approximately \$106.6 million or 17.4% were from the municipal fuel tax.

Municipal Fuel Tax. The proceeds of the municipal fuel tax imposed pursuant to Chapter 206, Florida Statutes, after deducting certain service charges and administrative costs is transferred into the Revenue Sharing Trust Fund for Municipalities as stated in Section 206.605, Florida Statutes. Funds derived from the municipal fuel tax on motor fuel may only be used to pay debt service allocable to transportation facilities.

To be eligible for State Revenue Sharing funds beyond the minimum entitlement (defined as the amount necessary to meet obligations to which the City has pledged amounts received from the State Revenue Sharing Trust Fund for Municipalities), a local government must have satisfied the Eligibility Requirements. If the City fails to comply with the Eligibility Requirements, the FDOR may utilize the best information available to it, if such information is available, or take any necessary action including disqualification, either partial or entire, and the City shall further waive any right to challenge the determination of the FDOR as to its distribution, if any. Eligibility is retained if the local government has met eligibility requirements for the previous three years, even if the local government reduces its millage or utilities taxes because of the receipt of State Revenue Sharing funds.

Licenses and Permits

Electric Franchise Fee Revenues

The City imposes an Electric Franchise Fee imposed upon and collected from FPL pursuant to Ordinance No. 11-75, enacted by the City Council on September 26, 2011 (the "Electric Franchise Fee Ordinance"), whereby the City granted to FPL, a thirty-year electric franchise which is in effect until September 26, 2041. The Electric Franchise Fee Ordinance does not provide for an option to renew the franchise, and any extension or renewal is subject to negotiation between the City and FPL. Under the Electric Franchise Fee Ordinance, FPL is required to pay the City a percentage of the revenues derived from the sale of electrical energy to residential and commercial customers within the corporate limits of the City. The Electric Franchise Fee Ordinance provides that commencing ninety (90) days after September 26, 2011 and each month thereafter for the remainder of the term of the franchise, FPL, its successors and assigns, shall pay to the City and its successors an amount which when added to the amount of all licenses, excises, fees, charges and other impositions of any kind whatsoever (except ad valorem property taxes and non-ad valorem assessments on property) levied or imposed by the City against FPL's property, business or operations, and those of its subsidiaries during FPL's monthly billing period ending 60 days prior to each such payment will equal 6 percent of FPL's billed revenues, less actual write-offs, from the sale of electrical energy to residential, commercial, and industrial customers within the incorporated areas of the City.

Mobile Home Licenses

Section 320.08, Florida Statutes, imposes an annual license tax in lieu of ad valorem taxes upon mobile homes which are not permanently affixed to real property. The annual license taxes are remitted by the Tax Collector to the State. Pursuant to Section 320.081, Florida Statutes, after deduction of a service charge for each license issued, the State remits to the School Board of the county one half of the proceeds collected on each license and the remainder to the Board of County Commissioners, for units that are located within the unincorporated area of the county or to any city within such county, for units which are located within its corporate limits.

Miscellaneous Non-Ad Valorem Revenue

This is a broad category that includes a wide variety of revenues, including but not limited to licensing and regulatory fees, fees for services or publications, transfers from other governmental units, traffic and parking fines, interest earnings and other miscellaneous revenues.

Historical Receipt of Non-Ad Valorem Revenues

The following table shows the historical receipt by the City of significant sources of certain Non-Ad Valorem Revenues for the five Fiscal Years ended September 30 prior to issuance of the Series 2026 Bonds. The table does not include all the Non-Ad Valorem Revenues of the City which may be available to pay debt service on the City's debt secured by these revenues.

NON-AD VALOREM REVENUES OF THE CITY OF PORT ST. LUCIE, FLORIDA

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Guaranteed Entitlement⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -
Mobile Home Licenses	57,917	57,783	61,263	58,842	50,303
Occupational Lic. Tax	2,371,131	2,178,121	2,079,231	2,139,910	2,055,218
Half-Cent Sales Tax	12,952,470	13,151,025	12,712,886	10,659,814	8,679,297

Local Option Gas Tax ⁽¹⁾	11,495,207	11,813,698	11,279,368	10,606,333	9,664,378
Electric Municipal Utility Tax	19,754,849	19,218,965	15,701,020	14,466,176	13,776,865
Franchise Fees	15,044,961	15,276,992	13,906,679	11,831,392	10,945,361
Communication Services Tax	6,128,635	5,849,256	5,533,117	5,117,309	4,889,792
Miscellaneous Non-Ad Valorem Revenues	25,316,656	20,506,358	12,244,978	75,509,128 ⁽²⁾	17,384,645
Total	\$93,121,827	\$88,052,198	\$73,518,541	\$130,388,904	\$67,445,858
Less Legally Restricted Revenue	\$15,723,012	\$14,069,781	\$13,149,365	\$12,266,184	\$11,311,197
Total Legally Available Non-Ad Valorem Revenues	\$77,398,815	\$73,982,417	\$60,369,177	\$118,122,720	\$56,134,662

Source: City of Port St. Lucie Finance Department.

- (1) The municipal fuel tax portion of the Guaranteed Entitlement and Local Option Gas Tax may only be used to pay debt service attributable to transportation projects.
- (2) This increase in miscellaneous Non-Ad Valorem Revenues is due to [to come].

Debt of City Secured by Non-Ad Valorem Revenues

From time to time, the City has issued various obligations secured by either a covenant to budget and appropriate from legally available Non-Ad Valorem Revenues or by a pledge of a specific Non-Ad Valorem Revenue source. Indebtedness of the City which is currently secured by a pledge of a specific Non-Ad Valorem Revenue source will have a claim and lien on such source prior to any claim and lien of the Series 2026 Bonds.

The following table represents outstanding debt obligations of the City secured by specific Non-Ad Valorem Revenue sources and or a covenant to budget and appropriate Non-Ad Valorem Revenues.

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**CITY OF PORT ST. LUCIE, FLORIDA
NON-AD VALOREM REVENUE OBLIGATIONS
OUTSTANDING AS OF SEPTEMBER, 30, 2024**

<u>Issue</u>	Principal Amount <u>Issued</u>	Principal Amount <u>Outstanding</u>
Taxable Special Obligations Bonds, Series 2017	\$22,345,000	\$13,715,000
Taxable Special Obligation Refunding Revenue Bonds, Series 2018A	\$54,085,000	\$44,205,000

Source: City of Port St. Lucie Finance Department.

MANAGEMENT DISCUSSION OF BUDGET AND FINANCES

For the Adopted Budget Fiscal Year 2024-2025, the General Fund millage rate was 4.3191 and aggregate total millage rate was 5.0550. For the Adopted Budget Fiscal Year 2025-2026 (“Fiscal Year 2026 Budget”), the General Fund millage rate is 4.2991 and aggregate total millage rate is 4.9750. This represents a 0.0800 millage reduction and marks the 10th consecutive year the City Council has reduced the City’s millage rate in alignment with its long-term financial strategy. A major portion of the City’s revenues is Ad Valorem taxes, which was budgeted at \$105,267,733, an increase of 12% over the Adopted Budget Fiscal Year 2024-2025 Budget (\$94,117,436).

The following table shows the City’s Adopted Budget Fiscal Year 2024-2025 General Fund Budget to actual for the year ended September 30, 2025. See APPENDIX A-AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2025 OF THE CITY OF PORT ST. LUCIE, FLORIDA for the audited financials as of September 30, 2025.

**Budgeted Revenues and Expenditures for the General Fund
for Fiscal Year ending September 30, 2025**

<u>Revenues</u>	<u>Adopted Budget</u>	<u>Actual</u>
Fines & Forfeitures	\$1,328,766	\$835,458
Licenses & Permits	18,692,347	17,828,029
Intergovernmental	23,776,925	21,365,313
Charges for Services	5,218,075	5,169,861
Miscellaneous Revenues	4,636,320	36,264,616
Other Sources/Interfund Transfers	26,420,032	12,092,689
Taxes	127,381,959	126,371,746
Total Revenues	\$207,460,424	\$189,927,712
<u>Expenditures</u>		
Personnel Services	\$110,525,151	\$110,924,106
Operating Expenses	43,378,835	40,864,758
Capital Outlay	3,243,607	3,749,894
Debt Services	17,434,780	7,636,322
Other Non-Operating Expenses	32,878,051	28,063,905
Contingency	-0-	-0-
Total Expenditures	\$207,460,424	\$191,238,985

Source: City of Port St. Lucie, Adopted Fiscal Year 2025-2026 Budget

The City’s original Fiscal Year 2026 Budget was adopted on September 22, 2025. The Fiscal Year 2026 Budget for the General Fund is approximately \$212.5 million which reflected an overall increase of 1% (\$2.1 million) from the Adopted Budget Fiscal Year 2024-2025 for the General Fund.

On the expenditures side, the Fiscal Year 2026 Budget includes investments in key areas such as, the addition of police officers necessary to meet the demands of a growing city, funds for upgrading and maintaining police headquarters and completing the construction of a new police training facility, road widening, intersection improvements for major roads, and many more.

**Budgeted Revenues and Expenditures for the General Fund
for Fiscal Year ending September 30, 2026**

<u>Revenues</u>	<u>Adopted Budget</u>
Fines & Forfeitures	\$886,598
Licenses & Permits	18,619,702
Intergovernmental	21,811,876
Charges for Services	5,744,218
Miscellaneous Revenues	5,600,233
Other Sources/Interfund Transfers	19,904,845
Taxes	139,959,233
Total Revenues	\$212,526,705
Expenditures	
Personnel Services	\$125,959,188
Operating Expenses	51,141,326
Capital Outlay	4,190,874
Debt Services	10,850,443
Other Non-Operating Expenses	18,384,874
Contingency	2,000,000
Total Expenditures	\$212,526,705

Source: City of Port St. Lucie, Adopted Fiscal Year 2025-2026 Budget

Budgeting Philosophy and Development Process

The City’s budget is based upon a fiscal year beginning October 1 and ending September 30. The City’s budget is developed in accordance with Chapters 129 and 200 of the Florida Statutes. Chapter 129, Florida Statutes, strictly prohibits exceeding the City’s adopted budget. Additionally, the City complies with requirements of its charter.

INVESTMENT CONSIDERATIONS

The following discussion describes certain risks that could affect the payment of principal of, redemption premium, if any, and interest on the Series 2026 Bonds. The order in which these risks are presented does not reflect their relative importance. This discussion is not intended to be, and should not be considered, an exhaustive description of all risks associated with an investment in the Series 2026 Bonds.

This information should be read in conjunction with the entire Official Statement, including its appendices, as well as the complete documents referenced or summarized herein, for a more comprehensive understanding of

the investment considerations relevant to the Series 2026 Bonds. Prospective purchasers are urged to carefully review all such materials before making an investment decision. Copies of any documents referenced or summarized in this Official Statement are available from the City.

AD VALOREM TAX REVENUES OF THE CITY ARE NOT PLEDGED AS SECURITY FOR THE SERIES 2026 BONDS, AND THE CITY IS NOT OBLIGATED TO BUDGET OR APPROPRIATE AD VALOREM TAX REVENUES FOR THEIR PAYMENT. THIS SECTION IS PROVIDED SOLELY FOR INFORMATIONAL PURPOSES AND DOES NOT PURPORT TO DESCRIBE ALL POTENTIAL RISKS THAT COULD ADVERSELY AFFECT THE PAYMENT OR MARKET VALUE OF THE SERIES 2026 BONDS.

Legislative Proposals Relating to Ad Valorem Taxation

Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the State legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels.

In 2024, the Florida Legislature proposed a constitutional amendment requiring an annual inflation adjustment to the value of current and future homestead exemptions for levies other than school district levies. The amendment was approved by voters and took effect January 1, 2025. Also, House Bill 7073 was signed into law, this amendment to the Live Local Act allows taxing authorities to opt-out from providing the 75 percent “Missing Middle” property tax exemption in their jurisdiction to those units that fall within the 80-120 percent AMI affordability threshold.

The Florida Legislature passed CS/HJR 7017 and CS/HB 7019 in its 2024 legislative session which amended the State Constitution and Florida Statutes, respectively. The bills require the \$25,000 of assessed value that is exempt from all ad valorem taxes other than school district taxes be adjusted annually for positive inflation growth. It also applies to any future homestead exemption applying only to ad valorem taxes other than school district taxes. The joint resolutions took effect on January 1, 2025.

In June 2025, the Florida House approved HB 7031, which was created to give permanent tax savings on essentials for families and seniors, aimed at keeping Florida affordable, while also eliminating the Business Rent Tax to keep Florida competitive. Further it amended and narrowed various tax exemptions originally passed under the Live Local Act but more importantly, its amendment introduced a few new property tax exemptions that support the development of the workforce and affordable housing. The foregoing became effective October 1, 2025.

Future Potential Legislation and/or Constitutional Amendments Relating to Ad Valorem Taxation.

There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect on the collection of ad valorem taxes by the City, the City's finances in general or the City's ad valorem taxing power. Proposed legislation and constitutional amendments relating to ad valorem taxation are currently pending or under consideration in the State legislature. Such measures, if adopted, could reduce the ad valorem tax base or affect the taxing authority of local governments.

Proposed constitutional amendments, if adopted, would require approval by at least 60% of voters at a statewide referendum before becoming effective, and there can be no assurance as to whether any such proposals will be enacted or approved. The cumulative effect of current or future changes to ad valorem taxation could have a

material adverse impact on local government finances, including the availability of revenues to fund operations or meet debt service obligations.

Climate Change

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

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

Cybersecurity

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

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

THE CITY

The City of Port St. Lucie (the "City") is a residential community in the southern part of St. Lucie County, Florida (the "County"), and was incorporated in 1961. The City encompasses approximately 121 square miles of the 588 square miles of the County and is located in southeastern Florida. The City is located 100 miles north of the City of Miami, 50 miles north of the City of West Palm Beach and 120 miles south of the City of Orlando. The City is

served by three major north-south Florida highways: Interstate 95, the Florida Turnpike, and U.S. Highway No. 1, and is located near a seaport, an international airport and has railway access.

The City is governed by the provisions of its Charter. Under the Charter, the City functions as a home rule government under the Florida Constitution and general laws of the State.

The City operates under a Mayor/Council/Manager form of government. The City Council, comprised of the Mayor and four Council members, is the primary governing body of the City. All City Council Members and the Mayor are elected to a four-year term.

<u>Name</u>	<u>Title</u>	<u>End of Current Term</u>
Shannon Martin	Mayor	November 2026
Jolien Caraballo	Vice Mayor	November 2028
Anthony Bonna, Sr.	Councilman	November 2026
Stephanie Morgan	Councilwoman	November 2026
David Pickett	Councilman	November 2028

City Management

The City Manager is appointed by majority vote of all members of the City Council. The City Manager is the chief administrative officer of the City and is responsible to the City Council for the administration of all City affairs placed in his charge by or under the City Charter.

Jesus Merejo became City Manager on January 23, 2023. Mr. Merejo’s extensive experience in government includes nearly 30 years with the City. Prior to his appointment as City Manager, he served as the Chief Assistant City Manager commencing in 2018. Prior to that, he held a position as the City’s Utility System Director from 2003 to 2018 and joined the City Manager’s executive team in 2016 as the Director of Special Projects. He has extensive experience managing large multimillion dollar capital improvement projects and was instrumental in leading the City’s 2012 acquisition of the 3,100 acre McCarty Ranch Preserve and 2014 acquisition of the 1,940 acre McCarty Ranch Extension site (with a combined cost of over \$20 million). His efforts furthered the City’s strategic plan to develop future cyclic water storage and recovery facilities utilizing former coquina mining pits on the properties as part of a water reservoir system. Mr. Merejo earned a Bachelor of Arts degree in Organizational Management from Warner Southern College in Lake Wales, Florida.

Legal services are provided to the City by the Office of the City Attorney. The City Attorney is appointed by the City Council. The mission of the Office of the City Attorney is to protect and preserve the legal, ethical and financial integrity of the City through its City Council and representative officials by providing quality legal services through zealous advocacy, innovative legal solutions, uncompromised integrity and professional diligence. The City Attorney, supported by a staff of Assistant City Attorneys, Staff Attorneys, administrative personnel, and specialized outside counsel, as necessary, represents the City Council and all other departments, divisions, boards and offices in all legal matters affecting the City.

Richard Berrios was appointed as the City Attorney in July 2024. He has over a decade of legal practice and is licensed to practice law in Florida and New York. Mr. Berrios started as a litigation associate in a private law firm, then worked for the City of Long Beach, New York in the Office of Corporation Counsel for more than seven years,

working his way to the top attorney position. He earned in Bachelor of Arts in Comparative Literature, cum laude, from the City University of New York's Queens College and his Juris Doctor degree from the St. John's University School of Law in New York City.

Financial Services

The City's Finance Director/City Treasurer oversees fiscal affairs, financial management and related systems. The City maintains sophisticated systems for the effective management of its debt, investments, pensions, risk management, and related reporting thereon.

Stephen Okiye is the Finance Director/City Treasurer for the City. He has served as the City's Finance Director/City Treasurer since March 2022. Prior to this appointment, Mr. Okiye served as the Finance Division Director for the City from 2019 to 2022. He has served in other senior-level financial positions in the private, public, and nonprofit sectors. Mr. Okiye earned a Bachelor of Arts degree from Emory University and a Master's degree in Accounting and Financial Management from Keller Graduate School of Management. He is also a Certified Public Accountant.

For more information on the City and the County, see APPENDIX B- GENERAL INFORMATION PERTAINING TO THE CITY OF PORT ST. LUCIE AND ST. LUCIE COUNTY, FLORIDA.

PENSION PLANS

The City has one single employer defined pension plan and is a participant in one multi-employer defined pension plan for members of the City Council, the Florida Retirement System ("FRS").

The City accounts for single employer plan as pension trust funds; which is substantially in the same manner as proprietary funds with economic resources measurement focus and the accrual basis of accounting. Plan member contributions, employer contributions, and contributions from other entities, including rollovers by participants from other plans, are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due in accordance with terms of the plans. Plan assets are valued at fair value for financial statement purposes, as reported by the custodial agents.

Defined Contribution Plans

The City has three Defined Contribution Plans: General Employees Plan, Police Officers 401A Plan, and the Employees 401A Plan. Ordinance (77-25), as amended by subsequent City Ordinances, established Defined Benefit Plans for City employees. Currently the City's contribution rate to the Defined Benefit Plan for General Employees 401A Plan ranges between 11.4% and 12.0%, and the Police Officers 401A Plan is 10.5% of covered payroll. Vesting allows 100% after five (5) years or when reaching 55 years of age.

Defined Pension Plans

Both the City's defined pension plans are presented in accordance with GASB Statement No. 67, "Financial Reporting for Pension Plans" and GASB Statement No. 18, "Accounting and Financial Reporting for Pensions. These statements replace GASB Statement No. 27 "Accounting for Pensions by State and Local Governmental Employers", and GASB Statement No. 50, "Pension Disclosures". GASB 68, enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

Current Membership of Pension Plans:

Current membership, as of September 30, 2024 in the FRS and the Municipal Police Officers' Retirement Trust Fund were as follows:

	Municipal Police Officer's Retirement <u>Trust Fund</u>	Florida Retirement <u>System</u>
Inactive plan members of beneficiaries currently receiving benefits	125	-
Inactive plan members entitled to but not yet receiving benefits	21	-
Active plan members	<u>263</u>	<u>5</u>
	<u>409</u>	<u>5</u>

The following summarizes the pension related amounts for the City as of the indicated measurement dates:

	Measurement <u>Date</u>	Net Pension <u>Liability</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Pension <u>Expense</u>
Police Pension	9/30/2024	\$11,783,317	\$13,384,636	\$13,947,192	\$5,789,920
FRS	6/30/2024	1,246,464	493,258	144,759	229,847
HIS	6/30/2024	124,792	21,480	15,953	9,773
		<u>\$13,154,573</u>	<u>\$13,899,374</u>	<u>\$14,107,904</u>	<u>\$6,029,540</u>

Defined Benefit Pension Plan – Municipal Police Officers’ Retirement Trust Fund

Municipal Police Officers’ Retirement Trust Fund (“MPORT”) plan, which is a single-employer defined benefit public employee’s retirement system, was established under the provisions of Chapter 185 of the Statutes of the State of Florida, and is accounted for in the Municipal Police Officers' Retirement Trust Fund. The plan is managed and administered by the five-member retirement board, which includes two City Council appointees, two members of the department elected by the membership, and a fifth member elected by the other four and appointed by the City Council.

Plan members contribute 9.0% of pensionable wages and the City contributes the actuarially required amount, which is 32.41% of pensionable wages for Fiscal Year 2024. On September 30, 2024, the total pension liability was \$205,157,018 with a net position of \$193,373,701 resulting in a net pension liability of \$11,783,317.

Defined Benefit Plan – FRS

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to elected official retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The FRS Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered

in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS Pension Plan. The employer's contribution rates as of September 30, 2024, were as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	11.51%	2.00%
Special Risk Class	30.61%	2.00%
Senior Management Service Class	32.46%	2.00%
Elected officials	56.62%	2.00%
DROP	19.13%	2.00%

The employer's contributions for the year ended September 30, 2024, were \$188,955 to the FRS Pension Plan and \$5,082 to the HIS Program.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the FRS in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2024, totaled \$0.

For more information regarding the City's Pension Plans, see the Audited Financial Statements for the City's Fiscal Year ended September 30, 2025 in APPENDIX A attached hereto.

OTHER POST-EMPLOYMENT BENEFIT PLANS

In addition to providing pension benefits, the City provides certain health care, dental, vision and life insurance benefits for retired employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The City recognizes the costs associated with providing these benefits as claims are paid. The actuarial valuation as of October 1, 2023 for the year ended September 30, 2024, the date of the most recent actuarial valuation available, of those costs totaled approximately \$426,190.

Employer contributions for fiscal year ending September 30, 2024 to the OPEB Trust Fund established in March 2010, totaled approximately \$5,149,596.

Section 112.0801, Florida Statutes, requires all public employers to allow their retirees to participate in the same health group plan or self-insurance plan offered to their active employees. There are currently 143 City retirees, spouses and other dependents participating in the health insurance plan. There are a total of 1,320 active participants in the plan of which 196 are not yet eligible to receive benefits.

The Other Post Employment Benefit plan is a single-employer benefit plan administered by the City. Retirees are charged the same rate by the City as active employees. Premiums charged by the City are a blended rate based on the experience of younger active employees and older retired employees. Since retirees actually have higher costs yet pay the same rate as younger active employees, the City actually subsidizes the cost of the retirees' health insurance coverage. The funding of the plan is from the various funds in the City that incur payroll related expenses such as the general fund, road & bridge fund, and utility system fund as being the primary obligors. These funds have expended money in the past to liquidate the other post-employment benefit plans net benefit obligation.

For more information regarding the City's Post-Employment Benefit Plans, see the Audited Financial Statements for the City's Fiscal Year ended September 30, 2025 in APPENDIX A attached hereto.

FINANCIAL STATEMENTS

The Audited Financial Statements for the Fiscal Year ended September 30, 2025, appended hereto as APPENDIX A, have been audited by Forvis Mazars, LLP, independent certified public accountants, as set forth in its report dated May ____, 2026, which report is also appended hereto. Such financial statements, including the auditor's report, have been included in the Official Statement as public documents and consent from the auditor was not requested. The auditor has not performed any service related to, and therefore is not associated with, the preparation of this Official Statement. The Financial Statements are presented for general information purposes only.

LEGALITY FOR INVESTMENT

The Series 2026 Bonds constitute legal investments in the State for state, county, municipal and all other public funds and for banks, savings banks, insurance companies, executors, administrators, trustees and all other fiduciaries, and also constitute securities eligible as collateral security for all state, county, municipal and other public funds.

LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2026 Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Bond Counsel, whose approving opinion in the form attached hereto as "APPENDIX D - Form of Bond Counsel Opinion" will be furnished without charge to the purchasers of the Series 2026 Bonds at the time of their delivery. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery.

Certain legal matters incident to the issuance of the Series 2026 Bonds will be passed upon for the City by Richard Berrios, Esq., City Attorney. Certain matters relating to disclosure will be passed upon for the City by Bryant Miller Olive P.A., Miami, Florida, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Nelson Mullins Riley & Scarborough LLP, Orlando, Florida as Underwriters' Counsel.

LITIGATION

There is no pending or, to the knowledge of the City, any threatened litigation against the City which in any way questions or affects the validity of the Series 2026 Bonds, or any proceedings or transactions relating to their issuance, sale or delivery, or the enactment or adoption of the Bond Resolution, as the case may be, or which may materially adversely affect the imposition, collection and pledge of the Pledged Revenues for the payment of the Series 2026 Bonds.

While the City is a party to various legal proceedings that normally occur in governmental operations and are incidental to the conduct of municipal affairs, including but not limited to various tort and contract suits, suits and proceedings alleging violations of individual rights, and matters involving claims relating to land development, property damage, employee liability and workers' compensation, based on past experience, the City does not believe such matters will adversely affect the City's ability to pay principal of and interest on the Series 2026 Bonds when due.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as APPENDIX D hereto, the interest on the Series 2026 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions; provided, however, with respect to certain corporations, interest on the Series 2026 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Failure by the City to comply subsequent to the issuance of the Series 2026 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2026 Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2026 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted in the Bond Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2026 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2026 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2026 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2026 Bonds to the Treasury of the United States of America. Noncompliance with such provisions may result in interest on the Series 2026 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2026 Bonds. Prospective purchasers of Series 2026 Bonds should be aware that the ownership of Series 2026 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2026 Bonds may result in

collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2026 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2026 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2026 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 REFERRED TO ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Series 2026 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2026 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2026 Bonds in their particular state or local jurisdictions.

The Inflation Reduction Act, H.R. 5376 (the IRA), was passed by both houses of the U.S. Congress and was signed by the President on August 16, 2022. As enacted, the IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income," as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. Interest on the Series 2026 Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing the corporate alternative minimum tax. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential tax consequences of owning the Series 2026 Bonds.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2026 Bonds. In some cases, such proposals have contained provisions that altered these federal tax consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2026 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2026 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2026 Bonds.

Original Issue Discount

Certain of the Series 2026 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which initial offering price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at the initial offering price thereof to the public 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 Bonds and will increase the adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition

of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners 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, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Original Issue Premium

The Series 2026 Bonds may be offered and sold to the public at an initial offering price in excess of the principal amount of such Series 2026 Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Series 2026 Bonds which term ends on the earlier of the maturity or call date for each Series 2026 Bond which minimizes the yield on said Series 2026 Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Series 2026 Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Series 2026 Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2026 Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Series 2026 Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Series 2026 Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Series 2026 Bonds.

VERIFICATION OF ARITHMETICAL COMPUTATIONS

At the time of the delivery of the Series 2026 Bonds, Robert Thomas CPA, LLC, Overland Park, Kansas, as the Verification Agent, will deliver a report on the mathematical accuracy of the computations contained in schedules provided to them and prepared by the Municipal Advisor, on behalf of the City relating to (a) the sufficiency of the anticipated cash and maturing principal amounts and interest on the funds deposited in the respective accounts in the Escrow Fund to pay, when due, the principal, whether at maturity or upon prior redemption, interest and call premium requirements, if any, of the Refunded Bonds and (b) the "yield" on the Series 2026 Bonds and on the United States Treasury Obligations deposited to the Escrow Fund considered by Bond Counsel in connection with its opinion that the Series 2026 Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, as amended.

RATINGS

S&P Global Ratings, a business of Standard & Poor's Financial Services LLC ("S&P") and Moody's Investors Service have assigned their ratings of "[AA]" (___ outlook) and "___" (___ outlook), respectively, to the Series 2026 Bonds. The ratings reflect only the views of said rating agencies, and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that the ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, if in their judgment, circumstances so warrant. A downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Series 2026 Bonds. See "INVESTMENT CONSIDERATIONS" herein.

ADVISORS AND CONSULTANTS

The City has retained certain advisors and consultants in connection with the issuance of the Series 2026 Bonds. These advisors and consultants are compensated from a portion of the proceeds of the Series 2026 Bonds, identified as “Costs of Issuance” under the heading “ESTIMATED SOURCES AND USES OF FUNDS” herein; their compensation is, in some instances, contingent upon the issuance of the Series 2026 Bonds and the receipt of the proceeds thereof.

While Bond Counsel has participated in the preparation of certain portions of this Official Statement, it has not been engaged by the City to confirm or verify, and, except as may be set forth in the opinion of Bond Counsel delivered to the Underwriters, expresses and will express no opinion as to the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Series 2026 Bonds that may be prepared or made available by the City, the Underwriters or others to the Bondholders of the Series 2026 Bonds or other parties.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Orlando, Florida is serving as municipal advisor to the City (the "Municipal Advisor") and has acted in such capacity with respect to the sale and issuance of the Series 2026 Bonds. The Municipal Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2026 Bonds. The Municipal Advisor did not engage in any underwriting activities with regard to the issuance and sale of the Series 2026 Bonds. The Municipal Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the City to provide continuing secondary market disclosure.

UNDERWRITING

The Series 2026 Bonds are being purchased by Jefferies LLC (the “Senior Managing Underwriter”), acting on behalf of itself and PNC Capital Markets LLC (collectively, the “Underwriters”) subject to certain terms and conditions. The aggregate purchase price payable to the City is \$_____ (representing \$_____ principal amount, [plus/less] net original issue [premium/discount] of \$_____, and less Underwriters’ discount of \$_____). The Underwriters are committed to purchase all the Series 2026 Bonds if any are purchased. The Series 2026 Bonds are offered for sale to the public at the prices derived from the yields set forth on the cover page of this Official Statement. The Series 2026 Bonds may be offered and sold to certain dealers (including dealers depositing Series 2026 Bonds into investment trusts) at prices lower than such offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective 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 and may have received or will receive customary fees and expenses. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the City in connection with such activities. In the various course of their various business activities, the Underwriters and their respective 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 Underwriters and their respective 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.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATION

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "Commission"). Pursuant to administrative rulemaking, the Commission has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond, note or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest since December 31, 1975 that would be considered material by a reasonable investor in the Series 2026 Bonds.

The City has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The City does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2026 Bonds because the City would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the City would have been pledged or used to pay such securities or the interest thereon.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Series 2026 Bondholders to provide certain financial information and operating data relating to the City and the Series 2026 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The City has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the Securities and Exchange Commission (the "SEC") to act as a repository (each a "Repository") for purposes of complying with Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934 (the "Rule"). Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The City has agreed to file notices of certain enumerated material events, when and if they occur, with the Repository either itself or through its dissemination agent. Currently, the City's dissemination agent is Digital Assurance Corporation.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E - Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the City prior to the issuance of the Series 2026 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2026 Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel and the Municipal Advisor with respect to the authorization, sale, execution and delivery of the Series 2026 Bonds. Payment of the fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor and an underwriting discount to the Underwriters, including the fees of their counsel, are each contingent upon the issuance of the Series 2026 Bonds.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the City and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for the payment of the Series 2026 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the City from the date hereof.

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain "forward-looking statements" concerning the City's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the City. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

MISCELLANEOUS

The references, excerpts and summaries of all documents, resolutions and ordinances referenced herein do not purport to be complete statements of the provisions of such documents, resolutions and ordinances, and reference is directed to all such documents, resolutions and ordinances for full and complete statements of all matters of fact relating to the Series 2026 Bonds, the security for and the repayment of the Series 2026 Bonds and the rights and obligations of the Bondholders thereof.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the City. At the time of delivery of the Series 2026 Bonds, the City will furnish a certificate to the effect that nothing has come to its attention which would lead it to believe that the Official Statement (other than information herein related to DTC, the book-entry-only system of registration and the information contained under the caption "TAX MATTERS" as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2026 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

CITY OF PORT ST. LUCIE, FLORIDA

By: _____

Name: Shannon Martin

Title: Mayor

By: _____

Name: Sally Walsh, MMC

Title: City Clerk

By: _____

Name: Stephen Okiye

Title: Finance Director

APPENDIX A

AUDITED FINANCIAL STATEMENTS FOR THE CITY OF PORT ST. LUCIE, FLORIDA

APPENDIX B

GENERAL INFORMATION REGARDING THE CITY OF PORT ST. LUCIE, FLORIDA AND ST. LUCIE COUNTY, FLORIDA

THE FOLLOWING INFORMATION CONCERNING THE CITY OF PORT ST. LUCIE, FLORIDA AND ST. LUCIE COUNTY, FLORIDA, IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE SERIES 2026 BONDS ARE PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE OFFICIAL STATEMENT TO WHICH THIS INFORMATION IS APPENDED, AND ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF IS REQUIRED TO LEVY ANY TAX FOR PAYMENT OF THE SERIES 2026 BONDS.

LOCATION

The City of Port St. Lucie (the "City") is a residential community in the southern part of St. Lucie County, Florida (the "County"), and was incorporated in 1961. The City encompasses approximately 121 square miles of the 588 square miles of the County and is located in southeastern Florida. The City is located 100 miles north of the City of Miami, 50 miles north of the City of West Palm Beach and 120 miles south of the City of Orlando. The City is served by three major north-south Florida highways: Interstate 95, the Florida Turnpike, and U.S. Highway No. 1, and is located near a seaport, an international airport and has railway access.

Below is a table which shows the relative number of square miles of each incorporated municipality within the County and of the unincorporated area of the County:

<u>Land Area</u>	<u>Square Miles</u>
City of Port St. Lucie	121
City of Fort Pierce	36
St. Lucie Village	1.0
Unincorporated Area	414
St. Lucie County total	572.0

Source: Planning and Zoning Department, City of Port St. Lucie and the St. Lucie County website.

GOVERNMENT

The City operates under a Mayor/Council/Manager form of government. The City Council, comprised of the Mayor and four Council members, is the primary governing body of the City. Pursuant to an amendment to the City's Charter, in November 2002, the Mayor and two City Council Members were elected to a four-year term and the remaining City Council Members were elected for a two year term. Thereafter, all City Council Members and the Mayor will be elected to a four-year term. The City Manager is the chief administrative officer responsible to the City Council.

POPULATION

Currently 66% of the County's population resides within the City, 13% resides within the City of Fort Pierce, 0.02% resides within St. Lucie Village and the balance of the County's population resides in the unincorporated area of the County.

The City's population increased from 50 in 1960, the year before the City's incorporation, to 260,194 in 2025. The City was recently ranked #1 on the "Hottest Zip Codes in America" list for December 2025 according to a MovingPlace Study. The City is part of the Fort Pierce/Port St. Lucie/Stuart Standard Metropolitan Statistical Area (SMSA), which has a population of 560,355. The following table sets forth the population trends in the City, the County and the State from the years 1960 through 2025. The City's estimated population as of April 1, 2025 was 260,194.

City of Port St. Lucie and St. Lucie County, Florida Population Trends 1960-2025

Year	City of Port St. Lucie	Percentage Change	St. Lucie County	Percentage Change	State of Florida	Percentage Change
1960	50	-%	39,294	-%	4,951,560	-%
1970	330	56.0	50,837	2.9	6,789,437	3.7
1980	14,690	435.1	87,182	7.2	9,746,959	4.4
1990	55,761	28.0	150,171	7.2	12,937,926	3.3
2000	88,769	59.2	192,695	22.0	15,982,378	19.0
2010	164,603	46.2	277,789	44.2	18,801,310	15.0
2020	204,851	24.5	322,265	18.5	21,538,187	12.7
2021	214,514	5.7	340,060	5.5	21,898,945	1.7
2022	224,916	4.8	350,518	3.1	22,276,132	3.4
2023	239,653	6.6	368,628	5.2	22,634,867	1.6
2024	253,959	6.0	385,746	4.6	23,014,551	1.7
2025	260,194	2.4	394,074	2.1	23,379,261	1.6

Sources: University of Florida, Bureau of Economic and Business Research

BUDGET PROCESS

The City follows the procedures set forth in Chapters 166 and 200 of the Florida Statutes in establishing its budgetary data.

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and means of financing them. Public hearings are then conducted to obtain taxpayer comments on the operating budget.

The budget is legally enacted through the passage of an ordinance by City Council on or before the thirtieth day of September of the year currently ending. The level of budgetary control is the fund level. The City Manager is authorized to transfer budgeted amounts within any fund. Revisions that alter the budget totals of any department require approval of the City Council. Unencumbered appropriations lapse at year end.

The reported budgetary data represent the final approved budget after amendments adopted by the City Council.

Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles, except that encumbrances are presented as expenditures.

Formal budget integration is not employed for proprietary, capital project, or trust funds because effective budgetary control is achieved by alternate measures.

Budgeted amounts are as originally adopted, or as amended by the City Council.

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SOURCES OF REVENUES OF THE CITY

Set forth below are the City's sources of revenue for the last ten Fiscal Years:

GENERAL REVENUES BY SOURCE LAST TEN FISCAL YEARS CITY OF PORT ST. LUCIE, FLORIDA

Fiscal Year	Taxes	Licenses & Permits	Inter-Governmental	Charges for Services	Human Services	Fines & Forfeitures	Interest on Investments	Interest on Special Assessments	Impact Fees	Miscellaneous	Total
2016	\$65,730,532	\$16,576,124	\$38,874,481	\$54,419,081	\$61,886	\$2,275,034	\$970,966	\$6,153	\$6,955,207	\$4,230,299	\$190,099,763
2017	69,728,447	16,634,939	47,107,772	52,598,248	48,870	1,401,918	1,546,657	-	8,323,840	3,168,781	200,559,472
2018	75,094,507	20,169,455	55,965,001	45,210,292	51,135	1,321,259	1,276,096	4,592	12,377,309	2,843,655	214,313,301
2019	80,474,997	20,909,047	58,264,302	40,152,181	-	1,789,251	4,504,288	-	13,207,429	6,187,995	225,489,490
2020	85,461,617	22,399,903	46,618,703	42,309,965	-	1,513,050	3,592,288	-	14,313,224	4,149,716	220,358,466
2021	90,505,120	28,837,043	56,285,233	46,052,436	-	1,517,990	288,477	-	25,594,289	4,088,037	253,168,625
2022	96,867,588	33,483,485	59,307,841	49,100,794	-	1,437,770	1,980,189	-	28,243,674	3,846,146	265,563,349
2023	150,483,970	29,183,970	28,939,733	54,354,587	-	1,401,859	9,982,723	-	16,276,941	4,358,075	295,757,724
2024	168,329,671	30,191,134	34,649,402	60,887,715	-	1,042,415	14,468,774	-	21,251,923	5,227,805	342,479,555
2025											

Source: City of Port St. Lucie, Florida Annual Comprehensive Financial Report, Fiscal Year Ended September 30, 2025.

Set forth below are the City's expenditures by function for the last ten Fiscal Years:

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION LAST TEN FISCAL YEARS CITY OF PORT ST. LUCIE, FLORIDA

Fiscal Year	General Government	Public Safety	Physical Environment	Transportation	Economic Environment	Human Services	Culture and Recreation	Capital Outlay ⁽²⁾	Debt Service ⁽³⁾	Total ⁽¹⁾
2016	\$10,911,222	\$45,564,571	\$18,838,042	\$25,343,943	\$12,216,119	\$1,204,125	\$14,331,630	-	\$53,691,274	\$182,100,926
2017	16,130,414	55,709,096	18,358,971	40,514,133	14,689,586	1,497,279	15,537,534	-	44,602,617	207,039,630
2018	13,966,732	54,905,623	18,373,558	57,251,395	9,859,368	1,674,827	21,375,515	-	35,088,264	212,495,282
2019	21,470,489	57,186,085	18,709,214	49,931,569	8,230,255	3,990,343	18,232,071	-	36,234,875	213,984,901
2020	22,828,572	57,932,782	20,314,510	14,982,974	8,156,385	4,869,705	17,405,183	28,909,236	35,672,941	211,072,288
2021	26,289,061	59,872,104	21,145,698	15,520,868	12,745,841	8,584,099	16,962,371	23,247,398	36,876,689	221,244,129
2022	28,593,480	64,140,987	33,455,790	16,240,751	18,007,237	7,665,046	17,148,648	26,339,742	52,862,654	264,454,335
2023	37,442,275	71,811,511	34,872,465	23,980,946	14,423,879	6,244,051	21,733,537	46,410,761	34,669,240	291,588,665
2024	37,839,557	84,206,042	43,329,147	23,435,813	24,720,057	7,276,506	25,893,877	59,404,492	32,358,145	338,463,636
2025										

Source: City of Port St. Lucie, Florida Annual Comprehensive Financial Report, Fiscal Year Ended September 30, 2025.

⁽¹⁾ General governmental expenditures may be paid from sources other than General Fund revenues. Accordingly, the total amount of general governmental expenditures in a given Fiscal Year may exceed the total General Fund revenues for that fiscal year.

⁽²⁾ Starting in Fiscal Year 2013, Capital Outlay expenditures are included in their respective functional categories.

⁽³⁾ Sum of Principal and Interest

COMMERCE AND INDUSTRY

The City has a stable, diversified service sector base, and is a center for tourism, recreation, and residences. Major economic activities of the City and surrounding areas include construction, transportation, tourism, wholesale and retail trade, truck farming, citrus, and cattle. Over the past several years, the City has welcomed distribution centers, logistics firms, and manufacturing facilities including, Amazon, Costco, FedEx, Cheney Brothers, and TAMCO Group. Additional corporations have announced plans for major investments in the area including Inkas, and Mohnark Pharmaceuticals, to name a few.

The City is home to major league sporting events. The New York Mets baseball team operates a team spring training complex within the City limits. The City has a Professional Golfers' Association of America (PGA) course, PGA Village, a 54-hole public golf course adjacent to the City with a state-of-the-art golf school, the PGA Learning Center and has hosted several PGA qualifying and professional events in 2025. In addition, there is the City-owned Saints Golf Course and many other privately owned golf courses in the City. The City also plans to bring a United Soccer League professional team to Port St. Lucie – a first for the City. It is expected that the team will play its first match in 2027.

Although primarily planned and platted for low density single-family residential development, the City has worked to diversify its land uses to create a mix of housing types and to attract new industry. Several master planned communities are located within the municipal boundaries of Port St. Lucie.

- Ballantrae Golf and Yacht Club is a 402-acre planned community along the North Fork of the St. Lucie River that includes a Jack Nicklaus Signature Golf Course and 400 single family and multi-family dwelling units plus a marina with 67 boat slips, a church, day care center, and planned additional residential dwelling units.
- St. Lucie West is a master planned community of approximately 4,600 acres consisting of single and multi-family housing in addition to commercial and industrial development. It is bordered by Interstate 95 to the west and Florida's Turnpike to the east. The community's baseball stadium, Tradition Field, serves as the spring training headquarters for the New York Mets. There are more than 6,000 homes in St. Lucie West housing nearly 15,000 residents.
- "Tradition" is a large-scale, master planned community encompassing approximately 8,200 acres. Tradition is located in the City's southwest annexation area near major transportation corridors, including Interstate-95 ("I-95"), Tradition Parkway and the Florida Turnpike, with five miles of continuous frontage along I-95, including three interchanges.
- With five miles of frontage along Interstate 95, Southern Grove is a 3,605-acre Development of Regional Impact (DRI) south of Tradition Parkway. It is recognized as the City's jobs corridor. It is approved for 7,388 residential units, 13,187,743 square feet of nonresidential development, 791 hotel rooms, and 300 hospital beds.
- The Tradition Center for Innovation and the Tradition Center for Commerce are both within the master planned community of Tradition. Located within the Southern Grove master planned development, the Tradition Center for Innovation is home to the 100,000 square foot Torrey Pines Institute for Molecular Studies and the Cleveland Clinic Martin Health. Tradition Center for Commerce is approximately 1,250 acres and is approved for a mix of uses including office, retail, industrial, multi-family residential, recreational/entertainment and other beneficial opportunities for citizens.

- Additional proposed developments in the southwest annexation area include a 3,800 acre GL Homes master planned development and a 2,500 acre Anasca Homes master planned development.
- There are several other planned communities within the City including Valoris at Veranda, The Lucie at Tradition, and Verano POD "G."
- Land adjacent to the North Fork of the St. Lucie River is utilized by Sandpiper Bay All-Inclusive, Trademark Collection by Wyndham Resort. The Resort has the following facilities available: a large hotel, vacation villas, a marina, a golf course and restaurants.

**Principal Employers
St. Lucie County, Florida 2024**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
St. Lucie School Board	6,017	3.7%
Walmart	3,376	2.11
Publix	1,974	1.23
Lawnwood/HCA Medical	1,751	1.10
Indian River State College	1,471	0.92
City of Port St. Lucie	1,324	0.83
HCA Florida St. Lucie Hospital	950	0.59
St. Lucie County	857	0.54
Teleperformance USA	799	0.50
St. Lucie County Sheriff's Department	731	0.46

Source: City of Port St. Lucie, Florida Annual Comprehensive Financial Report, Fiscal Year Ended September 30, 2024.

**Personal Income
St. Lucie County, Florida
(2016 – 2025)**

<u>Fiscal Year</u>	<u>Total Personal Income (000's)</u>	<u>Per Capita</u>
2016	23,614,000	50,134
2017	24,825,600	51,824
2018	26,140,273	54,228
2019	27,249,575	55,691
2020	29,281,758	59,153
2021	33,549,849	64,430
2022	36,657,864	65,470
2023	39,236,828	73,080
2024	n/a	n/a
2025		

Source: City of Port St. Lucie, Florida Annual Comprehensive Financial Report, Fiscal Year Ended September 30, 2025.

As provided in the tables below, the unemployment rate for the County is generally higher than the unemployment rate for the State due, in part, to the greater dependence on agricultural and construction employment within the County and seasonal variations related to such employment. However, the City's unemployment rate is generally lower than the unemployment rate for the County due, in part, to the fact that the City does not heavily rely on the agricultural sector for employment.

**Labor Force
St. Lucie County, Florida
(2016-2025)**

Year	Labor Force	Employment	Unemployment Number	Unemployment Rate
2016	130,404	119,663	10,741	8.2
2017	131,823	123,346	8,477	6.4
2018	135,657	127,736	7,921	5.8
2019	139,075	131,816	7,259	5.2
2020	142,627	136,218	6,409	4.5
2021	150,366	143,002	7,364	4.9
2022	159,615	154,745	4,870	3.1
2023	237,290	229,439	7,851	3.3
2024	239,334	230,361	8,974	3.8
2025				

Source: U.S. Bureau of Labor Statistics, Unemployment in States and Local Areas (all other areas).

**Labor Force
State of Florida
(2016-2025)**

Year	Labor Force	Employment	Unemployment Number	Unemployment Rate
2016	9,841,000	9,360,000	481,000	4.9
2017	10,032,000	9,606,000	426,000	4.2
2018	10,166,000	9,798,000	368,000	3.6
2019	10,330,000	9,991,000	339,000	3.3
2020	10,114,000	9,333,000	782,000	7.7
2021	10,308,452	9,843,057	469,711	4.6
2022	10,628,462	10,389,001	313,000	2.9
2023	10,988,565	10,668,886	318,627	2.9
2024	11,034,437	10,664,979	362,097	3.3
2025				

Source: U.S. Bureau of Labor Statistics, State Employment and Unemployment, Unemployment in States and Local Areas (all other areas).

**Construction and Property Values
Last Ten Years
City of Port St. Lucie, Florida
Construction**

Year	Residential		Commercial	
	Number of Units	Value	Number of Units	Value
2016	1,165	180,388,212	328	163,062,804
2017	1,492	207,284,671	367	57,745,656
2018	2,677	423,544,740	232	101,604,785
2019	2,546	503,001,543	242	172,844,438
2020	3,700	734,799,046	200	51,397,804
2021	4,885	1,020,908,161	217	391,106,787
2022	3,629	870,618,486	237	580,313,398
2023	3,210	753,839,804	135	130,855,269
2024	2,917	762,558,894	102	137,468,147
2025				

Source: City of Port St. Lucie, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2025.

EDUCATIONAL FACILITIES

The St. Lucie County public school district has seventeen elementary schools, nine elementary/middle combination schools, four middle schools, one middle/high combination school, six senior high schools, two alternative schools, six charter schools, seven magnet schools and two virtual schools.

There are twenty-seven private schools supplementing the public school system. Within the City, there are three institutions of higher education. The list includes two private colleges, Keiser University and Fortis Institute, and one public institution, the St. Lucie West campus of Indian River State College (IRSC). Keiser University focuses on vocational education, and associate, bachelor, and graduate degrees for non-traditional students. Fortis University focuses on healthcare education. IRSC is a four-year state college located in Fort Pierce with locations in surrounding counties. It operates the Pruitt Campus in the master planned community of St. Lucie West. Bachelor’s degrees are offered in applied science, biology, education, nursing, and digital media as well as associate degrees.

AGRICULTURE

The County is the 7th largest aquaculture economy in the State and the 6th largest fruit-producing county in the State. According to the 2020 census, the County has a total area of approximately 572 square miles. Approximately fifty-three percent (53%) of the County's land is classified as agriculture. According to the U.S. Department of Commerce's 2017 Census of Agriculture, as of 2017 there were 415 counted farms in the County, encompassing approximately 225,971 acres. The market value of all agricultural products (i.e., crops and livestock) produced in the County amounted to \$140 million in sales.

TOURISM AND RECREATION

A combination of favorable climate and available recreational assets such as 21 miles of beaches, tennis courts, golf courses, world class fishing, and a thriving arts and culture scene has made tourism an important industry in the County. Within the County, there are 63 hotels, motels, RV parks, and campgrounds with approximately 4,800 total units. The County also has over 319 licensed dining establishments with an estimated seating capacity in excess of 27,000. The County has one inlet, located at its northeast corner and is connected to the federally-maintained Intracoastal Waterway. City residents have easy access to the Atlantic Ocean by way of the North Fork of the St. Lucie River through its protected, tree-lined waterway meandering through the City. Besides boating and fishing, the City maintains 151 acres of developed Community Parks, 102 acres of developed neighborhood parks and maintains an additional 659 acres of open space parks, natural resource based parks/preserves and a botanical gardens. Community parks have lighted facilities for organized athletic programs. The City also owns and operates the Saints Golf Course, an 18-hole championship golf course. The Port St. Lucie MIDFLORIDA Event Center is a unique, state-of-the-art 100,000 square foot facility, featuring two grand ballrooms, an outdoor amphitheater, festival grounds, recreation wing and outdoor Martin Health System Village Square and Stage. The Event Center welcomes many for concerts, events, festivals and fitness and recreational opportunities.

TRANSPORTATION FACILITIES

Highways: Within its 121 square miles of area, the City provides approximately 916 miles of paved roads. The transportation network makes up approximately 7,000 acres which is 9% of the City's land area. The City has excellent access to three major north-south Florida highways. Both Interstate 95 and the Florida Turnpike have interchanges in the City. U.S. Route 1 is the primary local highway with most of the area's commercial development along this corridor. The City has easy access to two principle east-west highways. State Road 76 connects Stuart to southwest Florida and State Road 70 provides connections to other Florida West Coast areas.

Bus and Taxi Service: The Treasure Coast Connector is the St. Lucie County public transportation system with bus service on 8 fixed routes throughout St. Lucie County. Greyhound Bus Lines has a terminal located in Fort Pierce near the I-95 and the Florida Turnpike interchanges, offering daily scheduled service for nationwide thru-line and charter service. The City has three taxi services and seven motor services to Palm Beach International Airport.

Rail Transportation: Freight service to the Port St. Lucie region is provided by the Florida East Coast Railroad which operates from Jacksonville to Miami. Passenger railway service is located in nearby West Palm Beach.

Sea Port: The Port of Fort Pierce, ten miles north of the City, is a deep water port accommodating ships of up to six hundred feet. Cargo traffic consists primarily of citrus, vegetables, and fertilizer. There is 64,000 square feet of dry storage and an additional 8,000 square feet of refrigerated storage in dock warehouses which are owned and operated by Indian River Terminal Company.

Airports The Treasure Coast International Airport (FPR), formerly known as St. Lucie County International Airport, is located in nearby Fort Pierce and presently has three runways. In addition, the facility provides fuel, repair, hanger and U.S. customs and immigration services. Palm Beach International Airport (less than 50 miles away from the City) is the closest major commercial traffic airport, servicing most U.S. airlines.

POLICE AND FIRE PROTECTION

The City's Police Department consists of approximately 355 authorized full-time sworn officers and 89 full-time civilian personnel, for a total of 444 fulltime employees. It is estimated that the Department handled 152,830

calls for service in 2024 and of those calls 156 involved violent crimes (i.e. homicide, rape, robbery, aggravated assault). In 2024, 1,059 property offenses, which include burglary, theft, auto theft, were received by the Department.

There are a number of programs offered to residents: a close patrol plan of homes belonging to seasonal residents called the "Close House Watch" Service, an infant car seat loan program, an active neighborhood crime watch program, Police Athletic League, Victim Assistance/Advocate and Reverse 911 System. As part of the local justice system, there are programs (such as the Juvenile Restorative Justice Initiative (which includes teen court, peer review, and a Juvenile Counselor) available for youth offenders, Police Explorers, Volunteer Program, Sexual Offender Monitoring, and School Resource Officers.

Fire services for the City are provided by the St. Lucie County Fire District (the "Fire District"), a county-wide entity providing fire/rescue services to all incorporated and unincorporated areas of the County. The Fire District has seventeen stations located throughout the County with eight stations within the limits of the City.

EMPLOYEE RELATIONS

The City currently maintains more than 1,324 full-time equivalent allocated positions, as authorized by the City Council. Under the Constitution of the State, employees have the right to join together for the purposes of collective bargaining. The City has three (3) active unions, International Union of Police Associations (IUPA) with one unit representing the Police Officers, one unit representing the Police Sergeants, and one unit representing the Police Lieutenants. The Federation of Public Employees (FOPE) represents general employees, the Government Supervisors Association of Florida, Local 100 (OPEIU/Supv.) represents supervisors, and The Government Supervisors Association of Florida, Local 100 (OPEIU/Prof.) represents professional workers.] Strikes by municipal employees, under any conditions, are prohibited by the Florida Constitution. The City maintains a Civil Service Appeals Board. Employees may be removed for cause.

APPENDIX C
FORM OF BOND RESOLUTION

APPENDIX D
FORM OF BOND COUNSEL OPINION

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE