



pfm

Advice for people transforming their world

Expertise + Insight = Ingenuity

We are avid problem-solvers, using our collective expertise to deliver the best solutions. We mine the experience of our colleagues, combining wisdom and agile thinking to develop answers and execute strategies for our clients.

pfm.com

February 21, 2017

City of Delray Beach

Proposal for Financial Advisory Services

RFP Number 2017-025

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Purchasing Department
City of Delray Beach
100 N.W. 1st Avenue
Delray Beach, Florida 33444
Chapter 1. Letter of Intent



300 S. Orange Avenue
Suite 1170
Orlando, FL 32801
407.648.2208

pfm.com

Dear Client:

PFM Financial Advisors LLC ("PFM") is pleased to submit our proposal to continue serving the City of Delray Beach (the "City") as the City's financial advisor. PFM's roots go back over 40 years. From the outset, PFM has strived to be a financial advisor that is very different from our competitors; an independent financial advisory firm with technical resources matching those of the most sophisticated Wall Street investment banks. Local governments around the nation have responded to the focus, resulting in PFM being the financial advisor Thomson Reuters ranks #1 in the nation as well as the State of Florida in terms of overall issues and par amount as of 12/31/2016. PFM's independence is significant, but it is just the beginning of our qualifications. We believe PFM is the City's best choice to continue serving as its financial advisor because of the unique qualifications of both our firm and project team, allowing us to provide the City with the highest level of service in the industry.

Several of PFM's key attributes whereby we seek to add value to clients are included below for the City's consideration:

- **Scope of Services:** PFM provides decades of traditional financial advisory experience along with a broad range of complementary services including: bond pricing; long term capital planning; public/private partnerships and strategic consulting assistance with budgeting, workforce management, and pension issues (provided by PFM Group Consulting LLC). In addition, as part of the PFM Group of companies, our asset management affiliate, PFM Asset Management LLC ("PFMAM"), is able to contribute expertise on investment management, escrow structuring, arbitrage rebate, and structured products.¹

¹ PFM, PFMAM, and PFM Group Consulting LLC services are offered pursuant to this RFP, but would be delivered under separate agreements.



- **A Leading Advisor to Florida Cities Combined with Sector Expertise:** PFM currently (as of January 1, 2017) serves as financial advisor to over 100 Florida municipalities, including: Boca Raton, Boynton Beach, Clermont, Coral Gables, Coral Springs, Daytona Beach, Gainesville, Jacksonville, Leesburg, Marco Island, Melbourne, Miami, Miami Gardens, Orlando, Ormond Beach, Palm Beach Gardens, Panama City Beach, Plantation, Pompano Beach, Riviera Beach, St. Petersburg, Stuart, Surfside, Tallahassee, Town of Palm Beach, West Palm Beach and Winter Park. We have in-depth knowledge of the issues facing local governments in today's economy through our work with these entities on a day-to-day basis. PFM is an industry leader in areas of specific relevance to the City of Delray Beach. PFM offers a full-spectrum of services on the issues the City is currently facing or may consider as future priorities.
- **Innovative Team Approach:** We believe advising the public sector carries with it a sacred trust, and our 40+ year reputation is built upon our recommendations and ideas. PFM goes beyond traditional transaction management to incorporate our professionals' expertise with long-term financial planning, sophisticated model development, credit rating enhancement strategies, and pricing analysis to advice on the City's unique financial considerations, as well as reduce financing costs and risks in ever-changing markets. PFM's team is led by Managing Director James "Jay" Glover who has been among the most active public finance professionals in Florida during the last 16 years. The City also will have access to specialists in PFM's Pricing Group, Environmental Finance Group, as well as PFMAM's Investment Management and Structured Products Groups, as needed.
- **Municipal Advisor Regulation under the Dodd-Frank Act:** Unlike investment banking firms that serve as both underwriter and financial advisor, PFM serves exclusively as a financial advisor and has a fiduciary relationship with our clients, avoiding potential conflicts of interest. Your PFM contacts have successfully obtained their MSRB Series 50 license and are registered Municipal Advisors. Additionally, PFM maintains a compliance program to monitor activities within the requirements as set forth under SEC and MSRB regulation to serve as the City's Municipal Advisor.



- **Track Record of Performance:**

PFM continues to provide our clients with what we believe to be highly effective services, as proven by our ranking as the #1 financial advisory firm in the country for the last 19 years and in Florida for the last 18 years. In Florida in particular, we continue to add clients and have grown our presence to provide clients with the same level of service they expect and deserve. As

shown in the graphic to the right, since 2012 PFM has served as financial advisor on 368 transactions in the State of Florida with a par amount in excess of \$30 billion.

On behalf of PFM we are pleased to have this opportunity to present our proposal to continue serving as financial advisor to the City. The City represents a very important client for PFM and we are committed to dedicating the full range of PFM's exceptional services and resources to the City. We would be honored to continue work with the City's forward-thinking and creative yet fiscally prudent financing team, as it implements goals set by the Mayor and City Commission. The PFM team has assisted multiple issuers with successfully navigating the tumultuous economic waters of the past decade. We believe PFM's relevant experience and dedicated project team – as well as our decades of work in Florida, our national presence, our depth of knowledge, and our commitment to acting as a fiduciary for our clients – make PFM the ideal choice as the City's strategic partner and financial advisor.

Sincerely,

PFM Financial Advisors LLC

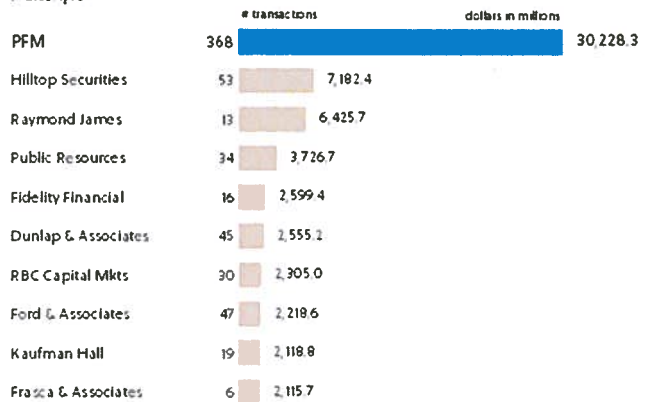
James W. Glover
Managing Director

David M. Moore
Managing Director

2012 to 2016 Full Year Florida Overall Long Term Municipal New Issues

Municipal Financial Advisory Ranking - Full Credit to Each Financial Advisor

Source: Ipreo



Form A - Proposal Submittal Signature Page

By signing this Proposal, the Proposer certifies that it satisfies all legal requirements as an entity to do business with the City, including all Conflict of Interest and Code of Ethics provisions.

Firm Name: PFM Financial Advisors LLC

Street Address: 300 South Orange Avenue, Suite 1170 Orlando, FL 32801

Mailing Address (if different from Street Address): _____

Telephone Number(s): 407-406-5760

Fax Number(s): 407-648-1323

Email Address: gloverj@pfm.com

Federal Identification Number: 81-1642787

Acknowledged by:

PFM Financial Advisors LLC

Firm Name

Signature

Date

James W. Glover, Managing Director

Printed Name and Title

****Please see attachment (35b) for exceptions that PFM respectfully request the opportunity to negotiate if engaged.****

By signing this document, the Proposer agrees to all terms and conditions of this RFP which includes the Sample Agreement.

THE EXECUTION OF THIS FORM CONSTITUTES THE UNEQUIVOCAL OFFER OF PROPOSER TO BE BOUND BY THE TERMS OF ITS PROPOSAL. FAILURE TO SIGN THIS SOLICITATION WHERE INDICATED ABOVE BY AN AUTHORIZED REPRESENTATIVE SHALL RENDER THE PROPOSAL NON-RESPONSIVE. THE CITY MAY, HOWEVER, IN ITS SOLE DISCRETION, ACCEPT ANY PROPOSAL THAT INCLUDES AN EXECUTED DOCUMENT WHICH UNEQUIVOCALLY BINDS THE PROPOSER TO THE TERMS OF ITS PROPOSAL.

(Remainder of page intentionally left blank)

Form A - Signature Authority

Indicate below Proposer's type of organization and provide the required documentation as applicable to demonstrate that the executor of Proposer's Proposal is duly authorized to execute on behalf of, and as the official act of, Proposer.

Select	Type of Organization	Officer Who Signed Proposal Submittal Signature Page	Required Authorizing Documentation
<input type="checkbox"/>	Corporation	President, Vice President, or Chief Executive Officer	None
<input type="checkbox"/>	Corporation	Director, Manager, or other title	Corporate resolution
<input type="checkbox"/>	Limited Liability Company (LLC) – Member-Managed	Member	Articles of Organization or Operating Agreement
<input checked="" type="checkbox"/>	Limited Liability Company (LLC) – Manager-Managed	Manager	Articles of Organization or Operating Agreement
<input type="checkbox"/>	Limited Partnership	General Partner	Document demonstrating the legal authority to bind the Limited Partnership
<input type="checkbox"/>	Partnership	Partner	None
		CEO, Director, Manager or other title	Authorizing documentation
<input type="checkbox"/>	Individual	Individual	None

☐ Documentation is not required.

☒ The required authorizing documentation is included with Proposal.

State of Delaware
Secretary of State
Division of Corporations
Delivered 12:36 PM 01/15/2016
FILED 11:36 PM 01/15/2016
SR 20160144164 - Filo Number 2937220


STATE of DELAWARE
LIMITED LIABILITY COMPANY
CERTIFICATE of FORMATION

- First:** The name of the limited liability company is PFM Financial Advisors LLC.
- Second:** The address of its registered office in the State of Delaware is:

2711 Centerville Road, Suite 400 in the City of Wilmington, New Castle County,
Delaware 19808.

The name of its registered agent at such address is Corporation Service Company.
- Third:** The existence of the limited liability company shall continue until cancellation of
its Certificate of Formation.
- Fourth:** Management of the limited liability company is vested in a manager or managers
as provided in a limited liability company agreement as the same may be adopted,
amended or restated from time to time.

IN WITNESS WHEREOF, the undersigned hereby executes this Certificate of Formation
of PFM Financial Advisors LLC on this 15 day of January 2016.


Melissa M. Zeiders
Authorized Person

PFM Exceptions

PFM respectfully requests the opportunity to negotiate the following language in any resulting agreement.

RFP pg. 20 – Scope of Services

40. INDEMNITY/HOLD HARMLESS AGREEMENT: Proposer shall at all times hereafter indemnify, hold harmless and, at the City Attorney's option, defend or pay for an attorney selected by the City Attorney to defend City, its officers, agents, servants, and employees from and against any and all causes of action, demands, claims, losses, liabilities and expenditures of any kind, including attorney fees, court costs, and expenses, caused or alleged to be caused by any intentionally wrongful, negligent, or reckless act of, or omission of, whether directly or indirectly, of Proposer, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of any order including, without limitation, any and all claims, losses, liabilities, expenditures, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. In the event any lawsuit or other proceeding is brought against City by reason of any such claim, cause of action, or demand, Proposer shall, upon written notice from City, resist and defend such lawsuit or proceeding by counsel satisfactory to City or, at City's option, pay for an attorney selected by the City Attorney to defend City. The obligations of this section shall survive the expiration or earlier termination of any order. To the extent considered necessary by the Chief Purchasing Officer and the City Attorney, any sums due Proposer under any order may be retained by City until all of City's claims for indemnification pursuant to any order have been settled or otherwise resolved. Any amount withheld shall not be subject to payment of interest by the City.

Explanation: PFM respectfully requests the opportunity to negotiate the indemnification language in any resulting agreement so that PFM's obligation to indemnify is limited to circumstances in which its performance has been wrongful, which would include negligent or intentionally wrongful acts.

RFP pg. 20 – Sample Contract

Article 5 - INDEMNIFICATION

Second Party shall at all times hereafter indemnify, hold harmless and, at the City Attorney's option, defend or pay for an attorney selected by the City Attorney to defend City, its officers, agents, servants, and employees from and against any and all causes of action, demands, claims, losses, liabilities and expenditures of any kind, including attorney fees, court costs, and expenses, caused or alleged to be caused by any intentionally wrongful, negligent, or reckless act of, or omission of, Second Party, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Agreement including, without limitation, any and all claims, losses, liabilities, expenditures, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. In the event any lawsuit or other proceeding is brought against City by reason of any such claim, cause of action, or demand, Second Party shall, upon written notice from City, resist and defend such lawsuit or proceeding by counsel satisfactory to City or, at City's option, pay for an attorney selected by City Attorney to defend City. The obligations of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the Contract Administrator and the City Attorney, any sums due Second Party under this Agreement may be retained by City until all of City's claims for indemnification pursuant to this Agreement have been settled or otherwise resolved. Any amount withheld shall not be subject to payment of interest by City.

Explanation: Please see above for changes to indemnification. In addition, we respectfully requests the opportunity to negotiate this provision so that any claims or disputes do not affect payment.



I. Technical Proposal

Chapter 2. Proposers' Statement of Organization

Provide information on Proposer as follows:

A. Legal contracting name including any dba.

PFM Financial Advisors LLC

B. State of organization or incorporation.

Delaware

C. Ownership structure of Proposer's company.

(e.g., Sole Proprietorship, Partnership, Limited Liability Corporation, Corporation)

Limited Liability Corporation

D. Federal Identification Number.

81-1642787

E. Contact information for Proposer's Corporate headquarters.

Address

City, State, Zip

Phone

1735 Market Street, 43rd Floor

Philadelphia, PA 19103

215-567-6100

F. Contact information for Proposer's Local office (if any).

Address

City, State, Zip

Phone

James Glover, Managing Director

300 South Orange Avenue, Suite 1170

Orlando, Florida 32801



407-406-5760

G. List of officers, owners and/or partners, or managers of the firm. Include names, business addresses, email addresses, and phone numbers.

John Bonow, President/CEO

bonowj@pfm.com / 215-567-6100

Steve Boyle, Secretary & Treasurer

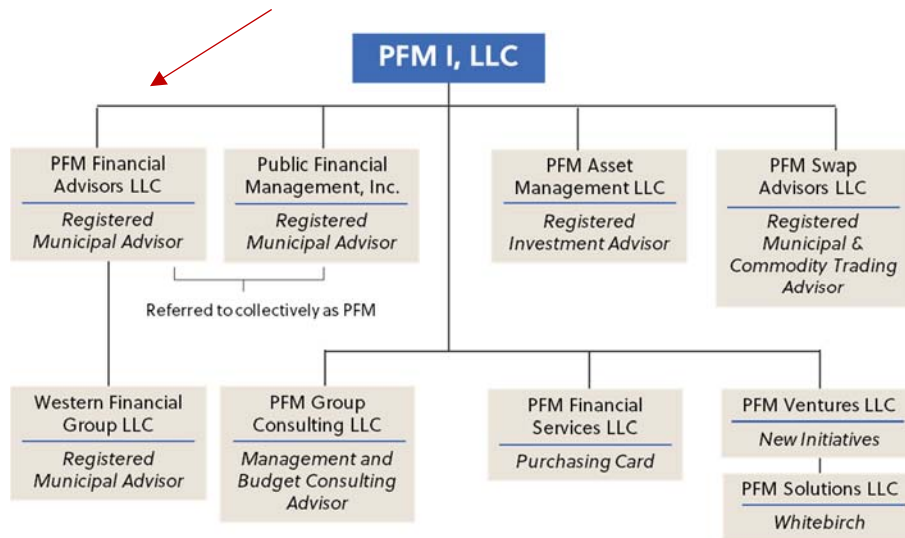
boyles@pfm.com / 215-567-6100

1735 Market Street, 43rd Floor

Philadelphia, PA 19103

H. Any additional organizational information that Proposer wishes to supply to augment its organizational structure.

The holding company for The PFM Group of companies is owned by the firm's 91 Managing Directors, who set the firm's strategic direction. Individual partners are responsible for specific practice areas and also personally manage specific client engagements. James Glover, engagement manager for the City's relationship, is one of the firm's 91 Managing Directors. Below is an organizational chart for PFM I, LLC. Financial advisory services related to this RFP will be provided by PFM Financial Advisors LLC.





I. Contact information for Proposer's Primary representative during this RFP process.

Name

Phone

E-mail

Mailing Address

City, State, Zip

James Glover, Managing Director

407-406-5760/ gloverj@pfm.com

300 South Orange Avenue, Suite 1170

Orlando, Florida 32801

J. Contact information for Proposer's Secondary representative during this RFP process.

Name

Phone

E-mail

Mailing Address

City, State, Zip

David Moore, Managing Director

407-406-5751/ moored@pfm.com

300 South Orange Avenue, Suite 1170

Orlando, Florida 32801

K. Briefly summarize any potential conflicts of interest, pending or current litigation relating to the performance of requested financial advisory services in which Proposer is a part to.

Disclose any circumstance where the conduct of the Proposer is being investigated or has had an adverse determination by any legal or administrative body.

PFM knows of no existing or potential conflicts that may affect our engagement with the City in any manner or degree. In fact, MSRB Rule G-42 requires that municipal advisors make written disclosures to clients of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in PFM's Disclosure Statement delivered to each client upon engagement.

There is no pending or current litigation against the firm relating to the performance of the requested financial advisory services.



There are no circumstance where the conduct of the firm is being investigated or has had an adverse determination by any legal or administrative body.

L. Provide details of any ownership changes to Proposer's organization in the past three years or changes anticipated within six months of the Due Date and Time (e.g., mergers, acquisitions, changes in executive leadership).

In April 2016, our firm's corporate structure was reorganized so that municipal advisory services could be delineated clearly from other financial consulting services — both of which had been provided through Public Financial Management, Inc. Given the regulation of municipal advisory activities, financial advisory services are offered through PFM Financial Advisors LLC ("PFMFA"), which commenced operations on June 1, 2016. Our financial advisory relationships are in the process of transferring from PFM, Inc. to PFMFA — which now are referred to collectively as PFM — while other financial consulting services are offered through PFM Group Consulting LLC and PFM Solutions LLC. PFM, Inc. will provide administrative services in support of the firm's operating companies. PFM I, LLC is the holding company for all of the affiliates described above and is owned by its Managing Directors (see organization chart on page 6).

In September 2016, PFM Financial Advisors LLC purchased Western Financial Group, LLC (WFG), an independent financial advisory firm based out of Oregon. Western Financial Group, LLC is a subsidiary of PFM Financial Advisors LLC.



Chapter 3. Minimum Qualifications/Proposal Response Requirements

Each proposer shall submit information and documentation requested that confirms it meets the following qualification requirement(s):

i. Must be registered with the States of Florida, Division of corporations to do business in Florida.

No documentation is required. The City will verify registration.

PFM Financial Advisors LLC is a Pennsylvania corporation. PFM is licensed to do business in the State of Florida.

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), PFM is registered as a Municipal Advisor under regulations issued by the Securities Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB").

PFM Financial Advisors LLC

Securities and Exchange Commission

SEC File No: 867-02030

Municipal Securities Rulemaking Board

PFM's MSRB ID Number: K1162

Registration Type: Municipal Advisor



A. Experience

i. Submit a detailed narrative description documenting Proposer's overall background and experience to include, but not limited to, the following:

a. Provide experience with similar financial advisory services in Florida and with other municipalities of similar size and characteristics of the City in relation to the scope of services being requested.

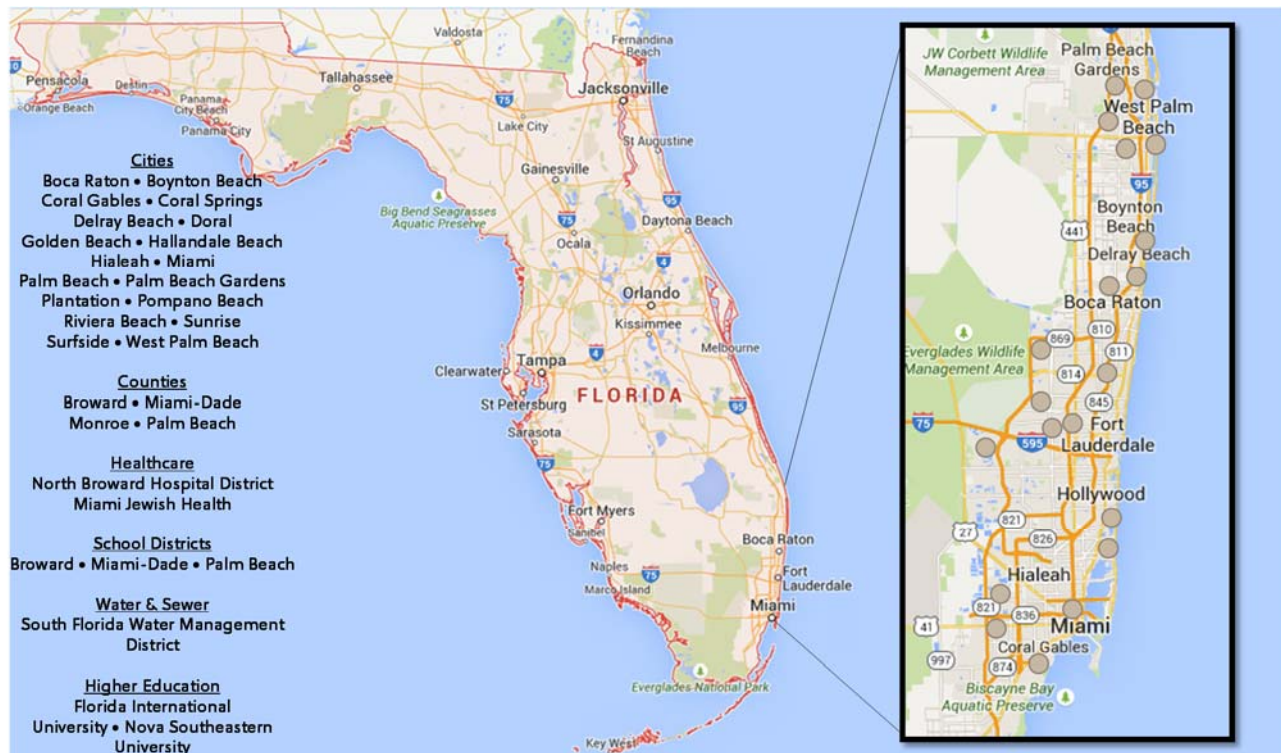
As demonstrated throughout this proposal as well as through our ongoing relationship with the City, PFM possesses unmatched expertise in providing services to meet all of the financial needs of our clients. PFM's approach has resulted in the firm continuing to add new clients while maintaining existing clients, as shown in the table below, which provides a representative listing of our current Florida clients (as of February 1, 2017), with cities highlighted in the red box:

CITIES	COUNTIES	SCHOOL DISTRICTS	TRANSPORTATION
Alachua • Apopka Boca Raton • Boynton Beach Brooksville • Clermont Cocoa Beach • Coral Gables Coral Spring • Crystal River Daytona Beach • DeBary • Delray Beach Doral • Flagler Beach Fort Walton Beach Gainesville • Golden Beach • Green Cove Springs Hallandale Beach • Hialeah Jacksonville • Key West Lake Wales • Lake Worth Leesburg • Margate Madeira Beach Melbourne • Melbourne Beach Miami • New Port Richey Oldsmar • Orlando Ormond Beach • Palatka • Palm Beach • Palm Beach Gardens Panama City Beach • Plant City Plantation • Pompano Beach Riviera Beach Satellite Beach • St. Cloud St. Petersburg • Sanibel Sebring • Stuart Sunrise • Surfside Tallahassee • Tarpon Springs Temple Terrace • Titusville West Palm Beach • Winter Haven Winter Garden • Winter Park Winter Springs	Alachua • Brevard Broward • Clay Collier • Flagler Highlands • Lake Leon • Marion Miami-Dade • Monroe Orange • Osceola Palm Beach • Sarasota St. Johns • St. Lucie Volusia • Walton Washington	Alachua • Broward Citrus • Columbia Duval • Flagler Hernando • Lake Manatee • Marion Martin • Miami-Dade Orange • Osceola Palm Beach Pasco • Sarasota Santa Rosa • Seminole Volusia • Walton	Jacksonville Aviation Authority Jacksonville Seaport Authority Lee County Port Authority Okaloosa County (Northwest Florida Regional Airport) Orlando-Orange County Expressway Authority Hillsborough County Aviation Authority Tampa Port Authority
	STATE OF FLORIDA Division of Bond Finance Department of Transportation	HIGHER EDUCATION Edison State College Embry-Riddle Aeronautical University Flagler College Jacksonville University New College Nova Southeastern University Ringling College of Art and Design Saint Leo University Stetson University University of South Florida University of West Florida	UTILITIES Gainesville Regional Utilities Jacksonville Electric Authority Orlando Utilities Commission
	OTHER AUTHORITIES First Florida Governmental Financing Commission Sunshine State Governmental Financing Commission Tampa Bay Water		HEALTHCARE Jackson Health System North Broward Hospital District OneBlood, Inc. Orange County Health Facilities Authority
	SPECIAL DISTRICTS Alachua Library District Blueprint Intergovernmental Agency South Florida Water Management District		

Note: The list of clients does not necessarily represent any testimonial.



As the preeminent financial advisor in the State, we are very proud of our long history serving clients in the South Florida region. Please see the map below detailing the different cities, counties, and other issuers we service in the South Florida market. We serve more clients in this region than any other firm, and as such believe we are well positioned to continue serving the City of Delray Beach.





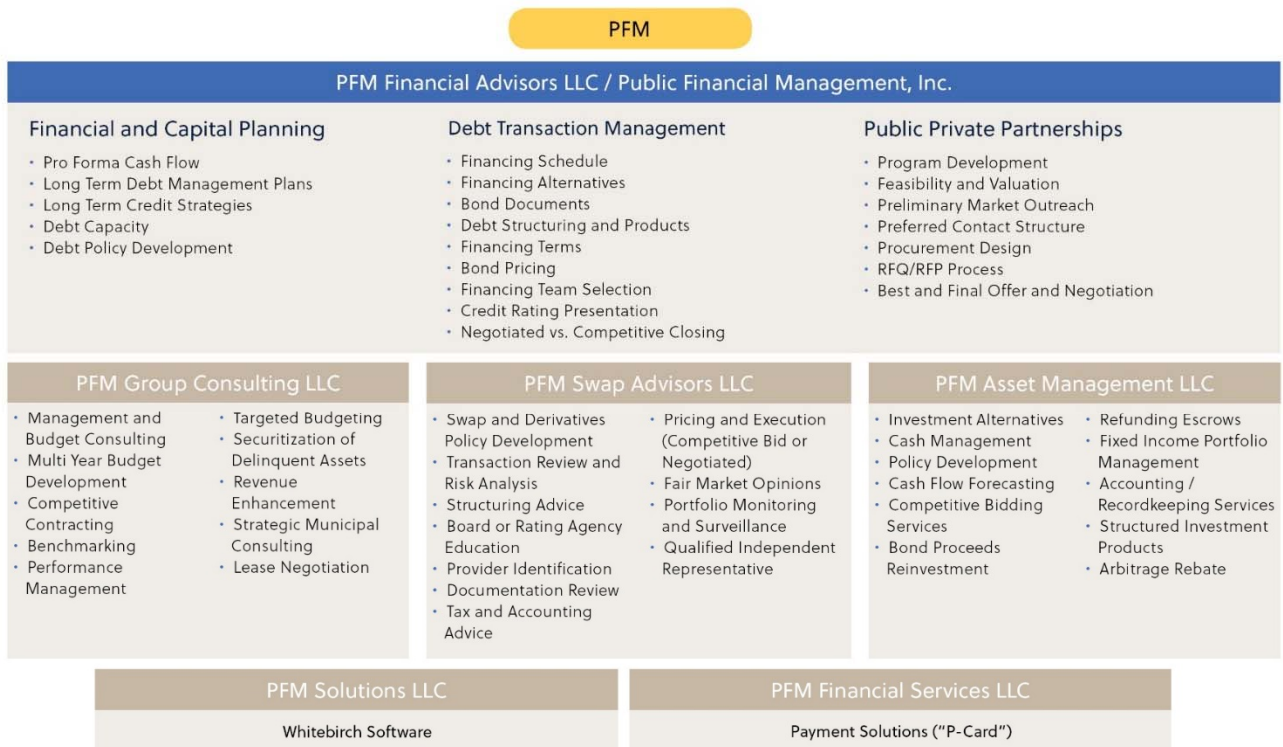
Provided below is a sample listing of 25 transactions that PFM has served as financial advisor on in the State of Florida since the start of 2016. As you can see, PFM has significant experience working with municipalities of all sizes and implementing financings with a variety of security structures for both new money and refunding needs.

Issuer Name	Issuer State	Series Name	Issue Par Amount	Sale Date	Sale Method	New Money /Refunding	Tax Status
Miramar, City of	Florida	Special Obligation Revenue Note, Series 2017	10,000,000	02/01/2017	Competitive	New Money	Tax Exempt
Winter Haven, City of	Florida	Non Ad Valorem Refunding Bond, Series 2016A	13,005,000	12/15/2016	Negotiated	Refunding	Tax Exempt
Marco Island, City of	Florida	Utility System Refunding Revenue Bonds, Series 2016	38,520,000	11/03/2016	Negotiated	Refunding	Tax Exempt
St. Petersburg, City of	Florida	Public Utility Revenue Bonds, Series 2016C	45,115,000	10/26/2016	Competitive	New Money	Tax Exempt
St. Petersburg, City of	Florida	Public Utility Revenue Refunding Bonds, Series 2016B	53,025,000	10/04/2016	Competitive	Refunding	Tax Exempt
Winter Springs, City of	Florida	Water and Sewer System Revenue Refunding Note, Series 2016	6,497,000	09/30/2016	Negotiated	Refunding	Tax Exempt
City of Riviera Beach	Florida	Water and Sewer Revenue Bonds, Series 2016	33,205,000	09/13/2016	Negotiated	New Money	Tax Exempt
Town of Palm Beach	Florida	Public Improvement Revenue Refunding Bonds, Series 2016A	49,575,000	08/25/2016	Negotiated	Refunding	Tax Exempt
Orlando, City of	Florida	State Sales Tax Payments Refunding and Improvement Revenue Bonds, Series 2016	28,090,000	08/24/2016	Negotiated	Refunding	Tax Exempt
Coral Springs, City of	Florida	Special Obligation Bonds, Series 2016A	18,460,000	08/23/2016	Competitive	New Money	Tax Exempt
St. Petersburg, City of	Florida	Public Utility Refunding Revenue Bond, Series 2016A	49,755,000	08/16/2016	Negotiated	Refunding	Tax Exempt
Jacksonville, City of	Florida	Special Revenue Bonds, Series 2016A	92,215,000	08/10/2016	Negotiated	Refunding	Tax Exempt
Winter Garden, City of	Florida	Sales Tax Refunding Revenue Bond, Series 2016B	19,752,000	08/08/2016	Negotiated	Refunding	Tax Exempt
West Palm Beach, City of	Florida	Wastewater Treatment Facilities Revenue Bonds, series 2016	11,130,000	07/29/2016	Negotiated	New Money	Tax Exempt
St. Augustine, City of	Florida	Water and Sewer Revenue Refunding Bond, Series 2016	4,320,000	07/15/2016	Negotiated	Refunding	Tax Exempt
Hallandale Beach, City of	Florida	Capital Improvement Refunding Revenue Bonds, Series 2016	21,720,000	06/29/2016	Competitive	New Money	Tax Exempt
Hallandale Beach, City of	Florida	General Obligation Bonds, Series 2016	57,500,000	06/21/2016	Competitive	New Money	Tax Exempt
Margate, City of	Florida	General Obligation Refunding Bonds, Series 2016	18,950,000	06/07/2016	Competitive	Refunding	Tax Exempt
West Palm Beach, City of	Florida	Special Obligation Bonds (Police Pension Funding Project), Taxable Series 2016A	120,185,000	06/07/2016	Negotiated	New Money	Taxable
Melbourne, City of	Florida	Water and Sewer Refunding Revenue Bonds, Series 2016B	14,465,000	06/07/2016	Negotiated	Refunding	Tax Exempt
Leesburg, City of	Florida	Utility System Refunding Revenue Bonds, Series 2016	18,115,000	05/17/2016	Negotiated	Refunding	Tax Exempt
Panama City Beach, City of	Florida	Utility Revenue Refunding Bond, Series 2016	24,240,000	04/15/2016	Negotiated	Refunding	Tax Exempt
Winter Park, City of	Florida	Electric Refunding Revenue Bonds, Series 2016	18,260,000	04/12/2016	Competitive	Refunding	Tax Exempt
Gainesville, City of	Florida	Refunding Revenue Note, Series 2016A	18,600,000	04/08/2016	Negotiated	Refunding	Tax Exempt
Alachua, City of	Florida	Capital Improvement Revenue and Revenue Refunding Bonds, Series 2016	16,545,000	03/29/2016	Competitive	New Money	Tax Exempt



b. Briefly describe the range of activities performed by the office doing the required services.

As client's needs have evolved and expanded, the PFM Group developed a wide range of expertise to assist clients. As a result of the Dodd-Frank legislation, there are now multiple affiliates under the PFM Group. Each was created to provide the proper regulatory and operating structure. The core financial advisory services will be provided by PFM Financial Advisors LLC out of the Orlando office and will consist of bond or loan-transaction management, debt-portfolio optimization, capital planning, revenue forecasting and evaluation, debt and financial policy development, among other services. At the same time, the City has access to the aspects of PFM that assist with asset management, management and budget consulting, arbitrage rebate, and other related options. Each of these entities was created in an effort to offer clients services needed to address opportunities and challenges of the 21st century. Provided below is a breakdown of all services provided by the PFM Group of companies.



PFM includes both Public Financial Management, Inc. and PFM Financial Advisors LLC, registered municipal advisors with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board under the Dodd-Frank Act of 2010. PFM Asset Management LLC is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. PFM Swap Advisors LLC is registered with the SEC and MSRB as a municipal advisor and is registered as a Commodity Trading Advisor with the Commodity Futures Trading Commission.



c. Awards, certifications, or other related recognition.

PFM's national reputation and consistent growth are evident in our ranking as the nation's top financial advisor in terms of number of transactions and par amount for 19 straight years (source: Thomson Reuters). Many firms will claim to be the top-ranked advisor, our objective is to provide the City with factual data from industry standard databases such as Thomson Reuters. Additionally, to avoid any doubt, we have also included the recent article from The Bond Buyer (municipal industry standard publication) that further cements the fact.

We recognize that rankings on their own are only statistics, and as such very much encourage the City to contact other municipalities, participants, and professionals to get a deeper sense of the PFM professionals that would be assigned to the City.



PFM's First Place Ranking Overall Long Term 1998 - 2016

	Par Amount (millions)	# of Transactions
2016	74,676.8	1,197
2015	62,139.9	1,014
2014	48,570.2	783
2013	46,071.0	768
2012	56,923.5	902
2011	39,632.1	758
2010	63,542.1	1,055
2009	56,290.0	882
2008	49,102.0	814
2007	46,477.5	686
2006	38,165.9	741
2005	41,527.1	897
2004	34,862.9	814
2003	39,226.5	898
2002	36,706.3	861
2001	31,593.7	811
2000	18,743.7	511
1999	19,220.7	626
1998	27,146.8	841

Source: Thomson Reuters

PFM's First Place Ranking Florida Overall Long Term 2008 - 2016

	Par Amount (millions)	# of Transactions
2016	5,785.4	76
2015	6,322.8	83
2014	3,624.0	47
2013	2,669.4	41
2012	6,014.8	73
2011	3,193.2	41
2010	4,566.5	79
2009	4,218.1	59
2008	4,512.0	55

Source: Thomson Reuters

2012 to 2016 Full Year Overall Long Term Municipal New Issues

Municipal Financial Advisory Ranking - Full Credit to Each Financial Advisor

Source: Ipreo

	# transactions	dollars in millions
PFM	4,834	392,065.2
Public Resources	683	182,563.8
Hilltop Securities	5,184	181,982.7
Acacia Fin Group	641	67,558.6
Montague DeRose	156	54,446.7
Piper Jaffray	1,044	44,122.0
Estrada Hinojosa	362	42,605.3
Lamont Financial	168	38,597.2
George K. Baum	355	31,679.1
KNM Public Finance	280	30,476.7



ii. Submit a detailed narrative description documenting Proposer's specific experience including, but not limited to, the following:

a. Knowledge of financial planning and marketing while demonstrating adequate experience, organization, facilities, equipment and personnel to ensure prompt and efficient service to the City of Delray Beach.

b. Background in designing, implementing, and monitoring of the financing element of the capital improvements plan.

c. Experience specific related to debt capacity analysis, debt ratio study, alternatives and innovative financing options, identification of potential revenue sources and methods of financing permitted under Florida law.

At PFM, we believe that as a financial advisor, we should play an active part in designing and executing the financing strategies of our clients. We see ourselves as both the client's partner and agent in helping to achieve their specific goals. Our job is to make the City aware of suitable options at its disposal and their potential outcomes, and our goal is to provide the City with the tools it needs to craft a financing strategy that will lead to the lowest-available cost of borrowing; be consistent with the City's broader policy and financial objectives; and fit with existing policies. We provide a forum for ideas, an environment for testing conventional wisdom, and a platform for forging performance-improving strategies. Most importantly, we will help manage the process and execute the transactions.

When serving as financial advisor, PFM takes an all-encompassing approach, ensuring that our clients' best interests are taken into account during each step of the bond issuance process. This begins with the creation of a team that consists of the optimal group of professionals who work all the way through post-issuance compliance on an ongoing basis. Within this section we provide a detailed description of this approach and how it benefits each of our clients.

Creating the Optimal Team

PFM's flexible project-oriented approach to staffing engagements enables us to bring the proper mix of resources and experience to a client's issue or transaction. This may mean bringing together several members of the same advisory practice or it may entail organizing a team from several different practices and offices. Our specialized project teams ensure that our clients receive complete and thorough advice directly from the PFM professionals most appropriate for their particular needs. This approach fosters creativity and innovation between PFM professionals and clients.

First, we designate specific team roles and responsibilities. Second, we marry these roles according to professional expertise needed to meet the scope of services. The core team proposed to serve the City is built upon a foundation of senior professionals located in our Orlando office. These individuals advise regional issuers and



jurisdictions within the State of Florida. Together, they offer a mix of expertise in Florida public finance and the professional skills needed to advise a client such as the City.

Plan of Finance Development

The development of the most cost-effective financing plan available — as outlined in the table below — is a key strength of PFM. Throughout the course of the financing process, PFM will compile a set of the City's unique attributes that we believe will prove valuable in our negotiation with other market players for the best-available terms for the City.

Plan of Finance	
Action	Objective(s)
1. Develop Financing and Debt Objectives	<ul style="list-style-type: none">Review consistency with formal written debt policies and procedures.Set parameters for measuring and making specific financing decisions.Demonstrate sophisticated financial management.
2. Prepare a Debt Profile	<ul style="list-style-type: none">Update comprehensive review of all outstanding indebtedness.Identify potential cost savings and other beneficial debt strategies.
3. Review Legal Structure	<ul style="list-style-type: none">Provide comprehensive review of bonding authority and bond covenants.Identify opportunities for financing flexibility within credit constraints.
4. Analyze Future Debt Capacity	<ul style="list-style-type: none">Determine ability to raise future debt capital.Identify rating concerns and/or opportunities.
5. Review Capital Budget	<ul style="list-style-type: none">Ensure a complete understanding of all anticipated capital needs in this changing plan.Match sources of capital funding to infrastructure needs.
6. Identify Financing Alternatives	<ul style="list-style-type: none">Inform issuer of pros and cons of different financing techniques.Outline potential financing strategies relevant to specific project.
7. Develop Final Financial Plan	<ul style="list-style-type: none">Document policies, processes, alternatives, and results.Formally recommend optimal financing plan and solution.



Transaction Management Process

As the plan of finance is refined, PFM will begin to lead the financing team through the transaction management process, as outlined in the table below:

Transaction Management	
Action	Objective(s)
1. Develop and Monitor Schedule	<ul style="list-style-type: none">■ Serve as a plan for timely completion of financing.
2. Analyze Debt Structure Alternatives	<ul style="list-style-type: none">■ Design a debt structure that maximizes market interest and future financing flexibility while consistent with debt policy.
3. Review Existing Debt Structure	<ul style="list-style-type: none">■ Identify strengths/weaknesses so that future debt issues can be structured to maximize ability to finance future capital needs.
4. Recommend Negotiated or Competitive Sale	<ul style="list-style-type: none">■ Tailor debt issue to the most efficient way to market debt and maximize investor interest/minimize interest cost.
5. Assist Issuer with Selection of Working Group Members	<ul style="list-style-type: none">■ Select team that can most effectively bring the issue to market.
6. Develop Terms of Financing	<ul style="list-style-type: none">■ Ensure credit quality and present terms are attractive to investors in order to create broad-based interest in the debt.■ Maximize future flexibility.
7. Review Financing Documents	<ul style="list-style-type: none">■ Monitor that all contractual and business terms are reviewed from the issuer's perspective.
8. Develop Marketing Plan	<ul style="list-style-type: none">■ Coordinate institutional investor "road show" and/or enhanced bond-issue advertising.■ Assist issuer seeking to maximize underwriter and investor interest in securities.
9. Develop Rating Presentation	<ul style="list-style-type: none">■ Obtain highest-possible credit rating available for debt issue.■ Formulate and implement long-term credit rating strategy.
10. Assist with Sale of Bonds and Evaluate Transaction	<ul style="list-style-type: none">■ Assist in obtaining lowest interest rate for given market.■ Provide written documentation of acceptability of bond sale.■ Complete pricing analysis.
11. Assist with Bond Closing	<ul style="list-style-type: none">■ Review complete compliance with all market and regulatory requirements.



This timetable outlines an example of the steps employed by PFM to facilitate the sale and marketing of a current public offering of debt. PFM serves as the quarterback of the financing team and coordinates the entire process. The value added by PFM during each phase of the transaction results in the City achieving the lowest overall borrowing cost available.

As PFM works with the City's team to develop a plan of finance and then move forward with a financing strategy, there are several key elements that are considered. Of significant importance is the time that goes into the preparation of documents to meet needs of both policy and credit structure. As documents are prepared for a public debt offering, City staff and PFM will work together to ensure the initial ratings package is complete and provides sufficient detail regarding the credit strength, project significance, and management strengths to garner

the highest possible credit rating that is warranted. A similar approach exists for bank loans, but the credit process is specific to each potential bank instead of an offering document that is required for a bond transaction. Timing of the bond sale will incorporate consideration for the primary issuance debt calendar, planned release of economic data, and general interest rate levels. If the City is issuing refunding bonds, PFM, in consultation with our investment management affiliate, PFM Asset Management LLC, can assist the City in the implementation of the

CITY OF ST. PETERSBURG, FLORIDA
Public Utility Revenue Refunding Bonds, Series 2016B
Public Utility Revenue Bonds, Series 2016C

August							September							October							November						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6					1	2	3							1			1	2	3	4	5
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22	20	21	22	23	24	25	26
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30			
														30	31												

Preliminary Financing Schedule as of November 7, 2016

<u>Date</u>	<u>Action</u>	<u>Responsibility</u>
August 1	Distribute timetable and distribution list	FA
August 10	Distribute 1 st draft of Resolution	BC
August 12	Distribute 1 st draft of POS, NOS and Summary NOS	DC, FA
August 18	Conference Call to Review Financing Documents	All
August 23	Distribute 2 nd draft Resolution	BC
August 26	Distribute 2 nd draft POS, NOS and Summary NOS	DC, FA
August 29	Distribute Ratings Packages	FA
August 31	Documents to City (BFT Agenda Deadline)	BC, DC, FA
September 6	Documents to City (Council Agenda Deadline)	BC, DC, FA
September 8	BFT Committee Meeting on Bonds	City
Week of September 12	Rating Agency Calls	City, FA
September 20	Receive ratings	City, FA
September 22	Council Approval of Authorizing Resolution Approval of Rate Increase (2nd Public Hearing)	City
September 23	Advertise Summary 2016B NOS in Bond Buyer	FA
September 26	Print 2016B POS and NOS	DC
October 4	2016B Competitive Sale and Award	All
October 14	Advertise Summary 2016C NOS in Bond Buyer	FA
October 18	2016B Closing	All
October 18	Print 2016C POS and NOS	DC
October 26	2016C Competitive Sale and Award	All
November 7	2016C Closing	All

Legend

City	City of St Petersburg, FL
BC	Bond Counsel – Bryant Miller Olive P.A.
DC	Disclosure Counsel – GrayRobinson
FA	Financial Advisor – Public Financial Management, Inc.
All	Working Group – All the above



optimal escrow structuring strategy (highest yield on escrow investments net of costs, to increase realized savings), and time the funding of the escrow to reduce negative arbitrage without a pricing penalty.

If a bank loan financing is deemed optimal, PFM will work with City staff to support scheduling the Request for Proposal (“RFP”) release and approval/closing dates seeking to optimize the financing’s attractiveness to potential bidders, and to allow for multiple terms and conditions to be evaluated. In the selection and approval process, PFM will outline clearly the risks and benefits of the different financing options proposed, and make a recommendation based on what alternative best meets the City’s objectives.

Bond Pricing

When pricing bonds, PFM offers the City a unique blend of Wall Street knowledge, technical resources, and an independent, local fiduciary perspective. As indicated in the chart to the right, PFM is the most active financial advisor in the country, and is a more frequent market participant than even the largest investment banking firms.

One of PFM’s greatest strengths is our in-house Pricing Group: a dedicated group of advisory professionals whose job is to follow primary and secondary municipal market activity and to interact with the underwriters’ desks on behalf of our issuing clients. The group is located in our Charlotte, North Carolina office.

We are in the market on behalf of our clients an average of three times a day, and this constant presence gives us significant advantage over other firms when it comes to bond pricing. Our size and market presence give PFM the knowledge of a major investment bank with the independence of a financial advisor. The sole responsibility of our Pricing Group is to provide our clients with the analytics, market knowledge, and insight to obtain the best available interest cost for their transactions.

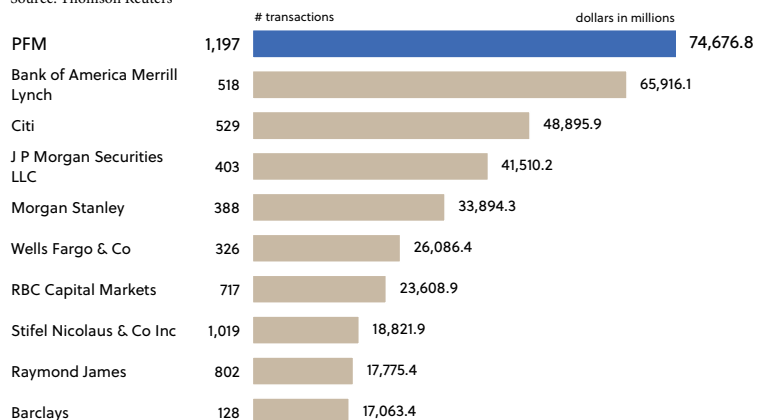
PFM’s dedicated team of pricing professionals provides clients throughout the country with centralized access to market information and trends, including coupon structures, call option valuation, and spread relationships — this helps ensure that our clients receive the best possible pricing for their bonds given current market conditions.

2016 Full Year Overall Long Term Municipal New Issues PFM vs Underwriters

Municipal Financial Advisory vs Underwriter Ranking

Full to Each, Equal if Joint Financial Advisor; True Economics to Each Bookrunner

Source: Thomson Reuters





Furthermore, the Pricing Group's constant presence in the municipal bond pricing process helps foster professional peer-to-peer relationships with underwriting desks, as well as a better understanding of the internal workings of the underwriting process at the underwriters.

PFM couples this market knowledge with our own proprietary analytical pricing tools (e.g., Option Adjusted Spread analysis) to develop our own pricing targets, independent of and before the presentation of the underwriting team's consensus scale. Whether a negotiated or competitive sale, PFM's role simply is to seek the best results available. This includes structuring, marketing, and pricing a transaction. Regardless of the choice of a negotiated or competitive sale, we will run the numbers and prepare the sensitivity analyses necessary so that the City has an independent evaluation of the pricing.

Post-Issuance Reporting/Compliance

After each transaction, PFM customarily prepares a financial advisory report, providing clients with a summary of the transaction including the financial alternatives considered, the financial impact of the transaction, and a comparison to similar deals that priced within the same timeframe. Part of this post-sale analysis includes detailed information regarding the pricing performance of the bond sale. This detailed analysis includes a review of the City's prior transactions, other transactions in the market that priced within the same timeframe, and a summary of the pricing in comparison to the pricing model. PFM will compile this information for the City as part of the "Financial Advisor's Report," and also will identify the on-going administrative requirements over the life of the transaction.



iii. Submit a detailed narrative description documenting experience of the key personnel proposed by Proposer to include, but not limited to the following:

a. Provide brief resume for each person to be assigned to the contract, with emphasis on financial advisory services for governmental units.

PFM creates customized project teams for each engagement. In doing so, we take into account a number of unique factors, including the types of financings completed by a client, complexity of expected assignments, and geographic constraints. For the City, we have assembled a team that will work to meet the City's unique need for: (i) multi-faceted strategic advice rendered with strict independence; (ii) extensive experience processing financings; and (iii) the most sophisticated analytical and financial modeling support. The team outlined below is very familiar with the City and has demonstrated the ability to work effectively on a wide range of assignments.

James "Jay" Glover, a Managing Director in PFM's Orlando office, will serve as Engagement/Account Manager and will be responsible for project management on a day-to-day basis. As the Engagement Manager, Mr. Glover will take the lead role in providing the requested financial advisory services and be responsible for review of all work products completed by PFM. Mr. Glover specializes in Florida municipal finance for cities, counties, school districts, and a variety of authorities. Mr. Glover has managed more than \$12 billion in financings over the last 16 years.

David Moore, a Managing Director in PFM's Orlando office and head of the Southern region, will provide project management support. Mr. Moore is one of the most seasoned finance professionals in Florida, providing financial advisory services to a vast array of cities, counties and school districts managing in excess of \$20 billion of debt transactions during the last 24 years.

Laura Howe, a Senior Managing Consultant in PFM's Orlando Office, will provide project management support. Ms. Howe is a Project Manager who has provided client support on over \$9.5 billion in debt financings.

Gabriel Rendon, an Analyst in PFM's Orlando Office will provide technical and analytical support for the City's engagement.

In addition to the core financial advisory team listed above, the engagement team includes specific sector expertise, including: **Todd Fraizer**, Managing Director and the head of PFM's Bond Pricing Group; **Steven Alexander**, Managing Director and head of PFM Asset Management LLC Southern practice and **Scott Stitcher**, Director who specializes in investment management strategies for clients throughout Florida. All services provided by PFM Asset Management LLC are available under a separate contractual agreement.



Jay Glover, Managing Director PFM Financial Advisors LLC

Mr. Glover is a Managing Director in PFM's Orlando, Florida office. Mr. Glover has assumed an active role in providing project management services to clients throughout the Southeast. Over the last 16 years, Mr. Glover has been one of the most active financial advisors in the southeast in terms of both total par amount and number of transactions completed. He has taken an active role in working with clients on new money issuances, refundings, pooled financings, derivative products analyses, and innovative financing solutions.

The clients that Mr. Glover serves are located in the southeast and include cities, counties, school districts, and a variety of authorities. His project finance experience includes water and sewer, economic development, transportation, education, public power, solid waste, and special assessment programs. Mr. Glover currently serves as project manager on engagements with the Cities of Boca Raton, Boynton Beach, Town of Palm Beach, Palm Beach Gardens, Hallandale Beach, Coral Gables, Panama City Beach, Marco Island, Melbourne, Titusville, Cocoa Beach, St. Petersburg, Gainesville, Ormond Beach, and Winter Park; the First Florida Governmental Financing Commission; and the Sunshine State Governmental Financing Commission.

Mr. Glover has unmatched expertise in conducting competitive bond sales and negotiating pricings for both tax-exempt and taxable new money and refunding bond issues. Since joining PFM in 2000, Mr. Glover has served as project manager on over 400 transactions with a total par amount of over \$10 billion.

Mr. Glover has worked with the City of Boca Raton, Florida to help improve its water and sewer system ratings to AAA/Aaa/AAA, making it the highest rated system in the country. In addition, Mr. Glover recently assisted the City of Coral Gables with regaining its AAA/Aaa/AAA status that was lost in 2004 when reserves were spent down below acceptable levels for this rating category.

Mr. Glover received a Bachelor of Science in Business Administration from the College of Charleston and a Master of Business Administration from the University of South Carolina. Mr. Glover is a registered Municipal Advisor Representative (Series 50).



David Moore, Managing Director PFM Financial Advisors LLC

David Moore, Managing Director, works in PFM's Orlando office and manages the firm's Southern region. He is among the most active financial advisors in Florida, completing in excess of 250 financings totaling more than \$20 billion. During his professional career, Mr. Moore has worked as an engineer, investment banker, and financial advisor, focusing on public finance for more than 20 years, and joined PFM in 1998.

Mr. Moore is a hands-on, analytical project manager. This approach evolved out of his roots as an analyst in public finance, and is a unique asset when advising clients regarding strategic issues and complex financing needs. Mr. Moore has led multiple clients through credit upgrades, and currently advises Broward County, Florida and Palm Beach County, Florida; which are both rated AAA. He also recently helped Orange County obtain AAA ratings (S&P and Fitch) for the County's Water and Sewer System Bonds.

Mr. Moore also helped the South Florida Water Management District (the "District") win the Deal of the Year for the entire nation in 2007. He helped create the first Certificate of Participation ("COP") financing program for environmental restoration. Even though COPs generally are viewed as a weak credit structure, Mr. Moore helped the District create a credit presentation that outlined the unique characteristics of the District and the program. This effort led to the District being rated AAA (implied GO) and the COPs being rated AA+.

A sample of Mr. Moore's Florida client experience includes the cities of Boca Raton, Coral Gables, Daytona Beach, Gainesville, Jacksonville, Key West, Melbourne, Ormond Beach, Sunrise and Tallahassee.

Mr. Moore holds a Master of Business Administration degree, cum laude, from the Crummer School of Business at Rollins College and a Bachelor of Science in Electrical Engineering from Auburn University. Mr. Moore is a registered Municipal Advisor Representative (Series 50).



Laura Howe, Senior Managing Consultant PFM Financial Advisors LLC

Laura Howe joined the firm as an Analyst in the Orlando office in 2010 and was promoted to Senior Managing Consultant in January of 2014. Ms. Howe is a Project Manager that has provided client support on over \$9.5 billion in debt financings, and has played an integral role in building PFM's Community Development District practice. Her experience includes structuring, sizing, pricing new money and refunding municipal bond issues, performing analysis of refunding opportunities, and developing/assessing comprehensive debt profiles for clients.

Before joining PFM, Ms. Howe was a project manager for General Dynamics, a government contractor supporting the United States military. During her tenure, Ms. Howe managed over \$8 million of projects annually and supervised a team of over 90 employees. Prior to her time with General Dynamics, Ms. Howe served as a session legislative analyst for the Florida Senate Majority Office.

Ms. Howe graduated from Florida State University with a Bachelor of Science degree in Multinational Business, and later received her MBA from Florida State University. Ms. Howe is a registered Municipal Advisor Representative (Series 50).

Gabriel Rendon, Analyst PFM Financial Advisors LLC

Gabriel Rendon, Analyst, joined PFM in 2016 and is staffed in the Orlando office. Mr. Rendon works in the general financial advisory sector, and provides technical and quantitative support for various clients. His present duties include structuring, sizing, pricing new money and refunding municipal bond issues. He is also involved in assessing municipal issuers' outstanding debt and performing analysis of refunding opportunities.

Mr. Rendon graduated from the University of Central Florida with a Bachelor of Science degree in Finance.



b. Provide name of appointed a person to act as a primary contact with the City of Delray Beach. This person or back-up shall be readily available during normal work hours by phone or in person, and shall be knowledgeable of the terms of the contract and the service being provided.

James Glover, Managing Director in the Orlando office will serve as the primary contact for the City's engagement. He is knowledgeable of all of the services required per the RFP and readily available to provide such services in a timely and accurate manner.

c. Indicate current workload and the current percentage of time available for allocation to the City.

The core City of Delray Beach team is located in PFM's Orlando office, offering the City immediate access to the financial advisory team with the most diverse mix of skills in Florida. As the City has experienced over the last several years working with PFM, Jay Glover and his team will make themselves available on short notice. The PFM team has the time availability and resources to provide prompt, sound and quality financial advisory services. PFM assigns a large team to each client, with a main point of contact that coordinates the engagement, which increases the availability of knowledgeable people able to attend meetings called on short notice.




Because PFM interacts among its offices on a daily basis and shares experience and expertise, all members of the firm would be available to assist the City with its financing needs depending on the specialty or the expertise required.

The size of PFM's Florida practice allows us to serve existing clients, but it also gives us the flexibility to take on additional work without compromising the quality of the work performed. As a result, the City can expect unparalleled service and unmatched resource availability from the professionals assigned to this account.



iv. Each Proposer shall submit at least five client references for whom they have provided services similar to those specified in this RFP in the past five (5) years and who are agreeable to respond to a request from the City regarding proposer's experience. Each client reference should include the following:

- a. Organization name
- b. Contact name(s)
- c. Contact email address
- d. Address
- e. Telephone and fax numbers
- f. Dates of service (start/end)
- g. Scope of work (brief description)

<p>City of Boca Raton 201 West Palmetto Park Road Boca Raton, Florida 33432</p> <p>Linda Davidson, Financial Services Director (561) 393-7737 ldavidso@ci.boca-raton.fl.us</p> 	<p>Engagement Manager: Jay Glover and David Moore</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 1994 to Present</p>
<p>City of Boynton Beach 100 East Boynton Beach Boulevard P.O. Box 310 Boynton Beach, Florida 33425-0310</p> <p>Tim Howard, Assistant City Manager – Administrative Services (561) 742-6012 HowardT@bbfl.us</p> 	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization</p> <p>Dates of Service: 2010 to Present</p>
<p>City of Coral Gables 405 Biltmore Way Coral Gables, Florida 33114</p> <p>Diana Gomez, Finance Director (305) 460-5275 dgomez@coralgables.com</p> 	<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Special Assessment Implementation, Credit Rating Management</p> <p>Dates of Service: 2000 to Present</p>



<p>City of Coral Springs 955 W Sample Rd. Coral Springs, FL 33065</p> <p>Melissa Heller, Director of Financial Services (954) 344-1087 mheller@coralsprings.org</p>		<p>Engagement Manager: David Moore and Sergio Masvidal</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Budget Forecast, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 2010 to Present</p>
<p>City of Gainesville 200 E. University Avenue Room 339 Gainesville, Florida 32601</p> <p>April Shuping, Finance Director (352) 393-8782 shupingma@cityofgainesville.org</p>		<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization</p> <p>Dates of Service: 2002 to Present</p>
<p>City of Melbourne 900 East Strawbridge Avenue Melbourne, Florida 32901</p> <p>Sondra D'Angelo, Interim Director of Finance (321) 608-7010 sondra.dangelo@mlbfl.org</p>		<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 2002 to Present</p>
<p>City of St Petersburg One Fourth Street N. 5th FL St. Petersburg, Florida 33701</p> <p>Anne Fritz, Finance Director (727) 892-5113 anne.fritz@stpete.org</p>		<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management</p> <p>Dates of Service: 2005 to Present</p>
<p>Town of Palm Beach 360 South County Road Palm Beach, Florida 33480</p> <p>Jane Struder, Director of Finance (561) 835-4724 jstruder@townofpalmbeach.com</p>		<p>Engagement Manager: Jay Glover</p> <p>Services Provided: Financial Advisory, Long-Term Planning, Debt Structuring and Optimization, Credit Rating Management, Special Assessment Implementation</p> <p>Dates of Service: 2013 to Present</p>



B. APPROACH AND CAPACITY

i. Provide a detailed narrative description of the proposed approach and methodology for engaging with City representatives while in the course of performing the duties, including, but not limited to, the following:

On pages 15-20 of this RFP response, we have provided a detailed description of our approach to providing financial advisory services starting with the development of the plan of finance through post issuance compliance. In this section we will provide additional information as it relates to PFM's approach to the credit rating process.

One of the main tasks of the City's financial advisor is to work with the City to obtain, maintain, or improve its credit ratings. As a result of our experience advising hundreds of clients each year on the issuance of tax-exempt securities for a wide range of purposes, PFM has developed a clear understanding of the analytical methods utilized by Moody's Investors Service ("Moody's"), Standard and Poor's ("S&P"), and Fitch Ratings ("Fitch"). Our professional staff is trained to conduct in-depth credit analyses comparable to the rating agencies, so that both credit strengths and weaknesses can be identified by the issuer prior to the presentation of materials to rating analysts. This experience has been utilized effectively to improve the credit ratings assigned to communities across the nation, as well as to maintain credit ratings during the recent economic turmoil.

PFM has particular expertise as it relates to assisting Florida clients with the credit rating process. For decades, credit ratings for Florida issuers were handicapped by rating agencies' predisposition against tourism-heavy economies and high-growth regions. Rating agencies overvalued large, manufacturing-based economies, even as the national economy was moving to more of a service-based economy. However, the reforms of the Dodd-Frank Act required the rating agencies to review internal policies and publish new rating criteria. PFM's position as a market leader led the rating agencies to consult with us as they developed the new criteria. Provided on the next page is the Moody's General Obligation Rating Scorecard analysis based on their revised criteria that PFM has prepared for the City using information garnered from the 2015 Comprehensive Annual Financial Report ("CAFR"), which provides a clear picture of the City's credit strengths and weaknesses.



City of Delray Beach, FL - Moody's Rating Local Government General Obligation Scorecard									
	Value	Aaa	Aa	A	Baa	Ba	B and Below	Weight	Implied Rating
Economy/Tax Base (30%)									
Tax Base Size: Full Value (\$ million)	\$9,784,818,000	> \$12B	\$12B ≥ n > \$1.4B	\$1.4B ≥ n > \$240M	\$240M ≥ n > \$120M	\$120M ≥ n > \$60M	≤ \$60M	10%	Aa
Tax Base Per Capita	\$146,252	> \$150,000	\$150,000 ≥ n > \$65,000	\$65,000 ≥ n > \$35,000	\$35,000 ≥ n > \$20,000	\$20,000 ≥ n > \$10,000	≤ \$10,000	10%	Aa
Median Family Income as % of US Median	93.02%	> 150% of US median	150% to 90% of US median	90% to 75% of US median	75% to 50% of US median	50% to 40% of US median	≤ 40% of US median	10%	Aa
Finances (30%)									
Fund Balance as % of Revenues	34.24%	> 30.0%	30.0% ≥ n > 15.0%	15.0% ≥ n > 5.0%	5.0% ≥ n > 0.0%	0.0% ≥ n > -2.5%	≤ -2.5%	10%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	14.18%	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤ -18.0%	5%	Aa
Cash Balance as % of Revenues	72.22%	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 5.0%	5.0% ≥ n > 0.0%	0.0% ≥ n > -2.5%	≤ -2.5%	10%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	21.03%	> 25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤ -18.0%	5%	Aa
Management (20%)									
Institutional Framework	Aa	Very Strong	Strong	Moderate	Limited	Poor	Very Poor	10%	Aa
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.09x	> 1.05x	1.05x ≥ n > 1.02x	1.02x ≥ n > 0.98x	0.98x ≥ n > 0.95x	0.95x ≥ n > 0.92x	≤ 0.92x	10%	Aaa
Debt/Pension (20%)									
Net Direct Debt / Full Value	0.82%	< 0.75%	0.75% ≤ n < 1.75%	1.75% ≤ n < 4.00%	4.00% ≤ n < 10.00%	10.00% ≤ n < 15.00%	≥ 15.00%	5%	Aa
Net Direct Debt / Operating Revenues	0.67x	< 0.33x	0.33x ≤ n < 0.67x	0.67x ≤ n < 3.00x	3.00x ≤ n < 5.00x	5.00x ≤ n < 7.00x	≥ 7.00x	5%	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value	0.23%	< 0.90%	0.90% ≤ n < 2.10%	2.10% ≤ n < 4.80%	4.80% ≤ n < 12.00%	12.00% ≤ n < 18.00%	≥ 18.00%	5%	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues	0.18x	< 0.40x	0.40x ≤ n < 0.80x	0.80x ≤ n < 3.60x	3.60x ≤ n < 6.00x	6.00x ≤ n < 8.40x	≥ 8.40x	5%	Aaa
Total (100%)								100%	Aa1

As shown in the table above, the majority of the City's metrics fall within the Aaa and Aa range, which demonstrates that the City's financial profile shows no major material weaknesses. The City has a stable tax base that is projected to grow moving forward and healthy reserve and liquidity levels. The institutional framework score (standard statewide score) reflects the fairly diverse revenue structure of Florida cities that rely primarily on property and user taxes. Also given the 10 mill property tax limit, the City has significant ability to raise taxes within the statutory limit. On the expenditure side, public safety is the bulk of the cost along with rising fixed costs associated with pensions and healthcare. In terms of debt, the City's net direct debt burden remains manageable but could increase given the City's proposed capital improvement program. When you combine all of the credit factors, it equates to a very strong Aa1 credit rating indication from Moody's. As you know, S&P rates the City AAA. One of stated goals as we work with the City will be to get a Moody's upgrade to Aaa as well.



ii. Provide summary of Proposers understanding, based upon firms research of the issues and concerns over the next five years.

Like most local governments, funding needed capital projects was a secondary priority during the recent economic downturn. As a result, the City is faced with a backlog of needed capital projects related to streets, sidewalks, public buildings, parks, storm water and other public infrastructure with limited sources (and competing priorities) to fund them. This is complicated by the fact that the City Commission has a stated goal of not increasing (and potentially reducing) the property tax millage rate. In order to fund these needed capital projects the City is going to need to look at creative financing solutions as well as identify ways to grow and diversify its revenue base. PFM's financial advisory team, working in conjunction with our Management and Budget Consulting affiliate, has a demonstrated track history of working with local governments facing similar issues. Provided below is more detail on recent, relevant work performed by PFM to assist issuers with similar concerns. In addition, on pages 37-38 we provide details on how the City might maximize usage of its capital sales tax revenues recently approved by County voters to fund capital projects.

The Management and Budget Consulting team, operating as part of our affiliated PFM Group Consulting LLC, has a proven track record in delivering positive financial and budgetary results for communities across Florida, and across the nation. Financial and budgetary analysis represents one of our core strengths. We partner with our clients to identify and capture revenue generating, cost recovery, and expenditure reduction opportunities. Further, we have the breadth of experience and depth of expertise to address almost any operational challenges or special projects that our clients may face. Our efforts have resulted in literally billions of dollars of improvements to the bottom lines for state and local government throughout the country.

Our team also possesses deep expertise in creating multi-year budget projection models and long-range financial/capital plans. We develop specialized dynamic financial models in-house that are tailored to the individual needs of each client and assignment. These include multiple forms of cash flow models, financial and capital planning models, non-tax revenue projection models, workforce salary and benefits projection models, cost allocation models, privatization and business valuation models and fleet utilization models. Our customized models, created with transparent and reasonable assumptions, often serve as the analytical underpinning for financial studies and analyses we develop for our clients.

Past engagements in Florida include a non-tax revenue study completed for St Johns County as well as an evaluation of potential off-beach parking revenue opportunities. For this most recent off-beach parking assignment, PFM developed a parking revenue projection model that forecasted parking revenue across multiple scenarios, accounting for differences in rate structures, fluctuations in visitors to the County's beaches, and



implementation approaches (e.g., contracted-out to a vendor vs. in-house service delivery). It also included a written report that contains historical budgetary analysis of the County's beach services fund, benchmarking results from research on approximately 80 Florida jurisdictions, a discussion of the most appropriate parking technologies for the County, as well as a recommended parking rate structure and multiple financial projections. This is just one example of how PFM partners with our clients on non-traditional projects to help eliminate a general fund subsidy, thus freeing up funding for alternative uses.

Elsewhere in Florida, we worked with the City of St. Augustine to build a customized multi-year budget projection model, and have previously delivered similar tools to the Cities of Coral Springs, Doral, and Miami. PFM's long-range budget planning model contains functionality to quickly create dynamic "what if" scenarios based on changes to underlying inputs or the incorporation of cost saving/revenue generating initiatives. The model also includes a debt affordability module and rating agency scorecard that highlights the impacts of debt issuance on the City's financial position. As part of our engagement with the City, we are also performing a high-level review of non-tax revenue enhancement opportunities, which can be layered into the budget projection model as initiatives.

PFM possesses the capacity and resources to execute a vast array of special projects for the City if requested. We are budget and finance professionals with a wide breadth of operational knowledge and expertise, focused fully on the public sector. Whether the City requires assistance in multi-year planning, an operational review of a department, or support in collective bargaining, PFM's Management and Budget Consulting team has the breadth of experience and in-depth expertise to successfully execute a multitude of special projects for the City. Sample special project engagements may include:

- Multi-Year Financial Plans
- Budgeting for Outcomes
- Fee and Cost Recovery Studies
- Tax Policy Analysis
- Capital Planning Process Improvement
- Public-Private Partnerships
- Operational Reviews of City Departments
- Performance Measurement/Management
- Compensation Analyses and Benefits Reviews
- Overtime Studies
- Collective Bargaining Support and Expert Witness Testimony
- Retirement Finance Reviews & OPEB Modeling
- Health and Human Services Consulting (performance review and compliance)



iii. Provide three innovative financing techniques which have been developed and/or implemented in connection with previous engagements. Include a brief description of project type, project size, financing concept considered (regardless of final method used), as well as brief comments concerning the concepts' applicability to the City's financing needs.

PFM has been at the forefront of most innovations and leading market evolutions, but always views new options with an extra level of scrutiny to make sure clients understand the advantages and disadvantages of these new products. PFM's philosophy is that innovations should not be pursued purely for the sake of creativity. Rather, new tools should be developed to address challenges faced by our clients. Provided below are examples of innovative financing techniques that PFM has helped craft and implement.

City of Panama City Beach, Florida



The City of Panama City Beach (the "City") has long been a family beach destination; known for its sugar - sand beaches. Over the years, the basic infrastructure along the oceanfront deteriorated to the point where the City created a Community Redevelopment Agency (CRA) to aid in eliminating the blight. The City developed a simple, yet comprehensive strategy for developing basic infrastructure so that the prime location could "sell itself." In the early years before the Tax Increment revenues grew, the City focused on enhancing water and sewer capacity and service levels and developed a consensus among the community leaders regarding transportation, parking and beach access. The final Redevelopment Plan incorporates a complete reconstruction of the primary roads and access roads to enhance efficient circulation, beachside parking and transit at an estimated cost of over \$300 million.

The City's year-round population is only 5,000 and the City does not levy property taxes, so there is limited ability to fund the projects. PFM was retained to develop a strategy to implement the financing component of the Redevelopment Plan. During the first four years of the CRA, massive redevelopment of dilapidated hotels and condominiums resulted in growth in tax increment revenues to over \$10 million. While this cash flow is significant, it is almost impossible to obtain investment grade ratings and bond insurance for start-up tax increment financings. The fact that the City is located on the Gulf of Mexico, and thus has risks associated with severe weather events, complicated the credit review as well. PFM worked with staff and legal counsel to develop a blended credit comprised of special assessments and tax increment revenues in order to enhance the credit to the point where bond insurance could be obtained. We developed financing documents that provide a double barrel pledge of tax increment revenues and assessments. No assessments were levied for the initial financing, but the financing documents allow for assessments to be added in the future. If assessments are added pursuant to specified criteria, they can be used to offset debt service almost dollar for dollar. The documents are structured so that the assessments must be authorized to count as security for the financing, but only 10% of the maximum



assessment has to be levied. This enables the City to obtain almost 100% leverage off of tax increment revenues instead of having 150% to 200% coverage often required for this type of financing. Even with strong leverage, the City obtained an “A” credit rating, which is extremely rare for a new CRA. This structure will enable the City to complete the projects in as little as 5 to 7 years instead of the 30 years that would have been required for a pay-as-you-go program.

City of Pompano Beach, Florida

PFM assisted the City of Pompano Beach and their East District Community Redevelopment Agency (CRA) with the development of a five-year capital improvement plan, as well as with the issuance of their first financing transaction through a two-component (taxable and tax-exempt) \$20 million bank loan.



One of our first tasks for the CRA was to evaluate their capital improvement and implementation plans in order to develop a detailed financing plan that could be introduced to the Commission and CRA Board. Upon reviewing the Capital Improvement Plan needs, PFM quickly assessed two key items: the tax-exempt eligibility of the projects and the ability to stagger the timing of the financings in order to minimize the impact of debt service in the first year while projects were still coming on-line.

PFM worked with the City, the CRA, and the other members of the financing team through the following steps:

- Detailed multi-year Plan of Finance
- Board memorandums and presentations to communicate the plan of finance to policy makers
- Request for Proposals for interested lenders
- Negotiated borrowing terms with the selected bank
- Review of the Bond documents

Because the plan of finance could be most efficiently implemented through two financings that would occur several months apart, PFM wanted to ensure that the CRA (1) had access to capital when the project scheduled dictated and (2) had a borrowing in place that could be drawn upon at a reasonable cost at a future date. To this extent, PFM developed a multi-pronged plan of finance. The first borrowing was implemented so that all of the known tax-exempt projects were funded at closing. The second financing was structured in such a manner that the CRA had the ability to draw from one of two Lines of Credit. Due to the early stage of the project negotiations for the second piece, it could not be determined whether the project would be taxable or tax-exempt eligible. Therefore, the Lines of Credit were established – with no ongoing “carry” cost – to be drawn at a later date. The agreement with the lending bank detailed that at the point a draw was made on the line, the CRA could simply



notify the bank as to whether the draw would be considered taxable (drawn from the taxable line) or tax-exempt (drawn from the tax-exempt line). Using this methodology the CRA was afforded future flexibility while it continued to negotiate agreements with other private developers.

PFM was also asked by the City to evaluate different security and tax structures for bonds that would fund the construction of a municipal parking garage, which would be a part of the City's pier development project. PFM ran various scenarios for the City, including sizing the bonds as taxable, tax-exempt, and 50% taxable / tax-exempt treatment. Eventually, the bonds were deemed by counsel to be 100% taxable, and thus PFM moved forward on that assumption.

PFM also contemplated the use of the assumed security structure, which at the time was a pledge of the forecasted net revenues of the parking garage. Recognizing that this structure was unlikely to provide the City with the best pricing and perhaps not an investment grade credit rating, PFM suggested structuring the issuance as certificates of participation ("COPs"). Since the City's only contemplated financing was the Pier Parking facility, COPs provided a more cost effective and efficient financing tool for this single project. This financing structure would take the form of a lease purchase agreement between a leasing corporation (i.e. Pompano Beach Finance Corporation as used for the City Series 1992 COPs) and the City of Pompano Beach. Under the lease agreement, an essential city asset would be leased by the leasing corporation to the City. The City as lessee would make lease payments which are subject to annual appropriation by City Council, to repay the COPs over the term of the financing. Upon repaying the COPs, the property would be released to the City. While the City would first use net parking revenues to pay debt service, the idea was that the ability to pledge general fund revenues would strengthen the credit and marketability of COPs. Given the growing acceptance of COPs in the investor community, highly-rated COPs could also be structured without a debt service reserve fund, which would decrease the borrowing costs to the City and also increased liquidity.

This approach paid off when the rating agencies awarded the bonds with ratings of A1 / AA- from Moody's and S&P, respectively, which were much higher than the anticipated BBB rating from a bond issued solely with a parking revenue security. Throughout the pricing process, PFM's Pricing Group negotiated on the City's behalf with the underwriter (RBC Capital Markets) to discover appropriate pricing levels for a taxable parking garage COPs transaction, given the lack of comparable deals in the market.



Town of Surfside, Florida

The Town was recently in the process of implementing a large utility system improvement project that encompassed the entire Town footprint. PFM worked with the Town to develop a plan of finance that was within the constraints of their rate consultant's long-term plan. PFM assisted the Town to procure, negotiate, and secure a long-term direct bank placement to fund this capital project. The distinct feature of that borrowing was that initially the bank lender did not want to offer any prepayment terms without an additional cost. However, PFM and the Town had insight to the fact that it was very likely that an SRF loan would be made available at a future date. SRF loans, while potentially having more restrictive conditions, i.e. "Buy American," typically provide a lower cost of borrowing than commercial markets. As a result of that knowledge, PFM negotiated an optional prepayment on a portion of the loan equal to the expected amount of the SRF loan proceeds.



As an additional enhancement to the plan of finance, the lending bank offered a lower rate if the Town was willing to accept an early "put" feature, meaning there would be a balloon payment due in year 10 in the amount of the final 7 years of the loan. Knowing the Town had secured future SRF funds, we agreed to the early put feature, and at the time the SRF funds were received eight months later, we moved forward with defeasing the final 7 years of the loan, effectively removing that risk from the Town.

Other Examples of Innovation

Beyond traditional financings, PFM has also created new tools to help our local government clients operate more efficiently and plan for the future. Below are a few examples of innovative concepts employed by PFM.

- **PFM's Environmental Finance Group:** PFM is on the forefront of the Environmental Finance movement. Our Environmental Finance Group has extensive experience with innovative programs dedicated to creating and implementing green projects and initiatives. Green efforts can cover a wide variety of projects, ranging from energy equipment retrofits to renewable generation and system-wide upgrades for energy and water distribution and consumption management. PFM has worked with many clients on a broad range of financing opportunities including: Property Assessed Clean Energy ("PACE"), revolving loan funds, power purchase agreements, energy service company ("ESCO") contracts, on-bill financing, taxable and tax-exempt leases, as well as municipal and green bonds. Project types include energy efficiency improvements, water efficiency installations, renewable energy infrastructure and implementation, and streetlight upgrades, to name a few. The financing vehicles include traditional bonds, assessment programs, fee securitization (referred to as Cost Containment Bonds in Florida) and



private funding. We have the knowledge and experience needed to provide our clients with advice on the creation and implementation of the best financing solutions for their specific circumstances given the available options. Green initiatives, whether implemented on public or private property, can generate benefits such as reduced utility bills, lower carbon emissions, local job creation, and increased property values.

- Flexible & Make Whole Call (MWC) Provisions: A “ten year par call” has been the market standard for over a decade. As PFM continues to push underwriters to focus on the value of the call option, PFM has been able to obtain shorter no call periods and add make whole call provisions. MWC provisions were introduced in the municipal market along with Build America Bonds during the financial crisis since a MWC is the norm in the taxable market. Typically there is no financial advantage to a MWC because the premium paid to the investor captures all the benefit of declining interest rates, plus a penalty. However, PFM recently helped pioneer an adjustment to MWC language that adjusts the MWC premium to be based on the price to the traditional 10 year call date instead of the maturity date. This materially decreases the premium. While still less efficient than a traditional advance refunding, the concept is very appealing for bonds that cannot be advance refunded since the MWC results in a current refunding. While this technique has only been applied to a few financings to date, PFM has completed over \$500 million of the financings, including the first financing which closed in February.
- Whitebitch Financial Modeling Platform: PFM’s affiliate, PFM Solutions LLC, recently introduced Whitebitch: a brand new, flexible financial modeling platform designed to produce dynamic, multi-year financial projections to facilitate strategic planning. Users can customize logic and establish relationships among an unlimited number of independent variables. Its patented architecture permits users to easily consider alternative portfolios of operating and capital assumptions, and its browser-based functionality allows for distributed use and multi-dimensional reporting. Whitebitch has specific applicability for long-range planning for general and enterprise funds.

The architecture behind Whitebitch provides users flexibility in designing and building their institution’s unique financial and organizational logic. However, unlike spreadsheets, Whitebitch permits users to layer alternative versions of both variables and formulae, and choose the version applicable to a given scenario. Spreadsheets are limited to one data point or one formula per cell, requiring users to either save



alternative assumption sets, save alternative model versions, and/or utilize complicated formulae and functions to conduct sensitivity analysis.

Whitebirch is designed to produce longer-term strategic projections. Analysis is conducted at a higher level to eliminate false precision. Traditionally, budgeting software answers a particular set of short-term questions that require a very detailed analysis, often on an object-code and fund-by-fund basis.

Forecasting is often an extension of this detailed analysis, a roll-up of a simple projection of the detailed budget. By virtue of the detail inherent in such analysis, consideration of change variables and alternative scenarios of initiatives and projects is difficult and time-consuming. In contrast, Whitebirch focuses analysis on alternative scenarios of operating and capital initiatives, with varying costs, timing, and funding sources, thereby creating a mission-level decision-making tool.

iv. Proposer shall provide an estimate of the time that will be required of City staff in assisting in financial advisory services.

PFM has built our reputation on providing superior service for our clients and making their involvement in the day-to-day financing process as streamlined as possible. We start each project by staffing the engagement with an experienced team that serves as the “quarterback” of the financing team. By coordinating the entire transaction management process, PFM minimizes the amount of staff time required to implement a financing — which provides finance staff more time to focus on other responsibilities such as budget and audit preparation. This is of vital importance given staff cutbacks that were required during the economic downturn, resulting in more work and less time to complete it.

v. The overall approach to delivering the Scope of Services and any strategies Proposer proposes to implement.

See page 15-20 for PFM’s approach to providing financial advisory services as outlined in the scope of services. Within this section we will outline PFM’s recent experience as it relates to working with entities on the implementation of sales tax revenue bonds, including our recent work with the City of Palm Beach Gardens. It is our understanding that the City of Delray Beach will receive approximately \$3.7 million of annual sales tax revenue collections for 10 years. In order to accelerate projects the City might consider bonding this revenue stream. This can be done using two different security structures: (1) a direct pledge of the sales tax revenues or (2) a covenant to budget and appropriate (CB&A) from legally available non ad valorem revenues. If the City pledged the sales tax revenues, lenders would require the City to include a minimum debt service coverage factor of 1.25 to 1.50 times debt service, thus reducing the upfront project proceeds that can be generated. Based on a 10 year financing with 1.25 times coverage the City could generate approximately \$25.9 million of project proceeds based on current market conditions. In order to maximize the amount of upfront project proceeds generated, the City could secure



the debt with a CB&A from legally available non ad valorem revenues and still use the sales tax revenues to make the actual debt service payments. This would allow the City to bond using 1.00 times coverage, which would increase the upfront project proceeds to approximately \$32.3 million based on current market conditions. PFM recently worked with the City of Palm Beach Gardens on the implementation of a direct bank loan financing of their sales tax revenues. They desired to maximize upfront proceeds so we structured the transaction with a CB&A of legally available non ad valorem revenues. The RFP garnered 12 responses and PNC Bank was recommended as the loan provider. Provided below is a summary of the interest rates proposed. In addition to the City of Palm Beach Gardens, PFM is working with multiple other jurisdiction in Palm Beach County on the implementation of the most cost effective financing plan for the recently approved capital sales tax.

PROPOSERS	RATE OFFERED
Branch Banking and Trust Company (BB&T)	2.62%
BMO Harris Bank N.A. (1)	2.10%
Bank of America/Merrill Lynch	2.22%
Florida Community Bank, N.A.	3.22%
JP Morgan Chase	2.23%
Pinnacle Public Finance, Inc.	2.52%
PNC Bank, N.A.	2.20%
Raymond James Bank	2.50%
State Street Public Lending Corporation	2.48%
STI Institutional & Government, Inc.	2.31%
TD Bank	2.21%
Wells Fargo	2.25%

(1) Includes interest rate adjustment for change in maximum corporate tax rate



vi. Goals that the Proposer would like to achieve

PFM's goal is to continue being a long term strategic partner with the City to help with accomplishing the City's goals and objectives. We are not advisors that show up to complete a transaction and then move on to the next client transaction. We desire to build long term relationships with our clients and be a resource (extension of staff) that is available on an ongoing basis to assist with all financial related needs. Provided below are ways in which we partner with our clients:

- Strategic Partner:
 - Monitor legislative initiatives
 - Provide updates on new financial products/programs
 - Keep City abreast of regulatory environment changes
- Technical Partner:
 - Provide ongoing market updates on changing market conditions
 - Provide superior transaction management
 - Assist with Rating Agency Relations
 - Make City aware of new financial tools and their applicability
- Client Training – PFM offers:
 - Local training on investments, debt strategies, etc.
 - Training at FGFOA and other industry conferences
 - National client training – week long capital market training for senior finance officers



vii. Narrative that demonstrates working knowledge and understanding of the requirements of the Scope of Services.

The RFP scope of services requires demonstrated expertise in all aspects of financial advisory services. This includes Services Related to Financial Planning, Financial Marketing and Issuance of Debt. As shown on page 13 of the RFP, PFM and its affiliates provide all of these services plus many others that might be needed by the City over the course of the engagement. Provided below is confirmation that PFM is willing and able to provide all of the services required per the RFP. In addition, throughout this proposal we have provided examples of where these services have successfully been implemented for the benefit of our clients.

Services Related to Financial Planning	PFM will Provide
Provide the City with comprehensive reviews of its capital structure to include continuous reviews of outstanding indebtedness (bonds, loans, and leases) and provide recommendations relative to the refinancing or early extinguishment of said obligations.	✓
Assist the City in designing, implementing, and monitoring of the financing element of the capital improvements plan in connection with the City of Delray Beach Comprehensive Plan which was prepared in accordance with the Community Planning Act. These services include an overall evaluation of all financing sources presently available to the City, including internally generated funds, debt financing, leasing, federal or state grants, private sources, and various combinations of all those sources.	✓
The financial advisor shall assist and/or prepare cash flow analyses for each of the various major capital improvements included in the Comprehensive Plan annually.	✓
Prepare Comprehensive Financial Plans, as requested, including a debt capacity analysis, debt ratio study, alternatives and innovative financing options, identification of potential revenue sources and methods of financing permitted under Florida law.	✓
Provide the City with Financial Advisory Services on any requested financial issue that the firm can provide expert advice on.	✓
Provide the City with advice on proposed and actual changes regarding economic development policies, tax laws and financial market developments that could affect the City's financial structure and the impact of such policy on the financial market's perception of the City.	✓



Services Related to Financial Marketing	PFM will Provide
Provide assistance to the City in broadening the market for its debt.	✓
Assist the City with consultations and presentations to rating agencies/credit enhancement providers to secure the most favorable and economical credit rating or to maintain an existing credit.	✓

Services Related to the Issuance of Debt	PFM will Provide
Develop plans of finance when requested for issuance of debt including identification of revenues available for security, recommended amortization schedule, cash flow analysis, aggregate principal amount of bonds to be issued, the timing of the offering, the definitive structure of the bond issue, and any optional redemption and call provisions. This study will include a review of alternative financing techniques, if applicable, a discussion of rating/credit enhancement issues, a recommendation of the method of sale, and solicitation of proposals for specific consulting services, as necessary. The Financial Advisors will not participate either directly or indirectly as underwriters in the sale of the bonds, nor have any financial interest, directly or indirectly in such sale, except as to compensation paid hereunder by the City.	✓
Review of reports to ensure that financial related assumptions are reasonable and that such reports adequately address technical, economic and financial concerns.	✓
Prepare a timetable and distribution list for bond issues and assist the City in coordinating meetings and conference calls.	✓
Provide advice and assistance, as needed, to the City, bond counsel, and disclosure counsel as to preparation of the necessary bond authorizing ordinance(s) and other proceedings including a Notice of Sale, if required.	✓
Assist, as required, with validation of any bond issues through preparation of financial tables and exhibits and the preparation of testimony.	✓
Assist the City in preparing its debt issuance for market whether the sale is made through a competitive or negotiated offering or any other type of sale. Through any method of sale, the financial advisor will assist the City's Disclosure Counsel in the preparation of the preliminary and final official statement that conforms to current acceptable disclosure guideline standards.	✓
For competitively bid bond issues: i. 3.6.1 Assist the City in preparing the bid documents, including but not limited to the notice of sale. ii. 3.6.2 At the time of the sale, advise the City as to the best bid received, based upon the verification of bids, and recommend an award which, in the Financial Advisor's judgment is in the best interest of the City. iii. 3.6.3 Assist in bid protest procedures, as needed.	✓



For negotiated bond issues: i. 3.6.4 Assist in determining the optimal timing of the issue. ii. 3.6.5 Assist the City in preparing a Request for Proposal for Underwriting Services, if necessary. iii. 3.6.6 Assist the City in preparing presentations to underwriters in order to fully describe the bonds to be issued, when required. iv. 3.6.7 Participate in the evaluation of the proposals received with selected City personnel. v. 3.6.8 Participate in the "pricing call" and advise the City as to the reasonableness of the components of the underwriter's spread.	✓
For other means of bond procurement: As directed by the City. i. Provide for the solicitation of competitive proposals for printing the official statement, bid forms, and paying agent/registrar services.	✓
ii. Assist the City in selecting trustees, paying agents and other financial intermediaries, as necessary, and assist in arranging for appropriate bond insurance as required.	✓
iii. Advise the City on the condition of the bond market prior to and at the time of the sale of the debt. This activity should address market volume, general economic conditions and competing offerings on a national and statewide basis.	✓
iv. Assist the City at the time of sale with the negotiation of the terms of the sale (fees, interest rates and interest rate yields, and redemption provisions) if such sale is negotiated or, if sold at competitive sale, review and verify all bids received by the City. The financial advisor shall also recommend to the City whether such negotiated or competitive proposals should be accepted or rejected for each bond issue and indicate whether the transaction terms are the most beneficial to the City for the type and timing of each transaction.	✓
v. Assist the City, as needed, with coordination and supervision of the many events related to the closing for the debt issuance.	✓
vi. In the area of short-term financing, provide the City with advice, guidance and assistance in bank loans, leasing, and commercial paper, upon request.	✓
vii. The Financial Advisors shall be available to the City to discuss and make recommendations on such other financial matters as requested by the City, and shall be available for formal presentations to the Mayor and Council, as necessary.	✓



viii. Details of implementation plan and schedule.

See page 15-20 for details on how PFM works with clients to implement cost effective financing plans as well as a sample timetable from a recent financing.

ix. Proposer shall specify the location(s), including the complete physical address, where the work for this project will be performed, including work performed by subcontractors, if applicable.

The City's engagement will be staffed from PFM's Orlando office, which opened in 1986 and has been in continuous operation since then. According to the most recent Bond Buyer's Municipal Marketplace, PFM has the largest financing team in Florida (Source: The Bond Buyer, Spring 2016). The level of staffing and the experience gained working on a wide range of financings each year enables our team to provide sound and prompt advice. It is worth noting that PFM's success has resulted in an increase in staffing from nine in 2008, to twenty-eight today, enabling PFM to provide an even higher level of service moving forward.

Florida Office Location Where Work Will Performed:

300 S. Orange Avenue, Suite 1170

Orlando, FL 32801

(407) 648-2208

x. Proposer shall thoroughly explain:

a. Its accessibility in the areas of availability for meetings, general communications, coordination, and supervision

b. How the proposer physically plans on attending pre-scheduled meetings

c. How the proposer plans on ensuring accessibility and availability during the term of the Agreement

One of the many unique aspects of PFM is the deep bench of resources available. Unlike many firms that only have 1 or 2 people dedicated to the Florida market, PFM has multiple senior professionals that will be available to the City in the event the primary contact is not available. This not only helps with covering meetings and calls on short notice, but also provides continuity in the event of unforeseen circumstances that might affect a member of the team. PFM has a demonstrated track history of providing superior service in a timely manner for our clients. This is reflected in the fact that we have relationships with many clients that stretch back over 10 years and remain intact through multiple RFP processes. In addition we continue to add clients without compromising the level of service provided.



C. LOCATION

Per City Code of Ordinances Section 36.14 Local Business Preference; for all acquisitions made pursuant to Requests for Proposals, as provided in City Code of Ordinances Section 36.02(A)(2), the solicitation shall include a weighted criterion for local businesses of five (5) percentage points of the total points in the evaluation criteria published in the solicitation. Businesses must be certified prior to the Due Date and Time for submission of Proposals.

Proposer's who are certified as required will receive the full five points allotted for this evaluation criteria. All other firms will receive zero points in this evaluation criterion.

i. Provide a copy of Proposer's documentation that confirms Proposer meets the local business requirements and is certified prior to the Due Date and Time for submission of Proposals.

PFM has 3 office locations in the State of Florida (Orlando, Coral Gables and Largo). While we do not meet the criteria for a local business we have been dedicated to serving clients throughout Florida for over 25 years.



Chapter 4. Public Entity Form, Drug Free Workplace Form, Conflict of Interest Form

PFM's completed forms are immediately following this page.

Form B - Public Entity Crimes

NOTIFICATION OF PUBLIC ENTITY CRIMES LAW

Pursuant to Section 287.133, *Florida Statutes*, you are hereby notified that a person or affiliate who has been placed on the convicted contractors list following a conviction for a public entity crime may not submit a proposal on a contract to provide any goods or services to a public entity; may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work; may not submit proposals on leases or real property to a public entity; may not be awarded or perform work as a contractor, supplier, sub-Proposer, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017 [F.S.] for Category Two [\$35,000.00] for a period of thirty-six (36) months from the date of being placed on the convicted contractors list.

Acknowledged by:

PFM Financial Advisors LLC

Firm Name


Signature

2-15-17

Date

James W. Glover, Managing Director

Printed Name and Title

Form C - Drug-Free Workplace

In the event a tie exists at the conclusion of evaluations, preference will be given to the supplier(s) who certifies it has a drug-free workplace program in accordance with Section 287.087, Florida Statutes. The drug-free workplace preference is applied as follows:

TIE: Whenever two or more proposals are equal with respect to scoring for the evaluation criteria (e.g., price, experience, quality, service) are received for the procurement of commodities or contractual services, a proposal received from a supplier that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing a tie will be followed if none of the tied suppliers have submitted this Form C and/or have a drug-free workplace program.

As the person authorized to sign this statement, I certify that this firm complies fully with the following requirements:

- 1) This firm publishes a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- 2) This firm informs employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
- 3) This firm gives each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
- 4) In the statement specified in subsection (1), this firm notifies the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- 5) This firm imposes a sanction on or requires the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- 6) This firm will continue to make a good faith effort to maintain a drug-free workplace through implementation of this section.

Acknowledged by:

PFM Financial Advisors LLC

Firm Name



Signature

2-15-17

Date

James W. Glover, Managing Director

Printed Name and Title

Form D - Conflict of Interest Disclosure

The award of the agreement is subject to the provisions of Chapter 112, Florida Statutes. All Proposers must disclose within their Proposal, the name of any officer, director, or agent who is also an employee or relative of an employee of the City of Delray Beach.

Furthermore, all Proposers must disclose the name of any City employee or relative(s) of a City employee who owns, directly or indirectly, an interest in the Proposers firm or any of its branches.

The purpose of this disclosure form is to give the City the information needed to identify potential conflicts of interest for key personnel involved in the award of this contract.

The term "conflict of interest" refers to situations in which financial or other personal considerations may adversely affect, or have the appearance of adversely affecting, an employee's professional judgment in exercising any City duty or responsibility in administration, management, instruction, research, or other professional activities.

Please check one of the following statements and attach additional documentation if necessary:

☒ To the best of our knowledge, the undersigned firm has no potential conflict of interest as defined in Chapter 112, Florida Statutes and Section 2-443, Palm Beach County Code of Ordinances.

☐ The undersigned firm, by attachment to this form, submits information which may be a potential conflict of interest due to other Cities, Counties, contracts, or property interest for this RFP.

Acknowledged by:

PFM Financial Advisors LLC

Firm Name

Signature

Date

James W. Glover, Managing Director

Printed Name and Title



Chapter 5. Acknowledgement of Addenda Form


Form E - Acknowledgment of Addenda immediately following this page

Form E - Acknowledgment of Addenda

The Proposer hereby acknowledges the receipt of the following addenda, which were issued by the City and incorporated into and made part of this RFP. It is the sole responsibility of the Proposer to ensure that all addenda have been received and receipt of each has been acknowledged. Failure to submit acknowledgement of each addendum issued may result in the Proposer being deemed non-responsive.

ADDENDA NUMBER	ADDENDA DATE

****None as of February 16, 2017****

	Managing Director
Signature of Proposer's Agent	Title
James Glover	2-16-17
Printed Name	Date



Chapter 6. Proposal Response Requirements (Section 2, item 4)

D. FEE PROPOSAL

Proposers should use this form for submitting its Fee Proposal. The following pricing is submitted as, all inclusive, to provide financial advisory services in accordance with the requirements identified in this Scope of Work, and as set forth in this RFP document.

The Proposer's annual fee for financial advisory services shall remain firm for the term of the Agreement. The option for renewal shall be exercised upon mutual agreement between Contractor and City, by written agreement with all original terms and conditions adhered to with no deviations.

4. Hourly Fees - if any.

1	Fee per hour	\$200 blended hourly rate
2	Flat fee	\$9,000 - \$12,000 See note 1 below
3	Include a list of out-of-pocket expenses, expected to be paid by the City, if any.	See note 2 below
4	Payment Terms (e.g., monthly, quarterly)	Quarterly

Note 1: In lieu of hourly fees, the City may elect to pay a quarterly retainer. The specific fee would be negotiated to achieve the City's desired level of service, and would likely fall in the \$9,000-12,000 per year. These retainer arrangements can be flexible to cover hourly work associated with smaller financings (to include equipment leases), and broad enough to contemplate commission briefings or workshops, debt management policy review/update and other projects as requested. Please note this is NOT a requirement of the proposal but an option to provide the City flexibility.

Note 2: PFM only charges transaction related expenses. PFM proposes a flat fee of not to exceed \$500 per transaction to cover all out of pocket expenses.



5. Bond Issue Fees:

5	Bond Issue Fee based on percent of bond issue or other	0.95% up to \$25 million 0.80% for par b/w \$25 and \$50 million 0.50% for par in excess of \$50 million
Comments: PFM proposes a minimum fee per transaction of \$17,500 and a maximum fee per transaction of \$65,000.		

Structured Products, Investment Advisory, and Arbitrage Rebate Services

The financial advisory compensation proposed above does not apply to services related to procurement of bond proceeds investments or other structured products, investment management, or arbitrage rebate. Fees for these special services shall be negotiated as a function of the complexity of the proposed engagement and the specific scope of services outlined. PFM Asset Management LLC, registered investment advisor, is prepared to offer the City its full range of structured products, investment management and arbitrage rebate compliance services. This might include the procurement of structured products or other investment securities for a bond construction account or refunding escrow. If needed, these services would be performed by PFM Asset Management LLC pursuant to a separately negotiated letter agreement. PFM Asset Management LLC fully discloses all fees related to any transaction.



Chapter 7. Evidence of Insurance, Professional Licenses, and Certificates

Certificate of Insurance showing coverage, forms, limits. Actual insurance certificates will be required from recommended contractor, prior to award. Submit a copy of all Licenses, Certificates, Registrations, and Permits required to perform the work that Proposer and/or its staff possess.

PFM’s Insurance Statement along with Evidence of Insurance Certificates are provided in this section.

PFM is registered as a municipal advisor with the Securities Exchange Commission and MSRB and is aware and undertakes requirements for individual professional registrations as well. Provided below is a link to the Security Exchange Commission (SEC) EDGAR system where both the Form MA (for the Firm) and Form MA-I’s (for individual Registered Reps) can be retrieved.

<https://www.sec.gov/cgi-bin/browse-edgar?company=public+financial+management&match=&filenum=&State=&Country=&SIC=&myowner=exclude&action=getcompany&Find=Search>

Registered Rep	File Number	Film Number
James Glover	868-02680	141093666
David Moore	868-02680	141093730
Laura Howe	868-02680	15532935

PFM Financial Advisors LLC is a Pennsylvania corporation. PFM is licensed to do business in the State of Florida. Copies of PFM’s charter authorization for the Commonwealth of Pennsylvania and license to do business in the State of Florida are provided in this section.



Insurance Statement

PFM Financial Advisors LLC. ("PFMFA") is pleased to conform to the insurance requirements as outlined in the RFP. However, due to constraints imposed by the underlying insurer, our policies cannot be endorsed to guarantee notification if coverage is reduced or materially changed.

Therefore, PFMFA asserts the following and will be bound by submission of our proposal to the **City of Delray Beach**.

"PFMFA will not materially alter any of the insurance policies currently in force and relied on in this proposal. Further, PFMFA will not reduce any coverage amount below the limits specified in the RFP".

PFMFA has a complete insurance program, including property, casualty, comprehensive general liability, automobile liability and workers compensation. PFMFA maintains professional liability and fidelity bond coverages which total \$30 million and \$10 million, respectively. PFMFA also carries a \$10 million cyber liability policy.

Deductibles/SIR:

Automobile \$250 comprehensive & \$500 collision
Cyber Liability \$50,000
General Liability \$0
Professional Liability (E&O) \$1,000,000
Financial Institution Bond \$75,000

Insurance Company & AM Best Rating

Professional Liability (E&O)	Endurance American Specialty Insurance; (A:XV)
	XL Specialty Insurance Company; (A:XV)
	Continental Casualty Company; (A:XV)
	Starr Indemnity & Liability Company; (A:XIV)
Financial Institution Bond	Federal Insurance Company; (A++/XV)
Cyber Liability	Indian Harbor Insurance Company (A)
General Liability	Great Northern Insurance Company; (A++/XV)
Automobile Liability	Federal Insurance Company; (A++/XV)
Excess /Umbrella Liability	Federal Insurance Company; (A++/XV)
Workers Compensation & Employers Liability	Great Northern Insurance Company; (A++/XV)

ACORDTM**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

11/15/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Conner Strong & Buckelew Two Liberty Place 50 S. 16th Street, Suite 3600 Philadelphia, PA 19102	CONTACT NAME: PHONE (A/C, No, Ext): 877-861-3220		FAX (A/C, No): 856-552-6885
	E-MAIL ADDRESS:		
INSURED PFM Financial Advisors LLC 1735 Market Street 43rd Floor Philadelphia, PA 19103-2770	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Great Northern Insurance Compan		20303
	INSURER B : Federal Insurance Company		20281
	INSURER C :		
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			35363950	11/30/2016	11/30/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$Included in \$General Agg.
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			73248555	11/30/2016	11/30/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			79774080	11/30/2016	11/30/2017	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y / N <input checked="" type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	71739979	01/01/2017	01/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	Property			35363950	11/30/2016	11/30/2017	See Limits Listed Below

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

PROPERTY LIMITS:

- PERSONAL PROPERTY & EDP BLANKET LIMIT: \$7,155,000
- BUSINESS INCOME WITH EXTRA EXPENSE BLANKET LIMIT: \$1,960,000
- ACCOUNTS RECEIVABLE BLANKET LIMIT: \$530,000
- VALUABLE PAPERS BLANKET LIMIT: \$275,000

CERTIFICATE HOLDER**CANCELLATION****EVIDENCE OF COVERAGE**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/1/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Crystal & Company
Crystal IBC LLC
32 Old Slip
New York NY 10005

CONTACT NAME: Brian Rozynski
PHONE (A/C, No, Ext): 212-504-1882 FAX (A/C, No): 212-504-1899
E-MAIL ADDRESS: brian.rozynski@crystalco.com

INSURED PUBLFI
PFM Financial Advisors LLC
1735 Market Street
43rd Floor
Philadelphia PA 19103

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Endurance American Specialty Insura	41718
INSURER B: XL Specialty Insurance Company	37885
INSURER C: Continental Casualty Company	20443
INSURER D: Starr Indemnity & Liability Co	38318
INSURER E: Everest National Insurance Company	10120
INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 1709006975

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D E	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			1000057499161 FL5ML00220161	11/30/2016 11/30/2016	11/30/2017 11/30/2017	EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input type="checkbox"/>	N / A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A B C	Professional Liability			FIP10008161701 ELU14750016 596398650	11/30/2016 11/30/2016 11/30/2016	11/30/2017 11/30/2017 11/30/2017	Limit of Liability \$30,000,000 Aggregate Limit

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of coverage only.

THE PROFESSIONAL LIABILITY POLICY IS NON-CANCELABLE BY THE INSURER EXCEPT FOR NON-PAYMENT OF PREMIUM.

CERTIFICATE HOLDER

PFM Financial Advisors LLC
1735 Market Street
43rd Floor
Philadelphia PA 19103

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Crystal & Company

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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS
401 NORTH STREET, ROOM 206
P.O.BOX 8722
HARRISBURG, PA 17105-8722
WWW.CORPORATIONS.PA.GOV

ESQUIRE ASSIST
COUNTER
PA

PFM FINANCIAL ADVISORS LLC

THE BUREAU OF CORPORATIONS AND CHARITABLE ORGANIZATIONS IS HAPPY TO SEND YOUR FILED DOCUMENT. THE BUREAU IS HERE TO SERVE YOU AND WE WOULD LIKE TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA.

IF YOU HAVE ANY QUESTIONS PERTAINING TO THE BUREAU, PLEASE VISIT OUR WEBSITE AT www.dos.pa.gov/BusinessCharities OR YOU MAY CONTACT US BY TELEPHONE AT (717)787-1057. INFORMATION REGARDING BUSINESS AND UCC FILINGS CAN BE FOUND ON OUR SEARCHABLE DATABASE AT www.corporations.pa.gov/Search/CorpSearch .

ENTITY NUMBER : 6421607

5. The (a) address of the association's proposed registered office in this Commonwealth or (b) name of its Commercial Registered Office Provider and the county of venue is:

Complete part (a) OR (b) - not both:

(a) _____
 Number and street City OR State Zip County

(b) c/o: Registered Agent Solutions, Inc. Dauphin
 Name of Commercial Registered Office Provider County

6. Check one of the following:

- ☒ The association may not have series.
☐ The association may have one or more series.

7. Effective date of registration of foreign association (check, and if appropriate complete, one of the following):

- ☒ The Foreign Registration Statement shall be effective upon filing in the Department of State.
☐ The Foreign Registration Statement shall be effective on: _____ at _____
 Date (MM/DD/YYYY) Hour (if any)

8. To be completed by Limited Liability Companies only. Check, and if appropriate complete, one of the following:

☒ The association is a limited liability company which is not organized to render any of the below professional service(s).

☐ The association is a restricted professional limited liability company organized to render one or more of the following professional service(s): (If this box is checked, one or more of the fields below must be checked.)

☐ Chiropractic ☐ Dentistry ☐ Law ☐ Medicine and surgery
☐ Optometry ☐ Osteopathic medicine and surgery ☐ Podiatric medicine ☐ Public accounting
☐ Psychology ☐ Veterinary medicine

IN TESTIMONY WHEREOF, the undersigned association has caused this Foreign Registration Statement to be signed by a duly authorized representative thereof this 20th day of June, 2016.

PFM FINANCIAL ADVISORS LLC

 Name of Association

[Signature]
 Signature

 Manager

Title



FLORIDA DEPARTMENT OF STATE
Division of Corporations

June 22, 2016

CORPORATE ACCESS, INC.

Qualification documents for PFM FINANCIAL ADVISORS LLC were filed on June 21, 2016, and assigned document number M16000004976. Please refer to this number whenever corresponding with this office.

Your limited liability company is authorized to transact business in Florida as of the file date.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. If the annual report is not filed by May 1st, a \$400 late fee will be added.

A Federal Employer Identification Number (FEI/EIN) will be required when this report is filed. Apply today with the IRS online at:

<https://sa.www4.irs.gov/modiein/individual/index.jsp>.

Please notify this office if the limited liability company address changes.

Should you have any questions regarding this matter, please contact this office at the address given below.

Stacey M Warren
Regulatory Specialist II
Registration/Qualification Section
Division of Corporations

Letter Number: 616A00013115