

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2025**

**NEW ISSUE-BOOK-ENTRY ONLY**

**RATINGS: Moody's: “\_\_\_” (\_\_\_ outlook)  
S&P: “\_\_\_” (\_\_\_ outlook)  
See “RATINGS” herein.**

*In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2025 Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes and, further, interest on the Series 2025 Bonds will not be an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”) on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income. See “TAX MATTERS” herein for a description of certain other federal tax consequences of ownership of the Series 2025 Bonds. Bond Counsel is further of the opinion that the Series 2025 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See “TAX MATTERS” herein.*

**[\$[PRELIMINARY PAR AMOUNT]\*  
CITY OF DELRAY BEACH, FLORIDA  
PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2025  
(GOLF COURSE PROJECT)**

[LOGO]

**Dated: Date of Delivery**

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

City of Delray Beach, Florida (the “City”) is issuing its \$[PRELIMINARY PAR AMOUNT]\* Public Improvement Revenue Bonds, Series 2025 (Golf Course Project) (the “Series 2025 Bonds”). The Series 2025 Bonds are being issued as fully registered bonds and will be initially issued to and registered only in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), which will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be available to purchasers in principal denominations of \$5,000 and integral multiples thereof under the book-entry system maintained by DTC through brokers and dealers who are, or act through, Direct Participants (as described herein). Beneficial Owners (as defined herein) will not receive physical delivery of the Series 2025 Bonds. Beneficial Owners of Series 2025 Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant (as defined herein) in order to receive payment of the principal of and interest on such Series 2025 Bonds. Disbursements of such payments to the Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of the Direct Participants and the Indirect Participants (as herein defined), as more fully described herein. See “Book-Entry Only System” herein. U.S. Bank Trust Company, National Association, Jacksonville, Florida, will serve as the initial Paying Agent and Registrar for the Series 2025 Bonds.

Interest on the Series 2025 Bonds is payable commencing on June 1, 2026 and on each December 1 and June 1 thereafter until maturity. The Series 2025 Bonds are subject to redemption prior to maturity. See “DESCRIPTION OF THE SERIES 2025 BONDS – Redemption Provisions” herein.

The Series 2025 Bonds are being issued by the City for the purpose of providing funds, together with other available moneys, to (i) finance all or a portion of the cost of renovations and improvements to the City’s 18-hole public municipal golf course, clubhouse and related facilities (collectively, the “Golf Course Project”), (ii) pay capitalized interest on the Series 2025 Bonds and (iii) pay the costs of issuance of the Series 2025 Bonds. See “THE GOLF COURSE PROJECT” herein.

The principal of and interest on the Series 2025 Bonds are payable from and secured by a pledge of and a lien on the Pledged Revenues, consisting primarily of Non-Ad Valorem Revenues budgeted, by amendment, if required, and appropriated by the City on an annual basis and deposited into the Debt Service Fund established pursuant to the Resolution (as such capitalized terms are defined herein). Until such Non-Ad Valorem revenues are deposited in the Debt Service Fund, the Series 2025 Bondholders shall not have a lien on any Non-Ad Valorem Revenues.

**THE SERIES 2025 BONDS SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR OTHER LIMITATION OR INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES. NO OWNER OR OWNERS OF ANY SERIES 2025 BONDS ISSUED HEREUNDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, OR TAXATION IN ANY FORM ON ANY REAL PROPERTY THEREIN TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON. IT IS FURTHER AGREED BETWEEN THE CITY AND THE BONDHOLDERS THAT THE SERIES 2025 BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY OF THE GOLF COURSE PROJECT OR ON ANY OTHER PROPERTY OF OR IN THE CITY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES PLEDGED THERETO, ALL IN THE MANNER PROVIDED IN THE RESOLUTION.**

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

*The Series 2025 Bonds are offered for delivery when, as and if issued by the City, subject to approval of certain legal matters by Greenberg Traurig, P.A., West Palm Beach, Florida as Bond Counsel and Greenberg Traurig, P.A., West Palm Beach, Florida as Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by Lynn Gelin, Esquire, Delray Beach, Florida, City Attorney. PFM Financial Advisors LLC is serving as Municipal Advisor to the City with respect to the Series 2025 Bonds. The Series 2025 Bonds are expected to be delivered through the facilities of DTC on or about \_\_\_\_\_, 2025.*

**Electronic bids only for Series 2025 Bonds pursuant to the provisions of the Official Notice of Sale will be received by the City pursuant to the IHS Markit’s Parity/Bidcomp® Competitive Bidding System in the manner and at the time and/or date described in the Official Notice of Sale.**

Dated: \_\_\_\_\_, 2025.

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\*Preliminary, subject to change.

[Red Herring Language]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Series 2025 Bonds may not be sold nor may offers to buy the Series 2025 Bonds be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy the Series 2025 Bonds in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. 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.

**[\$[PRELIMINARY PAR AMOUNT]]\***  
**CITY OF DELRAY BEACH, FLORIDA**  
**PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2025**  
**(GOLF COURSE PROJECT)**

\$ \_\_\_\_\_ \* Serial Bonds

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

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>Initial</u> <u>CUSIP Number</u> <sup>(1)</sup>
	\$	%			
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036**					
2037**					
2038**					
2039**					
2040**					
2041**					
2042**					
2043**					
2044**					
2045**					
2046**					
2047**					
2048**					
2049**					
2050**					
2051**					
2052**					
2053**					
2054**					
2055**					

\* Preliminary, subject to change. Principal amounts may be adjusted after submission of bids. See “SERIES 2025 BOND DETAILS - Adjustment of Principal Amounts” in the Official Notice of Sale.

\*\* The principal amount of any two or more consecutive maturities may be designated as Term Bonds. See “SERIES 2025 BOND DETAILS – Term Bond Option” in the Official Notice of Sale.

<sup>(1)</sup> 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 2025 Bonds. Neither the City nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

**CITY OF DELRAY BEACH, FLORIDA  
MAYOR AND MEMBERS OF CITY COMMISSION**

Mayor Thomas F. Carney, Jr.  
Vice-Mayor Rob Long  
Deputy Vice-Mayor Angela Burns  
Commissioner Juli Casale  
Commissioner Tom Markert

**CITY MANAGER**  
Terrence R. Moore, ICMA-CM

**CHIEF FINANCIAL OFFICER**  
Henry M. Dachowitz, CPA, MBA

**CITY ATTORNEY**  
Lynn Gelin, Esquire

**DIRECTOR OF PARKS AND RECREATION**  
Samuel R. Metott, C.P.R.E.

**MUNICIPAL ADVISOR**  
PFM Financial Advisors LLC  
Orlando, Florida

**BOND COUNSEL**  
Greenberg Traurig, P.A.  
West Palm Beach, Florida

**DISCLOSURE COUNSEL**  
Greenberg Traurig, P.A.  
West Palm Beach, Florida

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**  
CBIZ CPAs P.C.  
West Palm Beach, Florida

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations in connection with the Series 2025 Bonds, other than as contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 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 obtained from the City, DTC and other sources which are believed to be reliable. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2025 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2025 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 2025 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 AND ANY ONE OR MORE OF THE OWNERS OF THE SERIES 2025 BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: [WWW.MUNIOS.COM](http://WWW.MUNIOS.COM) AND [WWW.EMMA.MSRB.ORG](http://WWW.EMMA.MSRB.ORG) . THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

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## OFFICIAL STATEMENT

*relating to*

**[\$[PRELIMINARY PAR AMOUNT]\*  
CITY OF DELRAY BEACH, FLORIDA  
PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2025  
(GOLF COURSE PROJECT)**

### INTRODUCTION

The purpose of this Official Statement is to set forth certain information relating to City of Delray Beach, Florida (the “City”) and the issuance of its \$[PRELIMINARY PAR AMOUNT]\* Public Improvement Revenue Bonds, Series 2025 (Golf Course Project) (the “Series 2025 Bonds”). The Series 2025 Bonds are being issued pursuant to the Constitution of the State of Florida, Chapters 125 and 166, Florida Statutes, as amended and supplemented, the City Charter, as amended and supplemented, and other applicable provisions of law (collectively, the “Act”), and pursuant to Resolution No. 257-25 adopted by the City Commission (the “City Commission”) on October 21, 2025 (the “Resolution”). Capitalized terms not otherwise defined in this Official Statement have the same meanings assigned to such terms in the Resolution. See “APPENDIX A – THE RESOLUTION” attached hereto.

The principal of and interest on the Series 2025 Bonds are payable from and secured solely by a pledge of and a lien on the Pledged Revenues (as described herein), consisting primarily of Non-Ad Valorem Revenues budgeted, by amendment, if necessary, and appropriated by the City on an annual basis and deposited into the Debt Service Fund (as such terms are defined in the Resolution) established pursuant to the Resolution. Until such Non-Ad Valorem Revenues are deposited in the Debt Service Fund, the Series 2025 Bondholders shall not have a lien on any Non-Ad Valorem Revenues.

**THE SERIES 2025 BONDS SHALL NOT BE OR CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR OTHER LIMITATION OR INDEBTEDNESS, BUT SHALL BE PAYABLE SOLELY FROM A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES. NO OWNER OR OWNERS OF ANY SERIES 2025 BONDS ISSUED HEREUNDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, OR TAXATION IN ANY FORM ON ANY REAL PROPERTY THEREIN TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON. IT IS FURTHER AGREED BETWEEN THE CITY AND THE BONDHOLDERS THAT THE SERIES 2025 BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY OF THE GOLF COURSE PROJECT OR ON ANY OTHER PROPERTY OF OR IN THE CITY, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES PLEDGED THERETO, ALL IN THE MANNER PROVIDED IN THE RESOLUTION. See “ENFORCEABILITY OF REMEDIES,” herein.**

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\*Preliminary, subject to change.

This Official Statement also includes summaries of the Series 2025 Bonds, the Resolution, information about the City and certain reports and other financial and statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument.

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

## **PURPOSE OF THE SERIES 2025 BONDS**

The Series 2025 Bonds are being issued by the City for the purpose of providing funds, together with other available moneys, to (i) finance all or a portion of the Golf Course Project (as defined below), (ii) pay capitalized interest on the Series 2025 Bonds and (iii) pay costs of issuance of the Series 2025 Bonds. See “THE GOLF COURSE PROJECT” below.

## **THE GOLF COURSE PROJECT**

The Golf Course Project includes, but is not limited to, renovations and improvements to the Delray Beach Golf Club, an 18-hole public municipal golf course, clubhouse and related facilities (as further described in the Resolution) (collectively, the “Golf Course Project”).

The Golf Course Project undertaking includes the full-scale restoration of the Delray Beach Golf Club with the goal of preserving the design of its original architects - Donald Ross and Dick Wilson. The comprehensive project includes new and improved practice facilities, modern irrigation and drainage systems, removal of exotic vegetation, continuous cart paths, upgraded restrooms and shelters, an updated maintenance facility, and full course resurfacing and reshaping of tees, fairways, and greens.

The Golf Course Project is expected to begin construction in late 2025, with the course closing for roughly one year and reopening around November 2026.

## **DESCRIPTION OF THE SERIES 2025 BONDS**

### **General Description**

The Series 2025 Bonds will be issued as fully registered bonds, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as securities depository for the Series 2025 Bonds. Individual purchases of the Series 2025 Bonds will be made in book-entry form only, and purchasers will not receive physical delivery of the Series 2025 Bonds or any certificate representing their beneficial ownership interest in the Series 2025 Bonds. See “Book-Entry Only System” herein.

The Series 2025 Bonds are available to purchasers in principal denominations of \$5,000 or any integral multiple thereof. The Series 2025 Bonds will be dated as of the date of their initial issuance and will bear interest from that date at the rates (calculated based upon a year of 360 days consisting of twelve thirty-day months) and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2025 Bonds will be payable in semi-annually on June 1 and December 1 of each year, commencing on June 1, 2026. U.S. Bank Trust Company, National Association, Jacksonville, Florida, will act as Paying Agent and Registrar for the Series 2025 Bonds.

## **Redemption Provisions**

### Optional Redemption

The Series 2025 Bonds maturing on or prior to June 1, 2035 are not subject to optional redemption. The Series 2025 Bonds maturing on or after June 1, 2036 are subject to redemption prior to maturity, at the option of the City, in whole or in part on any date on or after June 1, 2035, and if in part, in such order of maturities and in such amounts as the City shall select and by lot within a maturity, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, and without premium.

### Mandatory Sinking Fund Redemption.

The Series 2025 Bonds maturing on June 1, 20\_\_\_ are subject to mandatory redemption in part prior to maturity, by lot, at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the date of redemption, on June 1 in the following year and in the following amounts:

<u>Year</u>	<u>Principal Amount</u>
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\*Final Maturity.

## **Notice of Redemption**

Notice of redemption shall be given by deposit in the U.S. mail, postage prepaid, at least thirty (30) days before the redemption date to all registered owners of the Series 2025 Bonds or portions of the Series 2025 Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. Failure to mail any such notice to a registered owner of a Series 2025 Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Series 2025 Bond or portion thereof with respect to which no failure or defect occurred. The foregoing notwithstanding, if it is determined that the giving of notice by U.S. mail is not feasible, any other industry-accepted means of giving notice, including, but not limited to, facsimile or electronic transmission, may be utilized for the giving of notice, provided that it can be established that the notice was in fact given by such other means.

Such notice shall set forth the date fixed for redemption, the rate of interest borne by each Series 2025 Bond being redeemed, the date of publication, the name and address of the Registrar and Paying Agent, the redemption price to be paid and, if less than all of the Series 2025 Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers of such Series 2025 Bonds to be redeemed and, in the case of Series 2025 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2025 Bond is to be redeemed in part only, the notice of redemption which relates to such Series 2025 Bond shall also state that on or after the redemption date, upon surrender of such Series 2025 Bond, a new Series 2025 Bond or Series 2025 Bonds in a principal amount equal to the unredeemed portion of such Series 2025 Bond may be issued upon request of the Owner. Conditional notice of redemption is authorized to be given for any optional redemption.

The Registrar also shall mail (by certified mail, return receipt requested) a copy of such notice for receipt not less than the second Business Day prior to the date the notice of redemption is mailed to the registered Holders of the Series 2025 Bonds to the following: DTC or such other securities depository

designated by the City; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Series 2025 Bonds.

A second notice of redemption shall be given sixty (60) days after the redemption date in the manner required above to the registered owners of redeemed Series 2025 Bonds which have not been presented for payment within thirty (30) days after the redemption date.

Notwithstanding the above, so long as the Series 2025 Bonds are held in the Book-Entry System maintained by the Securities Depository, such notice of redemption shall only be sent to the Securities Depository or its nominee.

Any notice mailed or otherwise provided by such other means, as set forth above, shall be conclusively presumed to have been duly given, whether or not the owner of such Series 2025 Bond receives such notice.

### **Negotiability, Registration and Transfer**

*So long as the Series 2025 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of Series 2025 Bonds do not apply to the Series 2025 Bonds to the extent of a conflict with the DTC book-entry system.*

At the option of the registered Owner thereof and upon surrender thereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Owner or his duly authorized attorney and upon payment by such Owner of any charges which the Registrar may make as provided in the Resolution, the Series 2025 Bonds may be exchanged for Series 2025 Bonds, interest rate and maturity of any other authorized denominations.

The Registrar shall keep books for the registration of Series 2025 Bonds and for the registration of transfers of Series 2025 Bonds. The Series 2025 Bonds shall be transferable by the Owner thereof in person or by his attorney duly authorized in writing only upon the registration books of the City kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Owner or his duly authorized attorney. Upon the transfer of any such Series 2025 Bond, the City shall issue in the name of the transferee a new Series 2025 Bond or Series 2025 Bonds.

The City, the Paying Agent and the Registrar shall deem and treat the person in whose name any Series 2025 Bond shall be registered upon the books kept by the Registrar as the absolute Owner of such Series 2025 Bond, whether such Series 2025 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2025 Bond as the same become due and for all other purposes. All such payments so made to any such Owner or upon his or her order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Series 2025 Bonds or transferring Series 2025 Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Series 2025 Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Registrar and canceled by the Registrar in the manner provided in the Resolution. There shall be no charge for any such exchange or transfer of Series 2025 Bonds, but the City or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor

the Registrar shall be required (a) to transfer or exchange Series 2025 Bonds for a period from a Record Date to the next succeeding Interest Payment Date on such Series 2025 Bonds or 15 days next preceding any selection of Series 2025 Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Series 2025 Bonds called for redemption. However, if less than all of a term Series 2025 Bond is redeemed or defeased, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of such term Series 2025 Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such term Series 2025 Bond so surrendered, a registered Term Bond in the appropriate denomination and interest rate.

All Series 2025 Bonds paid or redeemed, either at or before maturity shall be delivered to the Registrar when such payment or redemption is made, and such Series 2025 Bonds, together with all Bonds purchased by the City, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Registrar, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Series 2025 Bonds so destroyed, and one executed certificate shall be filed with the City and the other executed certificate shall be retained by the Registrar.

Series 2025 Bonds held by the Securities Depository while the Series 2025 Bonds are registered under the Book-Entry System shall be registered in the name of the Securities Depository or its nominee and beneficial ownership of such Series 2025 Bonds shall be transferred in accordance with the procedures of the Securities Depository and its Participants.

### **Mutilated, Destroyed, Stolen or Lost Series 2025 Bonds**

In case any Series 2025 Bond shall become mutilated, destroyed, stolen or lost, the City may execute and the Registrar shall authenticate and deliver a new Series 2025 Bond of like date, maturity and denomination as the Series 2025 Bond so mutilated, destroyed, stolen or lost; provided that, in the case of any mutilated Series 2025 Bond, such mutilated Series 2025 Bond shall first be surrendered to the City and, in the case of any lost, stolen or destroyed Series 2025 Bond, there shall first be furnished to the City and the Registrar evidence of such loss, theft, or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event any such Series 2025 Bond shall be about to mature or have matured instead of issuing a duplicate Series 2025 Bond, the City may pay the same without surrender thereof. The City and the Registrar may charge the Owner of such Series 2025 Bond their reasonable fees and expenses in connection with this transaction. Any Series 2025 Bond surrendered for replacement shall be canceled in the manner provided in the Resolution.

Any such duplicate Series 2025 Bonds issued in the manner described above shall constitute additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Series 2025 Bonds be at any time found by anyone, and such duplicate Series 2025 Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the Pledged Revenues with all other Series 2025 Bonds issued hereunder.

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

THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY (“DTC”) AND DTC’S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE. NEITHER THE CITY NOR THE UNDERWRITERS TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2025 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2025 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2025 BONDS SHALL

MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2025 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2025 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2025 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2025 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2025 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2025 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY AND UNDERWRITERS NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond certificate will be issued for each maturity of the Series 2025 Bonds as set forth on the inside cover page of this Official Statement in the aggregate principal amount thereof, 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"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bondholder ("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 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within a maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the

event that a successor depository is not obtained, the Series 2025 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository) pursuant to the rules and procedures of DTC. In that event, Series 2025 Bond certificates will be printed and delivered to DTC.

**ESTIMATED SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of funds associated with the issuance of the Series 2025 Bonds:

SOURCES OF FUNDS:	
Principal Amount	\$
[Plus][Less] [Net] Original Issue	
[Premium][Discount]	
TOTAL SOURCES OF FUNDS	
USES OF FUNDS:	
Deposit to Construction Fund	
Capitalized Interest <sup>(1)</sup>	
Costs of Issuance <sup>(2)</sup>	\$
TOTAL USES OF FUNDS	

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<sup>(1)</sup> To pay capitalized interest through June 1, 2026.

<sup>(1)</sup> Includes Underwriter's discount, legal, financial advisory and other related fees and expenses.

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## **SECURITY FOR THE SERIES 2025 BONDS**

### **Limited Obligations**

The Series 2025 Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or other limitation or indebtedness, but shall be payable solely from a lien on and pledge of the Pledged Revenues. No owner or owners of any Series 2025 Bonds issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the City, or taxation in any form on any real property therein to pay the Series 2025 Bonds or the interest thereon. It is further agreed between the City and the Bondholders that the Series 2025 Bonds and the obligations evidenced thereby shall not constitute a lien upon any of the Golf Course Project or on any other property of or in the City, but shall constitute a lien only on the Pledged Revenues pledged thereto, all in the manner provided in the Resolution.

### **The Pledged Revenues**

The Series 2025 Bonds are special obligations of the City payable solely from and secured solely by the Pledged Revenues. "Pledged Revenues" are defined in the Resolution to mean (i) the Non-Ad Valorem Revenues deposited in the Debt Service Fund created and established under the Resolution; (b) investment income received from the investment of moneys in the Debt Service Fund established under the Resolution, and (c) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with repayment of the Series 2025 Bonds.

The term "Non-Ad Valorem Revenues" shall mean all revenues of the City derived from any source whatsoever other than ad valorem taxation on real and personal property, which are legally available for payment of debt service by the City. Revenues from the City's public utility system are not included as Non-Ad Valorem Revenues under the Resolution. See "DESCRIPTION OF CERTAIN NON-AD VALOREM REVENUES," herein.

### **Covenant to Budget and Appropriate**

The City has covenanted in the Resolution that, until the Series 2025 Bonds are no longer Outstanding pursuant to the provisions of the Resolution, it will appropriate in its annual budget in each Fiscal Year, by amendment if required, Non-Ad Valorem Revenues in amounts sufficient to pay the principal of and interest on the Series 2025 Bonds, as the same become due (whether by redemption, at maturity or otherwise). Notwithstanding the foregoing covenant, the City has not covenanted to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

To the extent that the City is in compliance with the covenant contained above and the covenants described below under the caption "Additional Debt Payable From Non-Ad Valorem Revenues", the Resolution and the obligations of the City contained in the Resolution shall not be construed as a limitation on the ability of the City to pledge or covenant to pledge its Non-Ad Valorem Revenues for other legally permissible purposes. As of September 30, 2025, the City had approximately \$11,875,000 principal amount of outstanding debt currently payable from its covenant to budget and appropriate Non-Ad Valorem Revenues.

Such covenant to budget and appropriate Non-Ad Valorem Revenues is not a pledge by the City of such Non-Ad Valorem Revenues and is subject in all respects to the repayment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into, including the payment of debt service on other bonds or other obligations. Such covenant to budget and appropriate is subject to the

provisions of Section 166.241, Florida Statutes, which make it unlawful for the City to expend moneys not appropriated and in excess of the City's current budgeted revenues. Such covenant does not require the City to levy and collect any particular source of Non-Ad Valorem Revenues nor to maintain or increase any regulatory fees or user charges with respect to any particular source of Non-Ad Valorem Revenues. Such covenant does not give the Beneficial Owners or the Paying Agent a prior claim on such Non-Ad Valorem Revenues as opposed to claims of general creditors of the City until such time as a deposit of such Non-Ad Valorem Revenues is made into the Debt Service Fund or other fund hereunder for the purposes of Article III of the Resolution. The obligation of the City to budget and appropriate Non-Ad Valorem Revenues is subject to the City satisfying funding requirement for essential government service of the City.

### **Disposition of Pledged Revenues**

The Clerk shall deposit the Non-Ad Valorem Revenues budgeted and appropriated into the Debt Service Fund at such times (but in no case later than the Business Day next preceding an Interest Payment Date) and in such amounts as shall be sufficient to make full and timely payments of the principal of and interest on the Series 2025 Bonds, as the same become due and payable, in each year that the Series 2025 Bonds are Outstanding and unpaid. The Clerk may invest the moneys on deposit in the Debt Service Fund in Permitted Investments to mature not later than such times as shall be necessary to pay debt service on the Series 2025 Bonds (whether at maturity, by redemption, or otherwise).

### **Additional Debt Payable From Non-Ad Valorem Revenues**

The City has covenanted in the Resolution and agreed that it will not issue any indebtedness or incur any indebtedness payable from or supported by a pledge of the Non-Ad Valorem Revenues unless the City can show that following the issuance of or incurrence of such additional indebtedness, (i) the total amount of Non-Ad Valorem Revenues (based on the most recent Fiscal Year) will be greater than 1.50 times the Maximum Debt Service, and (ii) the total amount of Non-Ad Valorem Revenues in each Fiscal Year in which such indebtedness is Outstanding (based on reasonable projections of the City) will be greater than 1.50 times the Non-Self-Supporting Debt Service in each such Fiscal Year (collectively, the "Anti-Dilution Tests").

"Non-Self-Supporting Debt" means debt service on debt obligations of the City other than debt obligations relating to an enterprise fund or general obligation bonds of the City.

"Maximum Debt Service" means, at any time, the maximum amount required in the then current or any future Fiscal Year to pay (a) all Non Self Supporting Debt, and (b) the proposed indebtedness of the City (i) which will be payable from Non Ad Valorem Revenues, or (ii) for which the Non Ad Valorem Revenues will be pledged. For the purposes described herein, the interest rate on obligations bearing a variable rate shall be calculated at the higher of (a) twelve percent (12% per annum) or (b) the average yield to par call for the Bond Buyer Municipal Bond Index (the "Bond Buyer 40") on the date of calculation.

For purposes of the Anti-Dilution Tests described above, debt which is considered Balloon Debt shall be considered by the terms of such definition. Notwithstanding the definition of Balloon Debt, any debt that matures within one year of the calculation of the Anti-Dilution Tests shall not be treated as Balloon Debt. When calculating the maximum annual Non-Self-Supporting Debt Service with respect to any Non-Self-Supporting Debt or the average annual debt service with respect to debt payable from Non-Ad Valorem Revenues with respect to Balloon Debt, it shall be assumed that the principal of such Balloon Debt has a level 25 year principal amortization at the interest rate borne by such Balloon Debt.

"Balloon Debt" shall mean all or a portion a series of bonds (other than bonds which mature within one year from the date of calculation performed with respect to the proposed issuance of additional bonds

or other debt obligations pursuant to Article III of the Resolution) which is not required by the terms of the applicable series resolution to be amortized prior to their maturity or 25% or more of the principal of such bonds is due during any period of twelve consecutive months.

### **No Funding of Debt Service Reserve Fund**

No debt service reserve fund will be funded or maintained for the Series 2025 Bonds.

### **OTHER OUTSTANDING DEBT SECURED BY NON-AD VALOREM REVENUES**

The City previously incurred an equipment lease financing debt in the initial amount of \$8,930,000 (the “2025 Lease Debt”) pursuant to a Master Lease-Purchase Agreement dated as of March 28, 2025 by and between the City and JP Morgan. The 2025 Lease Debt will bear interest at a fixed rate of 3.74 percent per annum until the final maturity date of March 1, 2032. The 2025 Lease Debt is payable from a covenant to budget and appropriate legally available non-ad valorem revenues of the City.

The City previously issued its \$31,500,000 Capital Improvement Revenue Bonds, Series 2017 (the “Series 2017 Bonds”), currently outstanding in the principal amount of \$3,480,000, with a maturity date of October 1, 2026. The Series 2017 Bonds are payable from and secured by a covenant to budget and appropriate legally available non-ad valorem revenues of the City. Historically, the City has paid the Series 2017 Bonds from the Infrastructure Sales Surtax (as defined herein), which are non-ad valorem revenues of the City.

The City previously issued its \$39,020,000 Utility Tax Revenue Refunding and Improvement Bonds, Series 2015 (the “Series 2015 Bonds”), currently outstanding in the principal amount of \$23,480,000, with a maturity date of June 1, 2035. The Series 2015 Bonds are payable from and secured by a pledge of the Utilities Tax (as defined herein), which are non-ad valorem revenues of the City.

### **DESCRIPTION OF CERTAIN NON-AD VALOREM REVENUES**

#### **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 2025 Bonds and the City is not authorized pursuant to the Resolution to budget and appropriate ad valorem tax revenues for the payment of the Series 2025 Bonds.***

The Series 2025 Bonds are payable from Pledged Revenues, which includes Non-Ad Valorem Revenues budgeted, appropriated and deposited by the City for such purpose as described herein, and are not payable from ad valorem taxation. However, the ability of the City to covenant to budget and appropriate Non-Ad Valorem Revenues is subject to a variety of factors, including the obligation of the City to provide governmental services and the provisions of Florida law which require the City to have a balanced budget.

Although the Series 2025 Bonds are not payable from ad valorem taxation, approximately 60.79% of the City’s General Fund Revenues come from ad valorem taxes. To the extent that the future collection of ad valorem tax revenues is adversely affected, a larger portion of Non-Ad Valorem Revenues would be required to balance the budget and provide governmental services.

The City is permitted by the Florida Constitution to levy ad valorem taxes at a rate of up to \$10 per \$1,000 of taxable assessed valuation for general governmental expenditures. The General Fund ad valorem tax millage rate for the Fiscal Year ending September 30, 2026 is 6.1920 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 millage rate for debt service on the City's outstanding general obligation bonds is \$0.0337 per \$1,000 for the Fiscal Year ending September 30, 2026.

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.

The City has specifically pledged certain Non-Ad Valorem Revenues to secure debt. See "OTHER OUTSTANDING DEBT SECURED BY NON-AD VALOREM REVENUES" herein. Certain of such Non-Ad Valorem Revenues may hereinafter be specifically pledged to secure debt issued by the City. Any such debt would be payable from such specific Non-Ad Valorem Revenues prior to payment of debt service on the Series 2025 Bonds. Amounts in particular categories of Non-Ad Valorem Revenues may increase or decrease in the future due to factors within or outside of the control of the City. Certain categories may cease to exist altogether and new sources may come about from time to time.

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; 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:

### Revenues and Taxes

#### Communications Services Tax Revenues

Chapter 202, Florida Statutes known as the Communications Services Tax Simplification Law (the "CSTA") authorizes municipalities in Florida to impose a local communications services tax on the sale of communications services as defined in Section 202.11, Florida Statutes. Effective October 1, 2002, the City has imposed the local communications services tax at a rate of 5.1%. The rate does not include the 0.12% add-on permitted by Section 337.401, Florida Statutes. Under the CSTA the local communications services tax in effect on January 1, 2023 may not be increased before January 1, 2026.

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 Florida 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 service 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. However, the City does not impose any such fees or charges on communications services providers.

Under the CSTA, local governments must work with the Florida Department of Revenue ("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.

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 proceeds of the local communications services tax, less the FDOR's 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.

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 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 City may be adversely affected by incorporation or annexation. Such incorporation or annexation would decrease the number of addresses contained within the City. From time to time, the City may consider the annexation of unincorporated adjacent areas.

#### Utilities Services 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 other applicable provisions of law. Pursuant to Chapter 50, Title 5 entitled “Public Works” of the City’s Code of Ordinances, the City levied a utilities tax on the purchase of electricity and metered or bottled gas (natural, liquefied petroleum gas, or manufactured) at a rate of ten percent (10%) of the payments received by the seller of the taxable item from the purchaser for the purchase of metered or bottled gas (natural liquefied petroleum gas or manufactured), and electricity. The tax on fuel oil is four cents (\$0.04) per gallon. These taxes shall in each case be paid by the purchaser thereof, for the use of the City, to the seller of such electricity, metered or bottled gas (natural, liquefied petroleum gas, or manufactured) at the time of paying the charge therefor, but not less than monthly.

The City has adopted an exemption for purchases by the United States Government, the State, all counties, municipalities, school districts, public bodies exempted by law or court order, or any other public body as defined in Florida Statutes, the purchase of any taxable item by any recognized church within the State for use exclusively for church purposes; and the purchase of natural gas or fuel oil by a public or private utility, either for resale or for use as fuel in the generation of electricity 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.

To the extent such sums are not otherwise required to meet current or future utility tax certificate bond covenants, and/or debt service, ten (10.0%) percent of the total utility tax collections for electricity, fuel oil and gas shall be transferred monthly to the City of Delray Beach Beautification Program, to be used for capital and operating expenses incurred in projects for the beautification of the Public Rights-of-Way within the City and the maintenance of such beautification projects. Any revenues transferred to such fund in excess of fund expenditures in any fiscal year shall be retained and reappropriated in the Fund in the next fiscal year, such use being subject to the prior lien enjoyed by the holders of outstanding and future parity obligations of the City secured by the utility services tax of the City. **The City’s outstanding Series 2015 Bonds are payable from a pledge and first priority lien on the revenues collected from the Utilities Tax and the Communications Services Tax.**

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.

The amount of utilities tax collected by the City may fluctuate as the price of fuel, gas, electricity and the other services subject to the utilities tax fluctuates and a sustained increase in the price thereof may have an adverse effect on the amount of utilities tax collected.

### 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. At this time, the City does not receive any PILOT revenues from any other government. The largest component is the Local Government Half-Cent Sales Tax.

### 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:

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

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

For purposes of the foregoing formula, “population” is based upon the latest official State estimate of population certified prior to the beginning of the local government Fiscal Year. 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 proportionately increased or decreased according to the foregoing formula. Such relative populations are subject to change through normal increases and decreases in population within the existing incorporated areas of the City and are also subject to change by the annexation of previously unincorporated areas of the County by the municipalities within the County. Such annexations would not only increase the population of the incorporated areas but also would, in equal amount, decrease the population of the unincorporated areas.

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 Banking and Finance 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 City, (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.

#### Infrastructure Sales Surtax

Pursuant to Chapter 212, Florida Statutes, counties are authorized to levy a local discretionary sales surtax of an additional one-half percent (1/2%) or one percent (1%) pursuant to ordinance enacted by a majority of the members of the board of county commissioners and approved by referendum. Chapter 212, Florida Statutes, provides that the levy on such surtax may be extended upon approval of a majority of the electors of the county voting in a referendum on the discretionary sales surtax.

Pursuant to Ordinance No. 2016-032 enacted by the County on May 17, 2016 and pursuant to a successful vote of the electors of the County held on November 8, 2016, the County was authorized to levy a local one percent (1%) discretionary sales surtax for a period from January 1, 2017 through and including the Fiscal Year ending December 31, 2026 or when \$2.7 billion in revenue is collected on or before September 1 of any year during the term of the ordinance (the “Infrastructure Sales Surtax”). During calendar year 2025, total Infrastructure Sales Surtax revenue collections reached \$2.7 billion, and, as a result, the imposition of the levy will end on December 31, 2025. The County has determined not to seek a renewal by the voters of the Infrastructure Sales Surtax.

The Infrastructure Sales Surtax is distributed by the FDOR pursuant to an Interlocal Agreement dated May 10, 2016 entered into between the County, the School Board of Palm Beach County (the “School Board”) and the 39 municipalities within the County. Fifty percent of each distribution of the proceeds of such surtax shall be distributed by FDOR to the School Board, thirty percent is distributed to the County

and the remaining twenty percent is distributed to the 39 municipalities therein to be divided proportionately among them based on population in the manner set forth in Section 218.62(3), Florida Statutes, provided the County's share received shall be as described in the Interlocal Agreement and not pursuant to Section 218.62, Florida Statutes.

The Infrastructure Sales Surtax may be used by the City to fund capital investments including roadway surfaces, bridges, drainage improvements, canals, park amenities and government buildings. **The City's Series 2017 Bonds are payable from a pledge and first priority lien on the revenues collected from the Infrastructure Sales Surtax.**

The FDOR has the responsibility to administer, collect, and enforce the infrastructure sales surtax. Pursuant to Section 212.054(4)(b), Florida Statutes, the proceeds of a county's discretionary sales surtax collections (including the Replacement Local Option Communications Services Tax) are transferred to the Discretionary Sales Surtax Clearing Trust Fund. A separate account in the trust fund is established for each county imposing such a surtax. FDOR is authorized to deduct 3% of the total revenue generated for all counties levying a surtax for administrative costs. The amount deducted for administrative costs is required to be used only for those costs solely and directly attributable to the surtax. The total administrative costs are prorated among those counties levying the surtax on the basis of the amount collected for a particular county to the total amount collected for all counties. However, FDOR is currently not deducting any amount of revenue for administering these taxes, even though the authorization currently exists to do so. FDOR is required to submit annually, no later than March 1st, a report detailing the expenses and amounts deducted for administrative costs to the President of the State Senate, the Speaker of the State House of Representatives, and the governing board of each county levying the surtax.

Section 212.055(2)(d), Florida Statutes, expressly states that neither the proceeds from the infrastructure sales surtax nor the interest accrued thereon shall be used for operational expenses of any infrastructure. Further restrictions prohibit counties from using the infrastructure sales surtax to replace or supplant user fees or to reduce ad valorem taxes, and from issuing bonds secured by a pledge of these revenues more frequently than one per year. The surtax applies to all transactions in a county that are subject to the State sales tax imposed on sales, use, rentals, admissions, and other transactions under Chapter 212, Florida Statutes. The surtax does not apply to the sales amount of tangible personal property greater than \$5,000 or to long distance telephone service.

Pursuant to Section 212.15, Florida Statutes, vendors are required to remit sales tax receipts (including proceeds of any discretionary sales surtax) by the twentieth (20th) day of the month immediately following the month of collection. No statute prescribes a deadline for remitting surtax proceeds from FDOR to the local governing bodies. However, according to the accounting division of FDOR, FDOR consistently remits the surtax proceeds to such local governing bodies by the end of the month immediately following receipt by FDOR.

The total amount of Infrastructure Sales Surtax collected within the County is also subject to increase or decrease due to increases or decreases in the dollar volume of taxable sales within the County, which, in turn, is subject to among other things, (i) legislative changes which may include or exclude from taxation sales of particular goods or services, and (ii) changes in the dollar volume of purchases in each county, respectively, which is affected by changes in population and economic conditions.

The potential for increased use of electronic commerce and other internet-related sales activity could have a material adverse impact upon the amount of Infrastructure Sales Surtax revenues collected by the County and distributed to the City.

## State Revenue Sharing

A portion of certain taxes levied and collected by the State is shared with local governments under the provisions of Chapter 218.215, Florida Statutes, from amounts deposited by the State into a fund held by the State referred to as the Revenue Sharing Trust Fund for Municipalities ("State Revenue Sharing Trust Fund for Municipalities"). The amount deposited by the FDOR into the State Revenue Sharing Trust Fund for Municipalities is (i) 1.3653% of available sales and use tax collections after certain required distributions and (ii) the net collections from the one-cent municipal fuel tax.

The amount of the State Revenue Sharing Trust Fund for Municipalities distributed to any one municipality is based on an apportionment factor using a formula consisting of three equally weighted factors: (i) adjusted municipal population; (ii) derived municipal sales tax collections; and (iii) a municipality's relative ability to raise revenue, all as more fully described in Section 218.245, Florida Statutes.

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. As of January 1, 2014, alternative fuel fees are no longer deposited into the Revenue Sharing Trust Fund for Municipalities. 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.

***Municipal Fuel Tax.*** Funds derived from the municipal fuel tax on motor fuel that comprise a portion of the moneys deposited into the Revenue Sharing Trust Fund for Municipalities may only be used to pay debt service allocable to transportation-related expenditures, including transportation facilities and road and street rights-of-way; construction, reconstruction, and maintenance of roads, streets, bicycle paths, and pedestrian pathways; adjustment of city-owned utilities as required by road and street construction; and construction, reconstruction, transportation-related public safety activities, maintenance, and operation of transportation facilities. ***Currently, none of the proceeds of the Series 2025 Bonds are expected to be allocated to transportation-related expenditures. Accordingly, no municipal fuel tax revenues will be used to pay debt service on the Series 2025 Bonds.*** The portion attributable to the municipal fuel tax varies annually but over the past several years has not exceeded 23% of the total State Revenue Sharing.

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. No unit of local government which was eligible to participate in revenue sharing in the 3 years prior to initially participating in the Half-Cent Sales Tax shall be ineligible to participate in revenue sharing solely due to a millage or utility tax reduction afforded by the Half-Cent Sales Tax.

The City has complied with all requirements to be eligible to receive State Revenue Sharing funds beyond the minimum entitlement during the Fiscal Year ended September 30, 2024 and plans to take all actions to remain eligible to receive State Revenue Sharing funds beyond the minimum entitlement during the Fiscal Year ending September 30, 2025 and thereafter.

### Licenses and Permits

Revenues from franchise fees, licenses, and permits are based on the sale of electrical energy to residential, commercial, and industrial customers in the City, solid waste and recycling franchise fees and the total net revenues of the gas company, cabana and beach equipment rental vendor, and car towing service vendor.

### Electric Franchise Fee Revenues

On March 10, 1981, the City enacted an ordinance which granted to Florida Power & Light Company ("FPL") a 30-year nonexclusive franchise to construct, maintain and operate power facilities over public rights-of-way throughout the City. On August 21, 2007, the City enacted an ordinance to extend the franchise for another 30 years and set a new franchise fee rate. The current franchise expires in 2037. The current franchise fee is an amount equal to 5.9% of the revenues collected by FPL in the City. The franchise fee is added to each electricity customer's monthly bill and is remitted monthly by FPL to the City.

### Solid Waste and Recycling Franchise Fee Revenues

Solid waste and recycling collection service in the City is provided under the terms of an exclusive franchise agreement between the City and Waste Management of Florida, Inc. ("Waste Management") effective as of February, 2023. The agreement allows for an annual adjustment to collection rates only. The adjustment is dependent upon the consumer price index and the cost of fuel. Construction and demolition container service is no longer part of the exclusive franchise agreement. The contractor shall purchase, assemble, and deliver one new garbage cart to each new customer that will receive collection service at curbside. One new or refurbished garbage cart will be delivered to each residential customer that needs a replacement cart because their cart has been stolen or damaged beyond repair. The current franchise expires September 30, 2030, subject to the City's optional right of renewal of three (3) years, unless earlier terminated pursuant to the franchise agreement. The current franchise fee for residential collection services is an amount equal to five percent (5%) of the revenues collected by Waste Management for collection services provided to residential customers. The current franchise fee for commercial collection services is an amount equal to ten percent (10%) of the revenues collected by Waste Management for collection services provided to commercial customers.

### Fines and Forfeitures

Fines and forfeitures reflect those penalties and fines imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, traffic violations, code enforcement violations, and false alarm fees.

### Charges for Services

Charges for services reflect all revenues resulting from a local unit's charges for services are reflected in this category and include those charges received from private individuals or other governmental units. The following functional areas classify such charges:

- General government - document reproduction fees, sales of maps & publications

- Public safety - fees for police dispatch, fire and emergency medical services
- Physical environment - charges including cemetery fees
- Land use and zoning - fees for zoning changes and land use application reviews
- Park and Recreation Fees- fees for use of parks and recreation facilities (as further described below)
- Indirect services - fees associated with services provided to City Proprietary Funds
- Transportation and parking -including parking fees (as further described below)

Parking Revenues

Parking revenues consist of the rentals, rates, charges and other fees derived from the operation of the parking facilities primarily located in the City’s downtown area, including on-street, municipal parking garages and off-street parking lots. Since 20\_\_\_\_, the City has offered a City Resident Downtown Parking Permit for \$12 per year, which permits registered residents to park in designated areas within the downtown area. These municipal parking facilities consist of a \_\_\_\_ space parking garage, a \_\_\_\_ space parking garage and a \_\_\_\_ space parking garage, respectively.

Park and Recreation Fees

Park and recreation fees consist of fees charged for the use of the City’s parks and recreation areas, including concession income and land rentals.

Reimbursement of Indirect Costs

Reimbursement of indirect costs consists of charges made against the City’s Enterprise Funds as reimbursement for services provided to the enterprises by other City departments and agencies.

Miscellaneous Non-Ad Valorem Revenue

This is a broad category that includes a wide variety of revenues, including but not limited to 1 all interest earnings, including interest from the Tax Collector, collections from vending machines, license fees charged for the Riverboat enterprise, and contributions from other agencies for expenses 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[, and September 30, 2025 (unaudited) prior to issuance of the Series 2025 Bonds. The table does not necessarily include all of 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:

## HISTORICAL NON-AD VALOREM REVENUES

Fiscal Year Ended September 30,	2024	2023	2022	2021	2020
Charges for Other Services	\$12,204,719	\$14,341,378	\$15,150,593	\$13,199,385	\$11,494,315
Half-Cent Sales Tax	6,676,469	6,911,462	6,835,410	5,860,470	4,990,388
Utility Service Tax	8,826,177	8,559,078	7,441,469	7,569,744	6,804,426
Communications Service Tax	3,372,720	3,282,326	3,138,902	2,767,188	3,121,614
State Revenue Sharing	10,039,826	9,855,637	9,773,506	8,264,213	7,209,663
Local Option Gas Tax	1,458,284	1,488,126	1,463,716	1,280,111	1,358,083
Investment Income	7,320,814	4,662,716	861,059	195,035	2,022,554
Licenses & Permits	19,881,280	21,326,101	20,465,036	17,511,516	13,793,348
Fines and Forfeitures	1,138,392	1,909,711	1,633,336	1,170,536	1,390,810
Parking Revenue	4,487,276	4,020,329	3,489,860	3,190,190	2,099,560
Miscellaneous	<u>13,686,799</u>	<u>19,785,998</u>	<u>14,828,288</u>	<u>20,377,927</u>	<u>22,355,831</u>
<b>Totals</b>	<b>\$87,634,472</b>	<b>\$94,654,736</b>	<b>\$83,617,459</b>	<b>\$80,106,204</b>	<b>\$75,282,509</b>

Source: Finance Department, City of Delray Beach, Florida.

## DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements on the Series 2025 Bonds and other Non-Self-Supporting Debt of the City.

Period Ending <u>June 1</u>	Series 2025 Bonds			Outstanding Bonds	Total Debt
	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Debt Service*</u>	<u>Service</u>
2026	\$	\$	\$	\$8,309,455	\$
2027				8,429,785	
2028				4,905,158	
2029				4,908,721	
2030				4,902,901	
2031				4,900,985	
2032				4,898,362	
2033				1,028,438	
2034				1,027,050	
2035				1,024,650	
2036				-	
2037				-	
2038				-	
2039				-	
2040				-	
2041				-	
2042				-	
2043				-	
2044				-	
2045				-	
2046				-	
2047				-	
2048				-	
2049				-	
2050				-	
2051				-	
2052				-	
2053				-	
2054				-	
2055				-	
<b>TOTAL**</b>				\$44,335,504	

\*Bonds payable from the City's covenant to budget and appropriate Non-Ad Valorem Revenue or secured by a direct pledge of a source of Non-Ad Valorem Revenues.

\*\*Totals may not add due to rounding.

## **INVESTMENT CONSIDERATIONS**

The following discussion provides information relating to certain risks that could affect payments of the principal of and interest on the Series 2025 Bonds. The order in which the following information is presented is not intended to reflect the relative importance of the risks discussed. The following information is not, and is not intended to be, exhaustive and should be read in conjunction with all of the other heading in this Official Statement, including its appendices. Prospective purchasers of the Series 2025 Bonds should carefully analyze the information contained in this Official Statement, including its appendices (and including the additional information contained in the form of the complete documents referenced or summarized herein), for a more complete description of the investment considerations relevant to purchasing the Series 2025 Bonds.

### **Ratings**

There is no assurance that any rating assigned to the Series 2025 Bonds by the rating agencies will continue for any given period of time or that such rating will not be lowered or withdrawn entirely by such rating agency, if in its judgment, circumstances warrant. A downgrade, change in or withdrawal of any rating may have an adverse effect on the market price of the Series 2025 Bonds. See “RATINGS” herein.

### **Covenant to Budget and Appropriate**

The City’s covenant to budget and appropriate from Non-Ad Valorem Revenues for the payment of the Series 2025 Bonds is limited by a number of factors. As indicated under the caption “SECURITY FOR THE SERIES 2025 BONDS – General” herein, the City is required to operate with a balanced budget. In addition, the City is not required and does not covenant to maintain any services or programs which generate Non-Ad Valorem Revenues other than services or programs which are deemed by the City to be essential public purposes affecting the health, welfare and safety of the inhabitants of the City. Cancellation of any services or programs which are not essential services and that generate Non-Ad Valorem Revenues could have an adverse effect on the City fulfilling its covenant obligations under the Resolution. Certain Non-Ad Valorem Revenues, such as State revenue sharing, may be subject to modification or repeal by the Legislature. Certain matching Non-Ad Valorem Revenues, such as governmental, foundation or corporate grants to the City, also may be subject to modification or may be discontinued, and certain Non-Ad Valorem Revenues are not permitted to be part of the Pledged Revenues. Furthermore, until Non-Ad Valorem Revenues are deposited in the Debt Service Fund, the Series 2025 Bondholders do not have a lien on any Non-Ad Valorem Revenues.

### **Receipt of Non-Ad Valorem Revenues**

Continued consistent receipt of Non-Ad Valorem Revenues is dependent upon a variety of factors, including greater or lesser growth in the City which could have positive or negative effects on Non-Ad Valorem Revenues. The amounts and availability of any of the Non-Ad Valorem Revenues to the City are also subject to change, including reduction or elimination by change of State law or changes in the facts or circumstances according to which certain of the Non-Ad Valorem Revenues are allocated. In addition, the amount of certain of the Non-Ad Valorem Revenues collected by the City is directly related to the general economy of the City. Accordingly, adverse economic conditions could have a material adverse effect on the amount of Non-Ad Valorem Revenues collected by the City. The City may also specifically pledge certain of the Non-Ad Valorem Revenues or covenant to budget and appropriate legally available Non-Ad Valorem Revenues of the City to future obligations. In the case of a specific pledge, such Non-Ad Valorem Revenues would be required to be applied to such obligations prior to paying the principal of and interest on the Series 2025 Bonds or other bonds of the City secured in the same manner as the Series 2025 Bonds.

## **Event of Default**

In the event of a default in the payment of principal of or interest on the Series 2025 Bonds, the remedies of the owners of the Series 2025 Bonds are limited under the Resolution. Acceleration of debt service on the Series 2025 Bonds is not a remedy under the Resolution as a result of a failure to timely pay principal and/or interest on the Series 2025 Bonds. See “APPENDIX A – THE RESOLUTION” herein.

## **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 sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to department operations and the provision of citizen services. Increasingly, governmental entities are being targeted by cyberattacks (including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems) seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities and avenues that attackers/hackers can exploit in attempts to cause breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Additionally, the City’s computer networks and systems routinely interface and rely on third party systems that are also subject to the risks previously described. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there. The City’s Information Technology Department manages existing and emerging technologies and monitors and protects electronic assets and sensitive data stored on and transmitted through the City’s networks and servers in support of City government operations and public services.

The City’s Information Technology Department is also responsible for data processing, output distribution, security, data integrity, e-mail, e-government, internet usage, business process automation, hardware and software acquisition and maintenance, LAN administration, system security, virus protection, systems analysis and design plus disaster recovery. The City’s Information Technology Department continuously updates its plans to accommodate changes to the existing infrastructure based on trends and issues within the industry, business objectives, and growth. The City has adopted a written administrative policy and procedural manual, including a formal, Security, Education, Training, and Awareness (“SETA”) program. The SETA program requires all users to be proficient in understanding security policies, procedures, and technical security controls. The policy promotes continuous employee training around data security and privacy education. The City utilizes KnowBe4 for Phishing Campaigns and Security Training. Additionally, the City relies on, among other protections, a combination of industry leading diligent firewall monitoring, network access controls, intrusion detection, vulnerability management, encryption, proactive security evaluation of new software prior to launching them on the City’s networks and servers, and annual cybersecurity training for City employees. Cybersecurity protocols are reviewed by the City frequently to stay abreast of emerging and effective procedures and measures. Despite the City’s efforts in this area, no assurances can be given that any cyberattacks, if successful, will not have a material adverse effect on the operations or financial condition of the City.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will continue to protect against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the City’s computer network and the confidentiality, integrity, or availability of the City’s computer system or information. The potential disruption, access, modification, disclosure or destruction of information could result in the interruption of City commerce, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory

penalties, and the loss of confidence in City functions, which could adversely affect City revenues or cause a material disruption in the City's operations or the appropriate provision of City services. Further, the litigation to which the City could be exposed following a cybersecurity breach could be significant, which could cause the City to incur material costs related to such legal claims or proceedings..

## **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 including the City. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change, generally discussed below under this heading), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the City. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels may rise, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels may continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Coastal areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. If this were to happen, the City could lose considerable tax revenues and many residents, businesses, and governmental operations along the waterfront could be displaced, and the City could be required to mitigate these effects at a potentially material cost. The City is unable to predict whether sea level rise or other impacts of climate change will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and State levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the City.

The City's Office of Sustainability and Resilience ("OSAR") seeks to reduce the City's carbon footprint, promote the conservation and efficient use of resources and to implement resilience measures to help ensure a vibrant future for the City. To meet its sustainability goals, OSAR promotes initiatives that increase the quality of life for both the community and environment. Areas of focus include environmental education and awareness, reducing energy, water and waste, sustainable development, environmental justice, and habitat enhancement. Resilience efforts include a broad range of actions and planning efforts, which will better prepare the City to handle the effects of climate change, including heavier rainfall events, stronger tropical storms, coastal and inland flooding, storm surge and saltwater intrusion and higher sea levels.

Hurricane Ian made landfall in Florida on September 28, 2022 as a Category 4 storm and Hurricane Milton made landfall in Florida on October 9, 2024 as a Category 3 storm. Both storms caused extensive damage in certain areas of Florida. However, neither storm had any significant negative impact in the City.

## **Infectious Disease Outbreak**

The City's financial results could be harmed by a national or localized outbreak of a highly contagious epidemic or pandemic disease. For example, the spread of the novel strain of coronavirus called COVID-19, along with the various governmental measures taken to protect public health in light of the

pandemic, had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. To date, the City has expended or otherwise encumbered all moneys received from the federal programs related to the COVID-19 pandemic. The impact of the COVID-19 pandemic on the U.S. economy has been broad-based and has negatively impacted national, state and local economies.

The outbreak of a highly contagious disease could adversely impact the rating on the Series 2025 Bonds. Please refer to “RATINGS” herein.

**Background**

The City, located on the southeast coast of Florida, is the fourth largest city in the County with an estimated population of 68, 019 for 2024, with an estimated 8,925 seasonal residents and 16 square miles within its municipal boundaries. Lying 18 miles south of West Palm Beach and 50 miles north of Miami along the Atlantic Ocean, the City has been able to participate in the growth of South Florida and benefit from economic growth in this area in general. The City is primarily a residential community with a balance of commercial, light industrial and government complexes. It is a mature community with 100% build-out and, therefore, its focus is not upon growth, but upon quality development of remaining vacant areas and redevelopment. For additional information regarding the City, see APPENDIX A - “GENERAL INFORMATION CONCERNING THE CITY AND PALM BEACH COUNTY, FLORIDA” attached hereto.

**Management and Organization**

The City operates under a City Commission-Manager form of government. The City Commission is the principal legislative and governing body of the City. The Mayor, elected every two years, presides over a board of four commission members who are elected to two-year alternating terms by the community at large.

<u>Name</u>	<u>Title</u>	<u>End of Current Term</u>
Thomas F. Carney, Jr.	Mayor	March 2027
Rob Long	Vice Mayor	March 2027
Angela Burns	Deputy Vice-Mayor	March 2026
Juli Casale	Commissioner	March 2026
Tom Markert	Commissioner	March 2027

The chief administrative official of the City is the City Manager. The City Manager is responsible for implementing City Commission policies, overseeing all departmental activities, enabling, and supporting the City’s departments. The City Manager is also responsible to the City Commission for preparation of the City’s budget and for control of expenditures throughout the budget year.

*Mr. Terrence R. Moore, ICMA-CM*, was unanimously selected on June 8, 2021 by the Mayor and City Commission to serve as City Manager. As City Manager, Mr. Moore serves as the City’s chief executive officer, responsible for oversight of day-to-day operations, offering leadership and guidance to all departments and divisions of city government, as well as implementing policies and programs as prioritized and directed by the Mayor and City Commission. Mr. Moore joined the City after having successfully served eight years as city manager of College Park, Georgia, home of Hartsfield Jackson Atlanta International Airport and the Women’s National Basketball Association’s Atlanta Dream. Mr. Moore earned both undergraduate and graduate degrees in economics and public administration from the University of Illinois, as well as post-graduate certificates from the Florida Atlantic University Department

of Urban and Regional Planning, and the University of Virginia Senior Executive Institute for Local Government Management. Mr. Moore's previous professional experience includes city manager positions in Morgantown, West Virginia (Home of West Virginia University); Las Cruces, New Mexico (Home of New Mexico State University); and Sebastian, Florida, as well as positions with the City of Peoria, Illinois and City of Chicago, Illinois. From 2010 to 2020, Mr. Moore served as a board member for The Alliance for Innovation, an international network of progressive governments and partners committed to transforming municipalities by accelerating the development and dissemination of innovations in local government. In 2006, Mr. Moore was honored by the Greater Chicago Chapter of the American Society for Public Administration with its annual Model Administrator/Outstanding Alumnus Award, via formal nomination by leadership and faculty of the University of Illinois Graduate College of Urban Planning and Public Affairs. He is also a Life Member of the University of Illinois Presidents Council, and is an International City/County Management Association Credentialed Manager (ICMA-CM).

*Henry M. Dachowitz, CPA, MBA*, the Chief Financial Officer of the City, has over 45 years' experience in financial and operations management. He received a Bachelor of Science degree in Accounting from Brooklyn College and a Master of Business Administration degree from Harvard Business School. He is a Certified Public Accountant in the states of New York and Maryland. In the private sector, Mr. Dachowitz served as an auditor with Coopers & Lybrand (currently PwC), a management consultant in Touche Ross's Financial Services Center (currently Deloitte), a departmental controller with Bankers Trust (currently Deutsche Bank), and an equity buy-side research analyst with Sanford C. Bernstein (currently Alliance Bernstein). Mr. Dachowitz also served as chief financial officer of a global biotech company which he took public. In the government sector, Mr. Dachowitz has served as Chief Financial Officer of Wayne County, MI and the City of Norwalk, CT. He has facilitated the issuance of over \$2 billion in municipal tax-exempt debt.

## **Budget**

The City adopted its Fiscal Year 2025-2026 Budget on September 15, 2025 in the amount of \$648,531,823 compared to the Fiscal Year 2024-2025 Budget of \$567,945,235. The ad valorem millage rate for the Fiscal Year ending September 30, 2026 is 6.1611 per \$1,000. The millage rate for debt service on the City's outstanding general obligation bonds is 0.0309 per \$1,000 for the Fiscal Year ending September 30, 2026.

For additional information and the full budget, go to <https://www.delraybeachfl.gov/government/city-manager/budget>.

## **Ability to be Sued, Judgments Enforceable**

Notwithstanding the liability limits described below, the laws of the State provide that each municipality has waived sovereign immunity for liability in tort to the extent provided in Section 768.28, Florida Statutes. Therefore, the City is liable for tort claims in the same manner and, subject to limits stated below, to the same extent as a private individual under like circumstances, except that the City is not liable for punitive damages or interest for the period prior to judgment. Such legislation also limits the liability of a City to pay a judgment in excess of \$200,000 to any one person or in excess of \$300,000 because of any single tort incident or occurrence. Judgments in excess of \$200,000 and \$300,000 for any tort claim may be rendered, but may be paid from City funds only pursuant to further action of the Florida Legislature in the form of a "claims bill." Notwithstanding the foregoing, the City may agree, within the limits of insurance coverage provided, to settle a claim made or a judgment rendered against it without further action by the Florida Legislature, but the City shall not be deemed to have waived any defense or sovereign immunity or to have increased the limits of its liability as a result of its obtaining insurance coverage for tortious acts in excess of the \$200,000 or \$300,000 waiver provided by Florida Statutes. In

addition, it should be noted that State courts have also ruled that counties may contractually waive the defense of sovereign immunity including the statutory limits contained in Section 768.28, Florida Statutes, for tort actions, by contractually agreeing to indemnify a third party.

### **Notice of DOGE Inquiry Regarding Financial Condition [To Be Discussed]**

On February 24, 2025, Florida Governor Ron DeSantis issued Executive Order 25-44 (“EO 24-44”) that established within the Office of Policy and Budget in the Executive Office of the Governor (EOG) an “EOG DOGE Team.” The inspiration for the EOG DOGE Team was the Trump administration’s “Department of Government Efficiency” or “DOGE.” Among other matters, EO 25-44 provides that the EOG DOGE Team shall be responsible for “using publicly available information to identify and report unnecessary spending within county and municipal governments.” The City has received a letter (the “DOGE Letter”) dated March 18, 2025, from the EOG DOGE Team. The DOGE Letter requests the City to provide confirmation as to whether, since State fiscal year 2018-2019 or in the next six months, the City has encountered or will encounter any instances of financial emergency or distress, including those listed in Section 218,503(1), Florida Statutes, such as: (i) failure to pay short-term loans or obligations when due as a result of a lack of funds, (ii) failure to make debt service payments on bonds, loans or other debt instruments when due, (iii) failure to timely pay uncontested claims from creditors for more than 90 days due to lack of funds, (iv) failure to transfer taxes, social security contributions or retirement plan contributions as required by law and (v) An unreserved or total fund balance deficit in the general fund or any major operating fund that persists for two consecutive years. In a response letter to the EOG DOGE Team dated March 31, 2025, the City confirmed that it did not experience any instances of financial emergency or distress since State fiscal year 2018-2019 and did not expect to experience any such instances in the next six months. The City cannot predict the ramifications, if any, of the EOG DOGE review process or whether EOG DOGE commence an additional inquiry.

### **PENSIONS AND OTHER POST EMPLOYMENT BENEFITS**

*The information relating to the Florida Retirement System (“FRS”) contained herein has been obtained from the FRS Annual Reports available at [www.dms.myflorida.com](http://www.dms.myflorida.com) and the Florida Annual Comprehensive Financial Reports available at [www.myfloridacfo.com/transparency/state-financial-reports/FL-ACFR](http://www.myfloridacfo.com/transparency/state-financial-reports/FL-ACFR). No representation is made by the City as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.*

Pensions. The City has three single-employer defined-benefit pension plans covering substantially all full-time City employees: (1) the General Employees’ Pension Fund (“GEPF”), (2) the Delray Beach Police Officers’ Retirement System (“PORS”) and (3) the Delray Beach Firefighters’ Retirement System (“FFRS”). The GEPF is for employees who have completed one year of credited service, excluding the City Commission, City Manager (and assistants), City Attorney (and assistants) and department heads if they elect not to participate. The PORS covers all police officers and the FFRS covers all firefighters. Each plan is administered by an independent board of trustees and is accounted for by the City as a separate fund. The costs of administering the plans are financed by the plans’ respective investment earnings. Actuarial reports are prepared annually for each plan.

**ALL POTENTIAL PURCHASERS OF THE SERIES 2025 BONDS SHOULD REVIEW NOTE 12. OF THE NOTES TO THE FINANCIAL STATEMENTS SET FORTH IN “APPENDIX C – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024” ATTACHED HERETO AND THE REQUIRED SUPPLEMENTARY INFORMATION SET FORTH THEREIN. SUCH NOTE 12. AND REQUIRED SUPPLEMENTARY INFORMATION CONTAIN DESCRIPTIONS OF THE PENSION PLANS**

**AND MATERIAL FINANCIAL INFORMATION CONCERNING THE PLANS, INCLUDING BUT NOT LIMITED TO, INFORMATION REGARDING CONTRIBUTIONS, COSTS, FUNDED STATUS AND FUNDING PROGRESS.**

*Other Post-Employment Benefits.* In addition to providing pension benefits, the City administers a single-employer defined other post-employment benefits plan (the “City OPEB Plan”) that provides medical and life insurance benefits to eligible retired employees and their beneficiaries. The City Commission has the authority to establish and amend premiums for and the benefit provisions of the City OPEB Plan. The City OPEB Plan is financed on a “pay-as-you-go” basis and is not administered as a formal qualifying trust. The City OPEB Plan does not issue a publicly available financial report. The plan conforms to the minimum required of Florida governmental employers per Ch. 112.08, F.S.

The Delray Beach Police, Firefighters & Paramedics Retiree Benefit Fund (the “Retiree Benefit Fund”) is a single-employer defined benefit plan established for the purpose of providing full or partial reimbursement for health insurance premiums or other qualified benefits permitted under Section 501(c)(9) of the Internal Revenue Code. The Retiree Benefit Fund was established pursuant to collective bargaining agreements between the City and the Professional Firefighters & Paramedics of Delray Beach, Local 1842, IAFF and the Police Benevolent Association (PBA). A trust was created on May 14, 2002 and is administered by a separate board of trustees consisting of seven individuals, including the President of the Local 1842, IAFF, five union representatives (three PBA, two Local 1842, IAFF) and a non-bargaining unit active firefighter elected by non-bargaining unit participants. The City is neither the trustee nor the administrator of the Retiree Benefit Fund. Since the City does not control, have access to or hold any assets of the trust and has no reversionary rights in the assets of the trust, the Retiree Benefit Fund is not reported as a fiduciary fund of the City. The Retiree Benefit Fund does not issue a publicly available financial report.

**ALL POTENTIAL PURCHASERS OF THE SERIES 2025 BONDS SHOULD REVIEW NOTE 13. OF THE NOTES TO THE FINANCIAL STATEMENTS SET FORTH IN “APPENDIX C – ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024” ATTACHED HERETO AND THE REQUIRED SUPPLEMENTARY INFORMATION SET FORTH THEREIN. SUCH NOTE 13. AND THE REQUIRED SUPPLEMENTARY INFORMATION SET FORTH THEREIN CONTAINS MATERIAL FINANCIAL INFORMATION CONCERNING THE OTHER POST-EMPLOYMENT BENEFITS, INCLUDING BUT NOT LIMITED TO, INFORMATION REGARDING CONTRIBUTIONS, ACTUARIAL VALUATIONS AND ASSUMPTIONS, LIABILITIES AND COSTS.**

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## **LITIGATION**

There is no pending or, to the knowledge of the City, any threatened litigation against the City of any nature whatsoever which in any way questions or affects the validity of the Series 2025 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the adoption of the Resolution, or the source of security described herein. Neither the creation, organization or existence, nor the title of the present members of the City Commission, or other officers of the City is being contested.

The City experiences claims, litigation, and various legal proceedings which individually are not expected to have a material adverse effect on the operations or financial condition of the City, but may, in the aggregate, have a material impact thereon. In the opinion of the City Attorney, however, the City will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences to the financial condition of the City.

## **TAX MATTERS**

### **General**

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the issuance of the Series 2025 Bonds in order that the interest on the Series 2025 Bonds be and remain excludable from gross income for federal income tax purposes. The City's failure to meet these requirements may cause the interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025 Bonds. The City has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications of the City, and continuing compliance by the City with the tax covenants referred under this heading, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2025 Bonds is excludable from gross income of the holders thereof for federal income tax purposes and, further, interest on the Series 2025 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2025 Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors as to the status of interest on the Series 2025 Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2025 Bonds will be based on and will assume the accuracy of certain representations and certifications of the City, and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2025 Bonds will be and will remain obligations, the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2025 Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2025 Bonds, or the ownership or disposition of the Series 2025 Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2025 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2025 Bonds, (iii) the inclusion of the interest on the Series 2025 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2025 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Series 2025 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance of the Series 2025 Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

### **Original Issue Discount and Premium**

Certain of the Series 2025 Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2025 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2025 Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the

Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

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

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one (1) or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2025 Bonds, adversely affect the market price or marketability of the Series 2025 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2025 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Series 2025 Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2025 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

### **LEGALITY**

Certain legal matters incident to the authorization, issuance and sale of the Series 2025 Bonds by the City are subject to the approving opinion of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2025 Bonds. Certain legal matters will be passed upon for the City by Lynn Gelin, Esquire, City Attorney. Greenberg Traurig, P.A., West Palm Beach, Florida represents the City as Disclosure Counsel in connection with the Series 2025 Bonds.

The proposed text of the legal opinion of Bond Counsel is set forth as “APPENDIX D - FORM OF BOND COUNSEL OPINION”. The actual legal opinion to be delivered may vary from the text of APPENDIX D if necessary, to reflect facts and law on the date of delivery of the Series 2025 Bonds. The opinion will speak only as of their date and subsequent distribution of the opinion by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of the opinion Bond Counsel has affirmed its opinion concerning any of the matters referenced in this Official Statement.

The legal opinion of Bond Counsel is based on existing law, which is subject to change. Such legal opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

Bond Counsel will deliver a supplemental opinion on the date of issuance of the Series 2025 Bonds to the effect that certain of the statements contained herein constitute fair and accurate summaries of the provisions of the Resolution and the Series 2025 Bonds purported to be summarized. In addition, Bond Counsel will opine that the statements under the heading “TAX MATTERS” are fair and accurate statements of the matters set forth therein. Except to the extent described in the preceding sentences and as specifically provided in such supplemental opinion, Bond Counsel has not undertaken independently to verify and therefore expresses no opinion as to the information or statements contained in this Official Statement or any financial or statistical information, exhibits, schedules, or attachments hereto.

The legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

#### **MUNICIPAL ADVISOR**

The Municipal Advisor has advised the City in matters relating to planning, structuring and issuance of the Series 2025 Bonds. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading and distributing municipal or other public securities.

#### **GENERAL PURPOSE FINANCIAL STATEMENTS**

The Audited Financial Statements of the City for the Fiscal Year Ended September 30, 2024 and report thereon of a firm of independent certified public accountants engaged by the City is attached hereto as APPENDIX C. The consent of the City’s auditor to include in this Official Statement the aforementioned report was not requested, and the audited financial statements are included as a public record and are presented for general information purposes only. The auditor was not requested nor did they perform any procedures with respect to the preparation of this Official Statement or the information presented herein.

The Series 2025 Bonds are payable solely from the Pledged Revenues to the extent and in the manner set forth in the Resolution and as described in this Official Statement and the Series 2025 Bonds are not otherwise secured by, or payable from, the general revenues of the City. The Report included in “APPENDIX C – THE CITY’S FISCAL YEAR 2024 AUDITED FINANCIAL STATEMENTS” hereto is presented for general information purposes only.

## COMPETITIVE SALE

The Series 2025 Bonds are being purchased at competitive sale by \_\_\_\_\_ (the “Underwriter”) at a purchase price equal to \$ \_\_\_\_\_ (taking into account [premium][discount] on the Series 2025 Bonds of \$ \_\_\_\_\_ and a Underwriter’s discount of \$ \_\_\_\_\_). The Underwriter’s obligations are subject to certain conditions precedent described in the related Official Notice of Sale, and it will be obligated to purchase all of the Series 2025 Bonds if any Series 2025 Bonds are purchased.

The yields shown on the inside cover page of this Official Statement were furnished by the Underwriter. All other information concerning the nature and terms of any re-offering should be obtained from the Underwriter and not the City or any of its agents.

## CONTINUING DISCLOSURE

The City has covenanted in the Resolution for the benefit of the Series 2025 Bondholders to provide certain financial information and operating data relating to the City and the Series 2025 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 SEC to act as a repository (each a “Repository”) for purposes of complying with Rule 15c2-12 adopted by the SEC (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 events, when and if they occur, with the Repository.

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 - CONTINUING DISCLOSURE UNDERTAKING” attached hereto. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2025 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. In the past five years, the City has complied in all material respects with all prior undertakings to provide continuing disclosure information pursuant to the Rule.

The City fully anticipates satisfying all future disclosure obligations required pursuant to the Rule. The City has engaged Digital Assurance Certification LLC as its dissemination agent for all the City’s outstanding obligations and to enhance its future compliance with undertakings made pursuant 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 2025 Bonds. Payment of the fees of Bond Counsel, Disclosure Counsel, the Municipal Advisor and an underwriting discount to the Underwriter, are each contingent upon the issuance of the Series 2025 Bonds.

## RATINGS

Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings (“S&P”) have assigned ratings of “\_\_\_” (\_\_\_ outlook) and “\_\_\_” (\_\_\_ outlook), respectively, to the Series 2025 Bonds. Such ratings reflect only the view of such organization and any desired explanation of the significance of such ratings should be obtained from Moody’s and S&P. There is no assurance that the ratings will be in effect for any given period of time or that they will not be revised downward, suspended or withdrawn entirely

by Moody's or S&P if in their judgment, circumstances so warrant. See "INVESTMENT CONSIDERATIONS" herein. Any such downward revision, suspension or withdrawal of the ratings given the Series 2025 Bonds may have an adverse effect on the liquidity or market price of the Series 2025 Bonds. An explanation of the significance of the respective ratings can be received from Moody's at the following address, 7 World Trade Center, 250 Greenwich Street, New York, NY 10007 and from S&P, at the following address: 55 Water Street, New York, New York 10041.

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

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 ("FFSC"). Pursuant to administrative rulemaking, the FFSC 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 2025 Bonds.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Series 2025 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Further, the Series 2025 Bonds are not subject to acceleration. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code, the remedies specified by the Resolution and the Series 2025 Bonds may not be readily available or may be limited. For example, the Series 2025 Bonds are likely to be treated as unsecured obligations of the City under Chapter 9 of the federal bankruptcy code and the ability of a bondholder to seek and obtain a writ of mandamus may be limited if a Chapter 9 proceeding was instituted by the City, which in Florida requires the approval of the Governor. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by general principles of equity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. Pursuant to the Resolution, acceleration is not a remedy available to the Bondholders if a default on the Series 2025 Bonds should occur. See "APPENDIX A - THE RESOLUTION" attached hereto for a description of events of default and remedies.

### **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 2025 Bonds, the security for the payment of the Series 2025 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of the Official Statement, but is

not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2025 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

**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 2025 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 2025 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 DELRAY BEACH, FLORIDA**

By: \_\_\_\_\_  
Mayor, City Commission

**APPENDIX A**  
**THE RESOLUTION**  
**(WITHOUT EXHIBITS)**

## **APPENDIX B**

### **GENERAL INFORMATION CONCERNING THE CITY OF DELRAY BEACH, FLORIDA**

The following information concerning the City of Delray Beach, Florida (the “City”) is included only for the purposes of providing general background information. The Series 2024 Bonds are payable from and secured by the Non-Ad Valorem Revenues.

#### **Introduction**

The City, approximately 16 square miles in area, is located in the southeast portion of the State of Florida (“State”), in the southeast section of the County. Incorporated May 11, 1927, the City has an estimated permanent population of 68,019 and an additional estimated seasonal population of 8,925 as of 2024.

#### **City Government**

The City operates under a City Commission-Manager form of government. The City Commission is the principal legislative and governing body of the City. The Mayor, elected every two years, presides over a board of four commission members who are elected to two-year alternating terms by the community at large. The City Commission appoints the City Manager, City Attorney and certain general advisory boards. Major departments of the City include: City Clerk, Development Services, Finance, Fire Rescue, Human Resources, Information Technology, Parks and Recreation, Planning and Zoning, Police, Public Works and Utilities.

The chief administrative official of the City is the City Manager. The City Manager is responsible for implementing City Commission policies, overseeing all departmental activities, enabling, and supporting the City’s departments. The City Manager is also responsible to the City Commission for preparation of the City’s budget and for control of expenditures throughout the budget year.

#### **Climate**

The climate of the City is best described as semi-tropical, characterized by hot and humid summers with abundant rain fall and short, warm winters. The average year-round temperature is 75.5 degrees. Rainfall occurs year-round, but is heaviest in the summer; the average rainfall is 64.26 inches. The mild climate is primarily a result of the proximity to the Gulf Stream and the prevailing ocean breezes.

#### **Parks and Recreation**

The City’s Parks and Recreation Department operates over 40 developed parks and recreational facilities including two pools, a splash park, athletic fields, skate park, and one and a half miles of public beach that is guarded 365 days a year.

The Delray Beach Tennis Center is a full service public tennis facility with 14 clay courts, 4 hard courts, 8 pickleball courts and an 8,200 seat stadium. The Delray Beach Tennis Center features an upstairs pavilion and conference room, pro shop with locker rooms, racquet stringing and merchandise. The tennis club offers a wide variety of adult and junior programs, leagues, clinics and camps.

## **Education**

The City is served by six elementary schools, one middle school, one high school, and two schools that serve all grades, all operated by the Palm Beach County School District. The Palm Beach County School District is the fifth largest in Florida and the 10th largest nationwide with more than 189,000 students (this number includes students that attend non-District operated charter schools) enrolled in more than 192 K-12 schools.

Higher education is offered at five Palm Beach State College campus sites, two Florida Atlantic University sites (State University System), Palm Beach Atlantic University, Lynn University and Barry University.

The Palm Beach County Public Library System (the “Library System”) provides library services for residences in the unincorporated areas of the County and 24 cities through a main library, 16 branch libraries, and a logistical support center. Storytimes, the Summer Reading Program, and special events are provided to build children’s confidence, reading skills, and a sense of community. Outreach services include a Bookmobile, Talking Books, Books-by-Mail, Adult Literacy Tutoring, and Outreach to Daycare programs. The Library System promotes economic vitality and individual achievement by offering access and training on the internet, adult programs on literature and other topics, and by providing additional services to migrant workers and adult non-readers.

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**City of Delray Beach  
Demographic and Economic Statistics**

The following table shows the City population estimates, school enrollment and unemployment rates for the past ten fiscal years.

Fiscal Year	City Population <sup>(1)</sup>	County Population <sup>(1)</sup>	Per Capita		Median Age <sup>(1)</sup>	School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(1)</sup>
			Personal Income <sup>(2)</sup>	Estimated Total Personal Income <sup>(3)</sup>			
2015	63,175	1,378,417	\$48,706	\$3,077,001,550	45.1	7,760	6.4%
2016	63,972	1,391,741	49,193	3,146,974,596	44.9	7,473	4.4
2017	65,804	1,414,144	34,728	2,285,241,312	44.8	7,139	3.2
2018	69,228	1,471,150	49,940	3,457,246,320	45.1	7,259	3.1
2019	69,957	1,498,187	50,181	3,510,512,217	45.4	7,121	2.8
2020	70,767	1,541,961	50,683	3,586,683,861	45.0	7,139	7.4
2021	71,309	1,594,618	51,190	3,650,307,710	45.0	6,478	3.8
2022	67,744	1,516,419	49,955	3,384,151,520	47.6	7,127	5.5
2023	68,650	1,527,592	53,852	3,696,939,800	47.4	7,123	3.1
2024	68,019	1,532,718	56,068	3,813,689,292	48.7	7,200	3.3

(1) Business Development Board of Palm Beach County.

(2) Bureau of Economic Analysis.

(3) Estimated based on County per capita personal income and City population.

(4) The School Enrollment is from the Palm Beach County School Board excluding the Delray Full Service Center.

Source: City of Delray Beach Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024.

**City of Delray Beach  
Building Permit Activity**

Fiscal Year	Industrial and Commercial Construction		Residential Construction	
	No. of Permits	Value	No. of Units	Value
2015	9	\$ 15,367,546	342	\$ 71,253,245
2016	6	5,607,685	411	54,651,269
2017	13	45,554,848	139	43,979,679
2018	19	72,245,543	54	26,094,641
2019	16	48,818,865	124	68,429,356
2020	7	38,837,846	183	65,414,450
2021	5	11,277,940	259	79,865,635
2022	8	170,921,397	492	172,050,203
2023	5	28,940,547	639	191,803,679
2024	11	25,622,691	95	101,592,676

Source: City of Delray Development Services Department.

**APPENDIX C**

**THE CITY'S FISCAL YEAR 2024 AUDITED FINANCIAL STATEMENTS**

**APPENDIX D**

**FORM OF BOND COUNSEL OPINION**

*Upon delivery of the Bonds (as defined below) in definitive form, Greenberg Traurig, P.A., as Bond Counsel, proposes to render its final approving opinion with respect to such Bonds in substantially the following form:*

\_\_\_\_\_, 2025

City Commission of the  
City of Delray Beach, Florida  
Delray Beach, Florida 33444

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City Commission (the “Commission”) of the City of Delray Beach, Florida (the “City”), and other proofs submitted to us relative to the issuance and sale of:

\$ \_\_\_\_\_  
City of Delray Beach, Florida  
Public Improvement Revenue Bonds, Series 2025  
(Golf Course Project)

Said above-referenced Bonds (the “Bonds”) are issued under and pursuant to the Resolution hereinafter referred to. We have also reviewed such other documents and matters of law as we have considered necessary or appropriate for the purpose of this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the herein described Resolution.

On October 21, 2025, the Commission adopted Resolution No. R-257-25 authorizing the issue of the Bonds to finance the Golf Course Project (herein, the “Resolution”).

The Bonds are dated the date of issuance. Said Bonds are issued as fully registered bonds and shall be issued in the denominations of \$5,000.00 or integral multiples thereof, shall mature and bear interest at the rates set forth below.

Interest on the Bonds, at the rates set forth below, shall be payable on June 1 and December 1 commencing June 1, 2026, and principal on the Bonds shall be payable on December 1 in the years and amounts set forth below.

**Maturity**

**Principal**

**Interest Rate**

**Maturity**

**Principal**

**Interest Rate**

The Bonds maturing on or prior to June 1, 2035 are not subject to optional redemption. The Bonds maturing on or after June 1, 2036 are subject to redemption prior to maturity, at the option of the City, in whole or in part on any date on or after June 1, 2035, and if in part, in such order of maturities and in such amounts as the City shall select and by lot within a maturity, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, and without premium.

[The Bonds maturing on June 1, 20XX are subject to mandatory sinking fund redemption, in part by lot, prior to maturity, on June 1, 20XX, and on June 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the years and amounts as follows:]

**Year**

**Amount**

---

\*Final Maturity

Notice of redemption of the Bonds shall be mailed, postage prepaid, by the Registrar not less than thirty days before the date fixed for redemption to the registered owners of any Bonds or portions of Bonds which are to be redeemed, at their addresses as they appear on the registration books kept by the Registrar fifteen days prior to the date such notice is mailed. Any notice of optional redemption may state that such notice is conditional and that if the conditions for redemption are not satisfied (including the availability of funds) the Bonds shall not be optionally redeemed on the redemption date set forth in the notice of redemption. Failure of the registered owner of any Bonds that are redeemed to receive any such notice of redemption shall not affect the validity of the proceedings for the redemption of Bonds for which proper notice has been given. All Bonds called for redemption will cease to bear interest after the specified redemption date if payment of the redemption price has been duly made or provided for.

We have also examined Bond No. R-1 as executed.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance of the Bonds pursuant to the Constitution and Statutes of the State of Florida, particularly, Chapter 166, Florida Statutes, as amended and supplemented; the City Charter, and other applicable provisions of law. The

Resolution has been duly authorized, executed and delivered by the City and constitutes a valid and binding obligation of the City, enforceable in accordance with its terms. The Resolution has been duly adopted and remains in full force and effect. The Resolution creates the valid pledge which it purports to create of the Pledged Revenues, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. "Pledged Revenues" means (i) the Non-Ad Valorem Revenues deposited into the Debt Service Fund established under the Resolution (until deposited into the Debt Service Fund in the manner and at the time specified in the Resolution such moneys do not constitute Pledged Revenues); (ii) investment income received from the investment of moneys in the Debt Service Fund; and (iii) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with repayment of the Bonds.

"Non-Ad Valorem Revenues" means all revenues of the City derived from any source whatever other than ad valorem taxation on real and personal property, which are legally available for payment of debt service on debt issued by the City.

The Bonds have been duly and validly authorized and issued by the City in accordance with the Act and the Resolution. The Bonds constitute a legal, valid, binding and enforceable limited obligations of the City, as provided in the Resolution, and are enforceable in accordance with their terms and the terms of the Resolution. The Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or other limitation of indebtedness, but shall be payable solely from a lien on and pledge of the Pledged Revenues. No Owner or Owners of the Bonds shall ever have the right to compel the exercise of the ad valorem taxing power of the City, or taxation in any form on any real property therein to pay the Bonds or the interest thereon.

The Resolution provides that the City covenants and agrees that it will appropriate in its annual budget, by amendment, if necessary, and to pay when due, directly into the Debt Service Fund created and established under the Resolution, amounts of Non-Ad Valorem Revenues of the City sufficient to satisfy all payments required to be made to pay the Bonds in accordance with their terms.

Such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, to the extent the City is in compliance with certain provisions of the Resolution, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give any Bondholder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Notwithstanding the covenant described above, the City has not covenanted to maintain any services or programs now provided or maintained by the City, which generate Non-Ad Valorem Revenues other than services or programs which are deemed by the City to be essential public purposes affecting the health, welfare and safety of the inhabitants of the City.

The City has entered into certain other covenants with respect to the Bonds for the exact terms of which reference is made to the Resolution.

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. The City has covenanted in the Resolution to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Under existing statutes, regulations, rulings and court decisions, and assuming the accuracy of certain certifications and representations of the City and continuing compliance by the City under the covenants described above, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and, furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income.

We are also of the opinion that the Bonds and the interest thereon are exempt from taxation under existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, banks and savings associations.

Except as stated in the preceding three paragraphs, we express no opinion as to any other federal or state tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other Bond Counsel.

We wish to call to your attention that the Bonds do not constitute an indebtedness of the City within the meaning of any constitutional, statutory, charter or other limitation of indebtedness, but shall be payable solely from the Pledged Revenues, as provided in the Resolution.

We have not passed upon and therefore express no opinion as to the compliance by any other party involved in this financing, or the necessity of such parties complying, with any federal or state registration requirements or security statutes, regulations or rulings with respect to the offer and sale of the Bonds.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update our opinions expressed herein if such laws, facts or circumstances change after the date hereof.

The opinions expressed herein regarding enforceability may be subject to bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

Respectfully yours,

GREENBERG TRAURIG, P.A.

## APPENDIX E

### CONTINUING DISCLOSURE UNDERTAKING (Section 4.I. of Article III of the Resolution)

I. **Rule 15c2-12 Undertaking.** That in order to assist the underwriters of the Series 2025 Bonds with respect to compliance with the Rule, the City, pursuant to the Resolution, has undertaken and agreed to provide the information described below to the persons so indicated. The City's Undertaking and agreement set forth in Section 4.I. of Article III of the Resolution shall be for the benefit of the registered owners and Beneficial Owners of the Series 2025 Bonds. See "APPENDIX A—THE RESOLUTION" attached hereto for a copy of the Resolution.

1. The City undertakes and agrees to provide to MSRB, through EMMA and to the State of Florida information depository (herein, the "SID") if and when such a SID is created (i) the City's financial statements generally consistent with the financial statements presented in the Official Statement relating to the Series 2025 Bonds, and (ii) update the information in the Official Statement regarding the City's Non-Ad Valorem Revenues set forth in the Official Statement under the heading "DESCRIPTION OF CERTAIN NON-AD VALOREM REVENUES—Historical Receipt of Non-Ad Valorem Revenues" or at the discretion of the City, any other information under such other headings related to the operations of the City and relating to the Non-Ad Valorem Revenues as the security for the Series 2025 Bonds. The information referred to in clauses (i) and (ii) is herein collectively referred to as the "Annual Information."

2. The Annual Information described in clause (i) of subparagraph 1 above in audited form (for as long as the City provides such financial information in audited form) is expected to be available on or before March 31 of each year for the Fiscal Year ending on the preceding September 30, commencing March 31, 2026 for the Fiscal Year ending on the preceding September 30, 2025. The Annual Information referred to in clause (i) of subparagraph 1 above in unaudited form (if the audited financial statements are not available or if the City no longer provides such financial information in audited form) will be available on or before March 31 for the Fiscal Year ending on the preceding September 30. The City also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Series 2025 Bonds who request such information and pays to the City its costs of reproduction and transmission of such Annual Information. The City agrees to provide to the MSRB, through EMMA, and the SID, if any, timely notice of its failure to provide the Annual Information. Such notice shall also indicate the reason for such failure and when the City reasonably expects such Annual Information will be available. As long as the City files the unaudited financials by March 31 of any year, if the audited financials are not available, and the audited financial statements by June 1 of that same year, no notice shall be required to be filed. Such notice shall also indicate the reason for such failure and when the City reasonably expects such Annual Information will be available. Timely notice shall be given within ten (10) Business Days of the date of such failure. All filings with EMMA shall be in EMMA Compliant Format.

3. The Annual Information referred to in clause (i) of subparagraph 1 above and presented in the Official Statement has been prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

4. If, as authorized by subparagraph 6 below, the City's Undertaking with respect to subparagraph 1 above requires amending, the City undertakes and agrees that the Annual Information described in clause (i) of subparagraph 1 above for the Fiscal Year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the

new accounting principles and the Annual Information prepared on the basis of the accounting principles described in subparagraph 3 above. The City agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

5. The City undertakes and agrees to provide to the MSRB, through EMMA, and to the SID, if any, in EMMA Compliant Format within ten (10) Business Days of the occurrence of the events listed below (except as otherwise provided with respect to the event listed in clause (h)) notice of the occurrence of any of the following events with respect to the Series 2025 Bonds, if material or deemed material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on any debt service reserve account reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;\*
- (e) substitution of credit or liquidity providers, or their failure to perform;\*
- (f) adverse tax opinion, or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;
- (g) modifications to rights of Bondholders;
- (h) Bond calls (other than scheduled mandatory sinking fund redemption);
- (i) defeasances of the Series 2025 Bonds;
- (j) release, substitution, or sale of property securing repayment of the Series 2025 Bonds, if material;\*
- (k) rating changes;
- (l) any failure on the part of the City to comply with its Undertaking;
- (m) tender offers;
- (n) bankruptcy, insolvency, receivership or similar event of the City or any other obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City or any other obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City or any other obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or

liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City or any other obligated person);

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

(p) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(q) incurrence of a Financial Obligation<sup>1</sup> of the City or any other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City or any other obligated person, which affect security holders, if material;

(r) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the City or any other obligated person, which reflect financial difficulties; and

(s) any amendment to the accounting principles to be followed by the City in preparing its financial statements, as required by Section 4.I. of Article III of the Resolution.

Events described in clauses (a), (c), (d), (e), (f), (g), (h), (i), (k), (l), (m), (n), (r) and (s) shall always be deemed material.

The City agrees to provide or cause to be provided, in a timely manner to the MSRB through EMMA in EMMA Compliant Format, written notice of a failure by the City to provide the Annual Information described in clause (i) of Section 4.I. of Article III of the Resolution on or prior to the date such Annual Information is to be reported.

Notwithstanding the foregoing, notice of the event described in clause (h) need not be given any earlier than the time notice is required to be given to the registered owners of the Series 2025 Bonds.

6. Notwithstanding any other provision of the Resolution to the contrary regarding amendments or supplements, the City undertakes and agrees to amend and/or supplement Section 4.I of Article III of the Resolution (including the amendments referred to in subparagraph (iv) above) only if:

(a) The amendment or supplement is made only in connection with a change in circumstances existing at the time the Series 2025 Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule or (iv) a change in the nature of the City's operations or the activities that generate Non-Ad Valorem Revenues;

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<sup>1</sup> For the purposes of this Appendix E, "Financial Obligation" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(b) The City's Undertaking, as amended, would have complied with the requirements of the Rule at the time the Series 2025 Bonds were originally issued after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Series 2025 Bonds as determined by Bond Counsel or by a majority of the registered owners of the Series 2025 Bonds.

In the event of an amendment or supplement under Section 4.I of Article III of the Resolution, the City shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

7. The City's Undertaking as set forth in Section 4.I of Article III of the Resolution shall terminate if and when the Series 2025 Bonds are paid or deemed paid within the meaning of the Resolution.

8. The City acknowledges that its Undertaking pursuant to the Rule set forth in Section 4.I of Article III of the Resolution is intended to be for the benefit of the registered holders and Beneficial Owners of the Series 2025 Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of its Undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder, and any failure by the City to comply with the provisions of its Undertaking shall not be or constitute a covenant or monetary default with respect to the Series 2025 Bonds under the Resolution.

9. The City reserves the right to satisfy its obligations under Section 4.I. of Article III of the Resolution through agents; and the City may appoint such agents without the necessity of amending the Resolution. The City may also appoint one or more employees of the City to monitor and be responsible for the City's Undertaking.