TOWN OF MELBOURNE BEACH

SPECIAL TOWN COMMISSION MEETING

August 12, 2026

6:00 PM

AGENDA PACKET

Town of Melbourne Beach

SPECIAL TOWN COMMISSION MEETING
Wednesday, August 12, 2026 at 6:00 p.m.
COMMUNITY CENTER – 509 OCEAN AVENUE

PUBLIC NOTICE
AGENDA

Commission Members:
Mayor Alison Dennington
Vice Mayor Terry Cronin
Commissioner Anna Butler
Commissioner Tim Reed
Commissioner Sherri Quarrie

Staff Members:
Town Manager A. Marie Smith
Town Attorney Ryan Knight
Town Clerk Cyd Jones

1. Call to Order

2. Roll Call

3. Pledge of Allegiance, Moment of Silence, and Civility Pledge

The Commission and Staff of The Town of Melbourne Beach pledge to conduct all public discourse in a civil manner. The Mayor and all members of the Commission will treat one another with courtesy and respect, and ask the public to do the same toward the Commission, each other, and toward staff. We will be respectful of one another even when we disagree. We will direct all comments toward the issues. We will avoid personal attacks.

4. Public Comment

After being acknowledged by the Mayor, members of the public should state their name and address for the record. The Commission encourages citizens to prepare their comments in advance. Each individual will have three (3) minutes to address the Commission on any topic(s) related to Town business, not on the Agenda. Please remember to sign the sign-in sheet provided if you will be speaking at the meeting.

5. New Business

A. Approval of the General Obligation Bond Resolution that will be on the November 3, 2026 ballot for voter approval – Town Manager A. Marie Smith

6. Adjournment

PURSUANT TO SECTION 286.0105, FLORIDA STATUTES, THE TOWN HEREBY ADVISES THE PUBLIC THAT: In order to appeal any decision made at this meeting, you will need a verbatim transcript of the proceedings. It will be your responsibility to ensure such a record is made. Such person must provide a method for recording the proceedings verbatim as the Town does not do so. In accordance with the Americans with Disability Act and Section 286.26, Florida Statutes, persons needing special accommodations for this meeting shall, at least 5 days prior to the meeting, contact the Office of the Town Clerk at (321) 724-5860 or Florida Relay System at 711.

Town Commission Meeting

Section: New Business

Meeting Date: August 12, 2026

From: Town Manager

RE: Approval of the General Obligation Bond Resolution that will be on the November 3, 2026, ballot for voter approval.

Background Information:

This item has been brought back for consideration based on the request of two Commissioners.

In 2009 the Town of Melbourne Beach went forward with a $3.5 million General Obligation Bond to fund various stormwater projects at an interest rate of 4.23%. Over the past seventeen years, payment for that bond has shown up on resident's tax bill as a line item for Melbourne Beach Stormwater Debt Payment (DBTP). That bond will be paid off this year and a request for a new General Obligation Bond to continue funding stormwater and transportation project needs in the town is being requested.

There are several areas of the town where stormwater projects and road improvements/repair can no longer be deferred. As an example, in Basin 1 there is about $178K of stormwater pipe work that needs to be completed/ready for construction and about $380K of engineering and stormwater pipe work that needs to be undertaken in Basin 10. (A list of other projects based on the last master stormwater plan and road condition review, can be found in Attachment A of the draft resolution and in the attachments to this memo.)

In order for the town to address these pressing needs, the Commission agreed at its June 17, 2026, Regular Town Commission Meeting to move forward with a $5 million General Obligation Bond, hiring PFM (PFM.com) as a bond financial advisor/ fiduciary for the town and bond counsel (Nabors, Giblin & Nickerson, P.A.) to draft the resolution/ handle legal issues as they relate to the bond financing. Both will be compensated through the proceeds of the bond, only if it is successful.

<u>Bond Interest Rates</u>: At the August 5, 2026 meeting, questions arose about the maximum interest rate for the bond. Section 215.84 regarding Florida law and interest rate restriction, restricts the interest rate to 300 bps (3.00%) over Bond Buyer 20 Bond Index. Currently the 20 Bond Index is at 4.70%, putting the *maximum rate* at 7.70%, which the town does not anticipate reaching. As was mentioned several times at the

meeting by our financial advisor, based on activity from other Florida municipalities and the shorter 20-year financing window, the interest rate is anticipated to be somewhere around 4-5% (see attachment 5 and 6 for recent bond interest rates for Titusville and Lake Wales, respectively). Also, within the bond resolution there will be a not to exceed interest rate, and any bond will come back before the Commission before it is issued for approval (see attachment 2, Financing Timeline). If the Commission is not comfortable with the interest rate, they do not have to approve the debt.

Amount of Funding for Projects: The $5M bond amount was initially calculated by an inflationary increase based on the $3.5M that was requested almost 20 years ago and also on current projects in the pipeline that have been identified in stormwater improvements and road paving necessities (see attachments 3 and 4). The estimated amount of stormwater improvements is $3.76M and the immediate road improvements are $170K, for a total of $3.9M. This leaves some room for additional road and stormwater improvements as well as contingency for unanticipated costs (additional damage to infrastructure that must be addressed within the 3-year funding window). The cost to pave one mile of road in town is approximately $152K to $200K, depending on the condition of the road (information from Brevard County paving contracts and discussion with engineers was utilized in forming this estimate). Should there be future needs beyond the recommended amount, another bond can be floated once this bond has shown success in its projects. There is always caution and a balance that must be struck between anticipating escalating project costs, interest rates that increase with the higher amount/longer financing window and how much a voter is willing to pay in additional millage.

Why the Town uses debt instruments for major capital projects:

Responsible borrowing allows the Town to undertake larger, longer-term projects without draining cash reserves or delaying improvements that will increase in cost each year due to inflation and other economic pressures. It is like a homeowner who finances the purchase of a home with a mortgage instead of paying cash. Other considerations include:

- Protecting Financial Reserves is extremely important as it gives the town financial security amid uncertainties such as:
    - Hurricanes/Storms – preparedness and recovery
    - Emergency Infrastructure repairs – (ex: Town Hall Complex roof)
    - Unforeseen operational needs – (ex: COVID response)
    - Economic uncertainty – (ex: Homestead Amendment vote)
- Earning a return on town reserves (as invested) while securing lower-cost financing (as available) can increase liquidity for emergencies:

    - The Town earns interest on its reserves (the more cash in reserves, the higher dollar the return).
    - The Town finances necessary stormwater and infrastructure projects at 2026 costs instead of higher costs in the future that will rise due to inflation and other economic pressures.
- Spreading the costs to all those who benefit instead of those living in the town now is a more equitable solution.
    - The life span of many of these capital projects is 15-25 years.
    - Financing the projects over time with a bond allows costs to be shared across all those who utilize that infrastructure, instead of placing the entire burden on just the taxpayers today.

Recommendation:

For the General Obligation Bond to move forward, the Commission must vote in favor of the resolution language and ballot language (attached). The process of moving forward is also spelled out in the resolution and will be handled by town staff in conjunction with PFM and bond counsel.

Town Attorney, Ryan Knight, has also reviewed the resolution and ballot language for legal sufficiency.

Recommend voting in favor of the Resolution and Ballot language.

Attachments:

1. Resolution and Ballot Language for the Capital Improvements General Obligation Bond
2. Town of Melbourne Beach General Obligation Bond Referendum Public Process and Financing Timeline
3. Stormwater Capital Improvements Plan for Bond financing
4. Street Paving Capital Improvements Plan for Bond financing
5. Memo from pfm to City of Titusville on Water and Sewer Revenue Bond
6. Memo from pfm to City of Lake Wales on Capital Improvements Revenue Notes
7. pfm Power point presentation

Attachment #1

RESOLUTION NO. _____

A RESOLUTION ORDERING AND CALLING FOR A BOND REFERENDUM ELECTION TO BE HELD ON NOVEMBER 3, 2026, IN THE TOWN OF MELBOURNE BEACH, FLORIDA TO DETERMINE IF THE QUALIFIED ELECTORS RESIDING IN THE TOWN APPROVE THE ISSUANCE BY THE TOWN OF GENERAL OBLIGATION BONDS PAYABLE FROM AD VALOREM TAXES LEVIED IN AMOUNTS SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS ON ALL TAXABLE PROPERTY WITHIN THE TOWN TO FINANCE CERTAIN STORMWATER AND TRANSPORTATION CAPITAL IMPROVEMENTS; AND PROVIDING SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, it is necessary and desirable and in the best interests of the Town of Melbourne Beach, Florida (the "Town") to develop, construct and install certain stormwater and transportation capital improvements as generally described on Exhibit A attached hereto and as more particularly described in the plans and specifications on file with the Town (collectively, the "Project").

WHEREAS, the most efficient and fair method of financing costs of the Project is through the issuance of general obligation bonds (the "Bonds") secured by and payable from the proceeds of ad valorem taxes levied without limit on all taxable property within the Town (the "Ad Valorem Taxes").

WHEREAS, in accordance with the Constitution of the State of Florida, the question as to whether or not such Bonds should be issued to finance costs of the Project must be submitted to the qualified electors of the Town at a primary, general or special election.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF MELBOURNE BEACH, BREVARD COUNTY, FLORIDA, AS FOLLOWS:

Section 1. Legislative Findings and Intent. The above recitals are true and correct and incorporated herein.

Section 2. Referendum Election Called. A bond referendum election of the qualified electors in the Town is hereby ordered and called to be held on November 3, 2026 (the "Referendum Election"), to determine whether or not the Town shall issue the Bonds to finance costs of the Project. Such Bonds shall mature not later than twenty (20) years from their date of issuance, shall be issued in an aggregate principal amount of not exceeding $5,000,000, shall bear interest at a rate not in excess of the maximum lawful rate and shall be secured by and payable from the Ad Valorem Taxes. If the issuance of the Bonds is approved by the qualified electors voting at such Referendum Election, the specific provisions of the Bonds shall be set forth in a resolution or ordinance subsequently adopted by the Town Commission.

Section 3. Conduct of Referendum Election. The Referendum Election shall be conducted in accordance with applicable law at the same time and places as the general election to be held on November 3, 2026, coordinated by the Supervisor of Elections of Brevard County (the "Supervisor of Elections") and, to the extent required, the Town Clerk.

The polling places, election officials, and hours of election for the Referendum Election will be as determined by the Supervisor of Elections in accordance with applicable Florida law.

Early voting and voting by mail will be utilized to the extent allowable by, and in accordance with, applicable law, and as determined and conducted by the Supervisor of Elections.

Section 4. Form of Ballot. The form of ballot to be used shall be in substantially the form attached hereto as Exhibit B. The ballots to be used in the Referendum Election, including any required sample ballots, shall be prepared and distributed by the Supervisor of Elections in accordance with applicable law. Electronic balloting may be utilized to the extent allowable by, and in accordance with, applicable law.

Section 5. Notice of Referendum Election. The Town Clerk is directed to make this Resolution available for inspection at the office of the Town Clerk and available on the Town's official website.

The Town Clerk is directed to publish a notice of the Referendum Election in a newspaper of general circulation within the Town at least thirty (30) days prior to the date of the election. The notice must be published at least twice, once in the fifth week and once in the third week prior to the week in which the Referendum Election is to be held, all in the manner and to the extent provided in Section 100.342, Florida Statutes. The notice shall be in substantially the form attached hereto as Exhibit C.

Section 6. Filing with Supervisor of Elections. Upon this Resolution becoming effective, the Town Clerk is directed to file a certified copy of this Resolution with the Supervisor of Elections and is authorized and directed to coordinate with and through the Supervisor of Elections in carrying out the Referendum Election and the purposes of this Resolution.

Section 7. Referendum Election Results. Returns of the votes cast at the Referendum Election shall be made as required by law.

If a majority of the votes cast for the referendum question is "YES – For Bonds," then the referendum question will be approved and the Bonds may be issued by the Town following the certification of the Referendum Election results.

If less than a majority of the votes cast for the referendum question is "YES – For Bonds," then the referendum question will be defeated and will not be effective or operative, and the Bonds may not be issued by the Town.

Section 8. General Authority. The members of the Towm Commission and the officers, attorneys and other agents or employees of the Town are hereby authorized to do all acts and things required of them by this Resolution, or desirable or consistent with the requirements hereof for the full punctual and complete performance of all the terms, covenants and agreements contained herein.

Section 9. Conflicts. In the event of any conflict between the provisions of this Resolution and any other resolution or ordinance, in whole or in part, the provisions of this Resolution will prevail to the extent of the conflict.

Section 10. Severability. In the event that any portion or section of this Resolution is determined to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such decision shall in no manner affect the remaining portions or sections of this Resolution which shall remain in full force and effect.

Section 11. Effective Date. This Resolution shall become effective immediately upon its enactment.

PASSED AND ADOPTED by the Town Commission of the Town of Melbourne Beach, Brevard County, Florida this ___ day of August 2026.

ATTEST:

TOWN OF MELBOURNE BEACH, FLORIDA, a Florida Municipal Corporation

____
Cyd Jones
Interim Town Clerk

By: _________________________________
Alison Dennington, Mayor

(TOWN SEAL)

EXHIBIT A

General Description of the Project

The Project generally includes the following capital improvements, as more particularly described in the plans and specifications on file with the Town:

Stormwater Capital Improvements

- Basin 5. This project will replace aging, undersized underground drainage pipes and failing infrastructure throughout the Basin 5 watershed, which services the Ocean Avenue commercial corridor and Ocean Park area. Upgrades include excavating and installing high-capacity green infrastructure, specifically roadside vegetative swales. These natural drainage channels will capture, slow, and naturally filter stormwater runoff right where it falls.

- Basin 8. This project replaces the failing, undersized underground drainage system within Basin 8, focusing heavily on the critical residential and commuter corridors of First Avenue and Second Avenue. The old legacy pipes will be replaced with modern, high-capacity drainage systems. Additionally, the project will install roadside vegetative swales to naturally capture, absorb, and redirect heavy rainfall.

- Basin 1. This project will overhaul and replace the aging, corroded drainage network within Basin 1, which services the residential and coastal areas surrounding South Palm. Upgrades include removing collapsed underground pipes, expanding localized drainage capacity.

- Basin 9. This project will install modern, high-capacity underground exfiltration systems (perforated pipes wrapped in stone) beneath the 5th Avenue beach parking area and the surrounding vicinity of 5th Avenue and Oak Street. Also replaces failing and aged pipes.

- Basin 10. This project will systematically replace the severely aged, undersized, corroded, and failing underground drainage pipes within Basin 10. Upgrades will replace collapsing legacy stormwater lines with modern, high-capacity infrastructure. The project will also integrate localized roadside vegetative swales to alleviate pressure on the pipe network by capturing and absorbing rainfall at the surface.

- Basin 12. This project will install an advanced stormwater baffle box in the Riverview Lane area to trap heavy pollutants, trash, and sediment before they can discharge directly into the adjacent river.

- Stormwater Outfall Wildlife Safeguards & Manatee Protection Devices. This project includes the fabrication and structural installation of specialized, heavy-duty marine wildlife exclusion barriers—commonly known as manatee grates—over submerged and semi-submerged stormwater outfalls.

- Related Roadwork. Each of the basin projects above will include related roadwork.

- Stormwater Master Plan. The Town will update its Stormwater Master Plan and additional projects determined to be required or desired under such plan may be included within that approved Stormwater Capital Improvements.

A map showing the Basins in which capital improvements are intended to be made is attached to this Exhibit A.

Roadwork Capital Improvements

Roadwork capital improvements include comprehensive milling, resurfacing, and structural stabilization of vital roadways across the Town. Target areas include heavy-use corridors like Ocean Avenue and Atlantic Street (North), key neighborhood paths such as Fourth Avenue and Ash Avenue, and coastal drives including Pelican Key, Anchor Key, Sandy Key, Redwood Drive (North), and Riverview Lane.

[INSERT MAP SHOWING BASINS]

EXHIBIT B

Official Ballot
Town of Melbourne Beach, Florida
Bond Referendum Election
November 3, 2026

General Obligation Bonds for Stormwater and Roadwork Projects

To develop, construct and install various stormwater and roadwork transportation projects within the Town of Melbourne Beach shall the Town issue general obligation bonds in one or more series not exceeding $5,000,000 total principal amount, maturing within 20 years of each issuance, with interest not exceeding the maximum legal rate, and payable from ad valorem property taxes levied in amounts sufficient to pay debt service on such Bonds?

INSTRUCTIONS TO VOTERS: **_____YES - FOR BONDS**

_____NO - AGAINST BONDS

EXHIBIT C

Notice to Electors of the Town of Melbourne Beach of a Bond Referendum Election to be held on November 3, 2026 Regarding Certain Stormwater and Roadwork Projects

Notice is hereby given that a bond referendum election will be held on November 3, 2026, to determine whether the Town of Melbourne Beach may finance the development, construction and installation of various stormwater and roadwork transportation projects within the Town of Melbourne Beach by issuing general obligation bonds in one or more series not exceeding $5,000,000 total amount, maturing within 20 years of each issuance, with interest not exceeding the maximum legal rate, and payable from ad valorem property taxes levied in amounts sufficient to pay debt service on such Bonds on all taxable property within the Town?

As required by Resolution No. _____, this Notice is given by publishing said Resolution No. _____ in full as follows:

[copy Resolution]

Attachment #2

TOWN OF MELBOURNE BEACH GENERAL OBLIGATION BOND REFERENDUM

Public Process & Financing Timeline

Stormwater and Road Capital Improvement Program — FY2026–FY2027

The following timeline outlines the key statutory and procedural milestones for placing the proposed General Obligation Bond referendum before voters and, upon approval, completing the associated financing process for the Town's stormwater and road capital improvement program.

Date	Milestone	Description
July 24, 2026	**Town Commission Meeting Packet Deadline**	Supporting documentation and materials are due to the Interim Town Clerk for inclusion in the Special Town Commission Meeting agenda packet.
August 12, 2026 *(rescheduled from August 5, 2026)*	**Special Town Commission Meeting**	The Town Commission convenes a Special Meeting to consider the resolution calling for a General Obligation Bond referendum and setting the ballot question.
August 17, 2026	**Supervisor of Elections Filing Deadline**	Deadline for the Town to submit the certified ballot question and required election documentation to the County Supervisor of Elections for placement on the November 3, 2026 ballot.
September 29, 2026	**First Newspaper Advertisement**	Statutorily required first public notice of the bond referendum is published in a newspaper of general circulation.
October 13, 2026	**Second Newspaper Advertisement**	Statutorily required second public notice is published, completing the public notice requirement in advance of the general election.
November 3, 2026	**General Election — Bond Referendum**	Registered voters decide whether to approve the issuance of General Obligation Bonds to fund the capital improvement program.
December 2026 – April 2027	**Bond Financing Procurement**	Upon voter approval, the Town initiates a Request for Proposals (RFP) process to procure a lending institution for the bond issuance.
April 2027	**Bond Resolution Consideration & Issuance**	The Town Commission considers adoption of the Bond Resolution. If approved, the Bonds are issued and proceeds become available for capital project use.
January 2028	**Debt Service Millage & Bond Repayment Begins**	Repayment of the bond begins and the millage levy dedicated to bond debt service takes effect.

This timeline is provided for public informational purposes and is subject to change based on Town Commission action, statutory notice requirements, and market conditions at the time of bond issuance.

Attachment # 3

Town Stormwater Capital Improvements Plan — FY2026 Bond Program

Compiled from the 2026 Bond Application project descriptions and the 2014 Stormwater Master Plan Update cost tables (escalated to 2026 dollars)

CIP No.	Basin	Project Title	Service Area / Location	Project Summary	Estimated Cost (2026 Dollars)	Cost Basis	Priority
SW-01	Basin 5	Ocean Avenue & Ocean Park Drainage Improvements	Ocean Avenue commercial corridor (Oak Street to Riverside Drive) and Ocean Park	Replacement of aging, undersized, and failing underground drainage infrastructure throughout Basin 5. Improvements include high-capacity roadside vegetative swales to capture, slow, and naturally filter runoff, and conversion of the Ocean Park parking lot from impervious asphalt to a pervious surface with a subsurface exfiltration field that captures and treats runoff prior to aquifer recharge. Supports the Town's FDEP MS4 permit compliance and	$1,115,000	2014 Master Plan, escalated 3%/yr	Medium
SW-02	Basin 8	First Avenue & Second Avenue Drainage Improvements	First Avenue and Second Avenue residential/commuter corridors; A1A beach crossover parking areas	Replacement of legacy underground drainage pipe with modern high-capacity systems and installation of roadside vegetative swales to reduce peak flows. The program also restores stormwater inlets at the beach crossover parking areas — decommissioned decades ago under an FDEP mandate — by directing flow to new exfiltration drain fields, eliminating chronic ponding and the associated traffic and pedestrian safety hazard at the crossover entrances.	$639,000	2014 Master Plan, escalated 3%/yr	High
SW-03	Basin 1	South Palm Drainage System Closeout Repair	South Palm residential and coastal service area	Basin 1's principal drainage overhaul was completed in 2026. During the final walkthrough, a previously undocumented pipe segment — located at or near the Town right-of-way boundary and exhibiting settlement consistent with its age — was identified by camera inspection. This project addresses that isolated segment so that Basin 1 can be certified 100% complete.	$180,000	Not itemized in 2014 Master Plan — scope identified 2026; estimate developed by BS&E	High
SW-04	Basin 9	5th Avenue & Oak Street Exfiltration System	5th Avenue beach parking area and the 5th Avenue / Oak Street townhome vicinity	Installation of modern high-capacity underground exfiltration systems (perforated pipe wrapped in stone) beneath the 5th Avenue beach parking area and adjoining streets, together with targeted repairs at 5th Avenue and Oak Street. Reduces recurring street flooding for adjacent townhome residents that has persisted since stormwater inlets in this area were sealed under a prior FDEP mandate.	$1,220,000	2014 Master Plan, escalated 3%/yr	High
SW-05	Basin 10	Basin 10 Drainage System Replacement	Basin 10 — one of the Town's largest drainage basins (approx. 80 acres)	Systematic replacement of severely aged, undersized, and corroded underground drainage pipe with reinforced-concrete pipe infrastructure across one of the Town's largest basins. The project incorporates localized roadside vegetative swales to capture and slow surface runoff, reducing pressure on the downstream pipe network and capturing pollutants before they reach downstream inlets.	$330,000	Not itemized in 2014 Master Plan — estimate developed by Haley Ward	High

CIP No.	Basin	Project Title	Service Area / Location	Project Summary	Estimated Cost (2026 Dollars)	Cost Basis	Priority
SW-06	Basin 12	Riverview Lane Stormwater Baffle Box	Riverview Lane outfall, Basin 12 (terminal basin for upstream stormwater discharge)	Installation of an advanced stormwater baffle box at the Riverview Lane outfall to trap heavy pollutants, trash, and sediment before discharge to the adjacent river and Indian River Lagoon. As the terminal collection point for stormwater escaping capture upstream, this project is regarded as a final opportunity to reduce pollutant loading to the Lagoon.	$279,000	2014 Master Plan, escalated 3%/yr	Low
				TOTAL — PROJECTS WITH DEVELOPED COST ESTIMATES	**$3,763,000**		

Note: Costs shown are escalated from the 2014 Stormwater Master Plan Update's "Current Cost (2014)" figures at the plan's stated 3% annual escalation rate, compounded to 2026 (factor ≈ 1.426), rounded to the nearest $1,000. Basin 1 and Basin 10 were not itemized with a cost estimate in the 2014 Master Plan tables but were reviewed and updated with engineering cost development. See the 'Cost Detail' tab for line-item source figures and the 'Project Notes' tab for full narrative background on each project.

Stormwater Project Cost Detail — Escalated to 2026 Dollars

Source: 2014 Stormwater Master Plan Update

Escalation assumption (edit to update all figures): 3.0% *per year, compounded 2014 to 2026 (12 yrs)*

Basin	CIP No.	Line-Item Project	2014 Project Budget	Escalation Factor	2026 Estimated Cost	Notes
Basin 10	SW-05	Cherry Drive stormwater pipe upsizing from Rosewood to Cedar	$0	0x	$330,000	*Estimate given by Haley Ward engineers in 2026*
		Basin 10 Subtotal (SW-03)			**$330,000**	
Basin 1	SW-03	S. Palm Street relocation of stormwater pipe that was bent due to power pole and impedes drainage	$0	0x	$180,000	*Estimate given by BS&E engineers and Atlantic Construction in 2026 during work on Basin 1*
		Basin 1 Subtotal (SW-03)			**$180,000**	
Basin 5	SW-01	Ocean Avenue — Oak Street to Riverside Drive	$600,000	1.426x	$855,000	
Basin 5	SW-01	Town Hall Downspout	$25,000	1.426x	$36,000	
Basin 5	SW-01	Ocean Park Parking Area	$157,000	1.426x	$224,000	*2014 figure covers partial scope; full pervious-pavement conversion of the entire lot may cost more*
		Basin 5 Subtotal (SW-01)			**$1,115,000**	
Basin 8	SW-02	First Street Exfiltration Manifold	$213,000	1.426x	$304,000	
Basin 8	SW-02	Orange Street & 1st Avenue	$235,000	1.426x	$335,000	
		Basin 8 Subtotal (SW-02)			**$639,000**	
Basin 9	SW-04	Orange Street Exfiltration	$551,000	1.426x	$786,000	
Basin 9	SW-04	5th Avenue & Oak Street Repair	$135,000	1.426x	$192,000	
Basin 9	SW-04	Fifth Street Exfiltration Manifold @ Beach Parking	$170,000	1.426x	$242,000	
		Basin 9 Subtotal (SW-04)			**$1,220,000**	
Basin 12	SW-06	Riverview Lane Baffle Box	$196,000	1.426x	$279,000	
		Basin 12 Subtotal (SW-06)			**$279,000**	
		GRAND TOTAL — Line-Item Estimated Projects			**$3,763,000**	

Method: 2026 Estimated Cost = 2014 Project Budget × (1 + escalation rate)^12, rounded to the nearest $1,000, consistent with the Master Plan's own budgeting convention.

Project Notes — Background & Engineering Context

CIP No. / Basin	Background & Engineering Notes
SW-01 — Basin 5	Basin 5 serves the Ocean Avenue commercial corridor and Ocean Park. The Ocean Park parking lot is a large impervious area with substandard drainage; converting it to a pervious surface with an underground exfiltration field would capture runoff and remove pollutants before discharge to the aquifer, in addition to relieving the piped drainage network. This proactive stormwater control is referenced in the Town's FDEP Municipal Separate Storm Sewer System (MS4) permit reporting and may support future grant applications.
SW-02 — Basin 8	Basin 8 serves the First Avenue and Second Avenue corridors. Decades ago, stormwater inlets at each A1A beach crossover parking area drained directly to the beach; roughly 30 years ago FDEP mandated this practice cease, and Public Works filled the inlets with concrete. Since then, stormwater has collected at the crossover entrances, creating standing water that is both a resident inconvenience and a traffic hazard. This project installs new inlets that route flow to exfiltration drain fields, where it slowly percolates through a rock base back to the aquifer.
SW-03 — Basin 1	Basin 1's 2026 capital construction is complete and the system functions as designed. During the final walkthrough with the contractor and engineer, a previously unnoted pipe connection was found in a section that may lie partially outside the Town right-of-way; construction there likely dates back 20+ years. A camera inspection revealed a “belly” (sag) in the pipe consistent with long-term ground settlement, and a utility pole (likely set by an FPL subcontractor at an undetermined date) is located near the pipe. Given the age of the installation and the difficulty of establishing responsibility, the Town's approach is to fund the repair directly so that Basin 1 can be documented as fully complete.
SW-04 — Basin 9	The 5th Avenue beach parking area and surrounding 5th Avenue/Oak Street vicinity include townhouse residences that experience street flooding during rain events, a consequence of the same historic FDEP inlet-sealing mandate described under Basin 8. New underground exfiltration systems in this area would reduce street flooding for these residents.
SW-05 — Basin 10	Basin 10 is one of the Town's largest stormwater basins, at approximately 80 acres. The project replaces collapsing legacy stormwater lines with reinforced-concrete pipe and adds roadside vegetative swales to slow and capture surface runoff before it reaches the piped system, reducing the volume and pollutant load reaching downstream inlets during heavy rain events.
SW-06 — Basin 12	Basin 12 is the terminal basin gathering stormwater that escapes capture upstream before it discharges to the adjacent river and, ultimately, the Indian River Lagoon. A baffle box at the Riverview Lane outfall would trap pollutants, trash, and sediment before discharge. The Town will coordinate with its engineers on baffle box type and exact placement; this project is viewed as a last-line opportunity to reduce pollutant loading to the Lagoon.

Attachment # 4

Town Street Paving Capital Improvements Plan — FY2026

Compiled from the 2025 Recommended Streets for Paving assessment and current Public Works unit cost estimates

CIP No.	Project / Street	Roadway Length (LF)	Pavement Area (SY)	Project Description	Estimated Cost (incl. 20% contingency)	Condition Rating	Priority
PV-01	Ash Avenue Roadway Resurfacing	1,118	2,981	Full-width milling and resurfacing of the existing asphalt pavement, together with removal and replacement of a deteriorated valley gutter section. Ash Avenue is currently rated in Poor condition based on visual pavement assessment; paving history is not documented in Town records.	$56,048	Poor	High
PV-02	Redwood Avenue Roadway Resurfacing	567	1,512	Milling and resurfacing of the asphalt pavement along Redwood Avenue from Cherry Street to Ash Avenue. The segment is currently rated in Poor condition based on visual pavement assessment; paving history is not documented in Town records.	$31,987	Poor	High
PV-03	Fourth Avenue Roadway Resurfacing	1,723	4,595	Milling and resurfacing of the asphalt pavement along Fourth Avenue from Orange Avenue west to the Lagoon — the longest of the three recommended segments. The corridor is currently rated in Poor condition based on visual pavement assessment; paving history is not documented in Town records.	$81,277	Poor	High
				TOTAL — ALL RECOMMENDED PAVING PROJECTS	**$169,312**		

Note: Cost estimates reflect current (2026) Public Works unit pricing — $13.00 per square yard for asphalt milling and resurfacing, and $19.00 per linear foot for valley gutter removal and replacement — plus mobilization, maintenance-of-traffic (MOT), and a 20% contingency to account for the planning-level nature of this estimate. All three streets are rated in Poor condition and their paving history is not documented in Town records. See the ‘Cost Detail’ tab for the full line-item build-up and the ‘Project Notes’ tab for additional background.

Street Paving Project Cost Detail

Source: 2025 Recommended Streets for Paving assessment; unit pricing per Public Works estimate

Unit cost assumptions (edit to update all figures): *Asphalt mill & resurface:* $13.00 *per SY* *Valley gutter removal/replace:* $19.00 *per LF*

Street	Pavement Area (SY)	Asphalt Unit Cost	Asphalt Mill & Resurface Cost	Valley Gutter (LF)	Gutter Unit Cost	Valley Gutter Cost	Mobilization	MOT	Direct Construction Subtotal
Ash Avenue	2,981.33	$13.00	$38,757	50	$19.00	$950	$4,000	$3,000	**$46,707**
Redwood Avenue (Cherry Street to Ash Avenue)	1,512.00	$13.00	$19,656	0	$19.00	$0	$4,000	$3,000	**$26,656**
Fourth Avenue (Orange Avenue to the Lagoon)	4,594.67	$13.00	$59,731	0	$19.00	$0	$4,000	$4,000	**$67,731**

Street	Direct Construction Subtotal	Contingency (20%)	Total Estimated Cost
Contingency rate (edit to update all figures):	20.0%		
Ash Avenue	$46,707	$9,341	**$56,048**
Redwood Avenue (Cherry Street to Ash Avenue)	$26,656	$5,331	**$31,987**
Fourth Avenue (Orange Avenue to the Lagoon)	$67,731	$13,546	**$81,277**
GRAND TOTAL — All Recommended Paving Projects			**$169,312**

Method: Asphalt Mill & Resurface Cost = Pavement Area (SY) × unit cost; Valley Gutter Cost = Linear Feet × unit cost. Direct Construction Subtotal = Asphalt + Valley Gutter + Mobilization + Maintenance of Traffic (MOT). A 20% contingency is applied to the Direct Construction Subtotal to account for the planning-level nature of this estimate. All pavement areas, unit costs, mobilization/MOT allowances, and the contingency rate are shown in blue and are editable inputs. Paving history (“Year Last Paved”) is not documented in Town records for any of the three streets; each is rated in Poor condition based on current visual pavement assessment. See the ‘CIP Summary’ tab for project descriptions and the ‘Project Notes’ tab for additional background.

Project Notes — Background & Methodology

Topic	Notes
Project Selection	All three streets — Ash Avenue, Redwood Avenue (Cherry Street to Ash Avenue), and Fourth Avenue (Orange Avenue to the Lagoon) — were identified through a 2025 Town-wide visual pavement condition assessment and rated in Poor condition, indicating advanced surface distress (cracking, rutting, and/or raveling) warranting near-term resurfacing to prevent further deterioration of the base and subgrade.
Paving History	The year each street was last paved is not documented in current Town records. Staff recommends this be noted publicly as a data gap; where feasible, records research or construction-history verification is encouraged to inform future pavement management planning and resurfacing-cycle scheduling.
Scope of Work	The recommended scope is a 1/2-inch mill and asphalt overlay across the full pavement width of each corridor. Ash Avenue additionally includes removal and replacement of an approximately 50 linear foot section of deteriorated valley gutter; no valley gutter work is currently scoped for Redwood Avenue or Fourth Avenue.
Unit Cost Basis	Unit costs of $13.00 per square yard (asphalt mill and resurface) and $19.00 per linear foot (valley gutter removal and replacement) reflect current Public Works planning-level estimates. Mobilization and maintenance-of-traffic (MOT) allowances are budgeted per street to account for individual site mobilization and traffic control needs; Fourth Avenue carries a higher MOT allowance consistent with its greater length and traffic volume.
Contingency	A 20% contingency is applied to the direct construction subtotal for each project to account for quantity refinement, market pricing volatility, and unforeseen conditions typical of a planning-level paving estimate. This is consistent with standard Public Works budgeting practice for projects that have not yet advanced to final design.

pfm

June 24, 2026

Recommendation Memorandum

To: Teri Butler, Finance Director – City of Titusville

From: Jay Glover, Managing Director – PFM Financial Advisors LLC

Re: Water and Sewer Revenue Bond, Series 2026 – Recommendation Memorandum

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PFM Financial Advisors LLC ("PFM") was engaged by the City of Titusville, Florida (the "City") to serve as financial advisor for the City's proposed issuance of a not to exceed $14,060,000 Water and Sewer Revenue Bond, Series 2026 (the "2026 Bond") to (i) fund improvements to the City's water and sewer system and (ii) pay the related costs of issuance. Because of the desire to move in an expediated manner and reduced cost of issuance, PFM recommended the City pursue a privately placed direct bank loan, which in today's market was expected to be an efficient and cost-effective method of financing.

At the City's direction, PFM distributed a request for proposals ("RFP") on May 18, 2026, to a list of local, regional and national financial institutions to identify the institution that could provide the City with a tax-exempt, fixed rate, term loan at the lowest overall borrowing cost, pursuant to certain conditions as determined by the City. Prior to the submittal deadline (1:00 pm on June 17, 2026) the City received seven (7) proposals from the following institutions: BankUnited, Flagstar Public Funding, Pinnacle Bank, Regions Capital Advantage ("Regions"), TD Public Finance LLC, Truist Commercial Equity, and Webster Public Finance Corporation. A summary of the proposals is included in **Exhibit A**.

Based on PFM's review and discussions with City staff and Bond Counsel, it was determined that Region's proposal provided the best combination of interest rate and terms most favorable to the City. Regions proposed an indicative interest rate of 4.07% that could be locked up to 30 days in advance of closing, thus eliminating the risk of an increase in the interest rate during the current volatile market conditions between now and closing. The final interest rate will be locked upon receiving final direction to move forward from the City. Regions also provided the City the ability to prepay the 2026 Bond in whole or in part, at par after November 1, 2033.

Based on the interest rate and acceptable terms and conditions provided in their proposal, PFM recommends selecting Regions as the loan provider for the 2026 Bond. We look forward to discussing this recommendation at the City Council meeting on July 14th. If you have any questions, please feel free to contact me at 407-406-5760 or gloverj@pfm.com.

Exhibit A
Summary of Proposals

	BankUnited (Bridge Funding Group, Inc.)	Flagstar Public Funding Corp.	Pinnacle Bank	Regions Capital Advantage, Inc.
Contact Information	Michele A. Palmo 5 International Drive, Suite 100 Rya Brook, NY 10573 212-409-1477 mpalmo@bankunited.com	Scott M. Allison 121 West Trade Street, 12th Floor Charlotte, NC 28202 908-721-6664 Scott.allison@flagstar.com	Lisa Hayes Jacksonville, Florida 904-752-9828 LisaC.Hayes@pnfp.com	Rebecca Reynolds 100 N Tampa St, Ste 3400 Tampa, FL 33602 407-310-6074 rebecca.reynolds@regions.com
Not-to-Exceed Amount	$14,060,000	$14,060,000	$14,060,000	$14,060,000
Final Maturity	November 1, 2040	November 1, 2040 Subject to Put in 10 years on July 1, 2036 unless extended by Lender	November 1, 2040	November 1, 2040
Tax-Exempt Interest Rate(s)	Option 1: 4.61% (Indicative) Option 2: 4.56% (Indicative)	4.360% (Indicative)	4.39% (Fixed)	4.07% (Indicative)
Rate Set Calculation	Option 1: 79% × (10-Yr Treasury + 1.40%) Option 2: 79% × (10-Yr Treasury + 1.35%)	10-Yr SOFR Swap + 0.325%	-	(79% × 7-Year US Treasury) + 0.68%
Rate Locked to Closing, or Date to be Set	Rate set no more than 2 days prior to closing Proposal expires 45 days from June 17, 2026	Rate can be locked up to 30 days prior to closing 1-time rate adjustment up to 5 days prior to closing if rate decreases Proposal expires June 30, 2026 Target closing: July 16, 2026	Rate held through July 17, 2026 Acceptance required by July 2, 2026 Closing no later than July 17, 2026	Rate may be fixed up to 30 days in advance of closing Terms available through July 16, 2026
Prepayment Provisions	Option 1: • Year 1 at 103% • Year 2 at 102% • Year 3 at 101% • After 3rd anniversary: at 100% Option 2: • Before 5th anniversary: No Prepayment • After 5th anniversary: No penalty for Prepayment	Optional Redemption in Whole Only • By 11/1/2027 at 101.5% • By 11/1/2028 at 101.0% • By 11/1/2029 at 100.5% • Thereafter No penalty Note: No penalty if City issues public bond to refinance Mandatory Redemption: July 1, 2036 unless FPFC extends	Prepayable in whole or in part with 30 days notice: • Through 1st anniversary at 101.0% • 1st through 3rd anniversary at 100.5% • Thereafter at 100% Partial prepayments applied in inverse order of maturities	No prepayment before November 1, 2033 On or after 11/1/2033: Prepay in whole or in part, at par with 5 business days notice
Bank Counsel Fee	$12,500 (Weiss Serota Helfman Cole & Bierman)	Up to $5,000 (only if external counsel required; FPFC expects to use internal counsel)	Up to $9,500 (Michael L. Wiener Holland & Knight LLP)	Not-to-exceed $10,000 (Butler Snow)
Notes & Other Conditions	(i) Anti-dilution test per existing 2023 Bond agreement (ii) ACFR within 270 days of fiscal year end (iii) Operating and capital budget within 30 days of fiscal year start (iv) Default rate: existing rate + 2.00%	(i) Proceeds funded into escrow with Flagstar Bank, N.A. (ii) Rate Covenant and Additional Bonds Test with annual compliance certificate (iii) Audited financials within 210 days of fiscal year end (iv) Annual budget within 30 days of adoption (v) Parity lien preferred; junior lien if FDEP consent not obtained (vi) if 2026 Bond is Junior, FPFC would require no additional senior debt without FPFC consent (vii) FPFC retains assignment right	(i) Rate Covenant and Additional Bonds Test at 1.25x (ii) Audited financials within 270 days of fiscal year end (iii) Annual budget within 30 days of adoption (iv) Default rate: lesser of Prime + 6% / 18%, or 4% above applicable rate (v) Transfer restriction: minimum denomination $100,000 (vi) Project fund earns Effective Fed Funds Rate minus 0.50% (current: 3.13%) (vii) The City shall not issue any Bonds that have a prior or superior lien on the Net Revenues of the System without prior written consent of Lender.	(i) Rate Covenant of 1.25x and Additional Bonds Test of 1.25x (ii) Audited financials within 270 days of fiscal year end (iii) Annual budget within 60 days of adoption (iv) Default rate: applicable rate + 6% (v) Late fee: 5% if payment not received within 10 days of due date

	TD Public Finance LLC (TD Bank, US)	Truist Commercial Equity, Inc.	Webster Public Finance Corporation
Contact Information	Lance Aylsworth 255 Alhambra Circle Coral Gables, FL 33134 786-306-7404 Lance.Aylsworth@td.com	Clayton Thompson, CFA 333 S. Garland Ave. Fl 17 Orlando, FL 32801 407-701-4796 Clayton.Thompson@truist.com	Mark A. Cargo Concord, NC 28027 704-287-4493 mcargo@websterbank.com
Not-to-Exceed Amount	$14,060,000	$14,060,000	$14,060,000
Final Maturity	November 1, 2040	November 1, 2040	November 1, 2040
Tax-Exempt Interest Rate(s)	Option 1 (Closed Prepayment): 4.19% (Indicative) Option 2 (4-yr lockout): 4.29% (Indicative) Option 3 (Open Prepayment): 4.35% (Indicative)	Option 1 (6-year Put/Nov 2032): 4.27% (Fixed) Option 2 (No Put): 4.58% (Fixed)	4.28% (Fixed)
Rate Set Calculation	79% × (10-Year Treasury + 0.84%) (10-Yr Treasury at 4.47% as of 6/15/26)	-	-
Rate Locked to Closing, or Date to be Set	Rates held if City notified as recommended by 2pm June 24, 2026 (index not moved more than 5 bps) Rate Lock available once Bank selected (+/- 30 days) Acceptance required by June 24, 2026 Closing on or before July 16, 2026	Rates available through August 4, 2026 Term Sheet expires July 3, 2026	Rates valid through July 17, 2026 Term Sheet expires June 19, 2026
Prepayment Provisions	Option 1 (Closed): Up to 25% of principal/year without penalty; above 25% subject to make whole provision Option 2 (Open w/ 4-yr lockout): Prepay at par after 11/1/2030 with 30 days notice Option 3 : Prepayable at par anytime with 30 days notice	Option 1 (Standard Break Funding): Put date 11/1/2032 - Lender may put Bond to Borrower at put date unless extended (120 days prior notice required to request extension). Subject to break-funding fee. Option 2 (Prepayable in whole or in part with penalties below): • Years 1-2 at 105% • Years 2-4 at 104% • Years 4-6 at 103% • Years 6-8 at 102% • Years 8-10 at 101% • After year 10 at 100%	Prepayable on any payment date with 30 days notice: • Years 1-3 No Call • Years 4-5 at 101% • After Year 5 at 100%
Bank Counsel Fee	$9,000 (Michael Wiener, Holland & Knight) + $5,000 bank facility fee at closing Total: $14,000	$9,000 (Michael Wiener, Holland & Knight)	Not-to-exceed $5,000 (Gilmore & Bell)
Notes & Other Conditions	(i) Rate Covenant of 1.25x MADS and Additional Bonds Test of 1.25x MADS (ii) Audited financials within 270 days of fiscal year end; annual budget within 60 days (iii) Default rate: Prime Rate + 6% (Prime floor of 3%) (iv) Late fee: 6% if payment more than 15 days overdue (v) No debt may be issued senior to 2026 Bond without Purchaser's consent (vi) Auto-debit account required	(i) Subordinated Rate Covenant of 1.00x; Additional Bonds Test of 1.10x (ii) Audited financials within 270 days of fiscal year end; annual budget within 30 days of fiscal year end (iii) Bond secured by Subordinated Lien on net revenues, on parity with 2023 Bond	(i) Bond secured by Senior Lien on net revenues (ii) Escrow option available (borrower's choice of institution; must be FL-collateralized) (iii) Requires 3 most recent audited financial statements and most recent adopted budget (iv) Assignment permitted to affiliates, banks, or financial institutions with notice (no borrower consent required)

July 6, 2026

Recommendation Memorandum

To: Dorothy Abbott, Finance Director – City of Lake Wales

From: Jay Glover, Managing Director – PFM Financial Advisors LLC

Re: Capital Improvement Revenue Notes, Series 2026A&B – Recommendation Memorandum

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PFM Financial Advisors LLC ("PFM") was engaged by the City of Lake Wales, Florida (the "City") to serve as financial advisor for the City's proposed issuance of a not to exceed $10,700,000 Capital Improvement Revenue Note, Series 2026A (the "2026A Note") and a not to exceed 7,100,000 Capital Improvement Revenue Note, Series 2026B (the "2026B Note" and collectively, the "2026 Notes"). The 2026A Note will be issued to (i) fund various public safety capital improvements and (ii) pay the related costs of issuance. The 2026B Note will be issued to (i) fund the cost of land acquisition and streetscaping projects located with the CRA and (ii) pay the related costs of issuance. Because of the desire to move in an expediated manner and reduced cost of issuance, PFM recommended the City pursue privately placed direct bank loans, which in today's market was expected to be an efficient and cost-effective method of financing.

At the City's direction, PFM distributed a request for proposals ("RFP") on May 18, 2026, to a list of local, regional and national financial institutions to identify the institution that could provide the City with tax-exempt, fixed rate, term loans at the lowest overall borrowing cost, pursuant to certain conditions as determined by the City. Prior to the submittal deadline (1:00 pm on June 24, 2026) the City received six (6) proposals from the following institutions: Citizens Bank and Trust, Flagstar Public Funding Corp, Seacoast National Bank, SouthState Bank, Truist Bank, and Webster Public Finance Corporation. A summary of the proposals with the best and final offers is included in **Exhibit A**.

Based on PFM's review and discussions with City staff and Bond Counsel, it was determined that the 15-year repayment term best met the City's needs and that SouthState Bank's proposal provided the best combination of interest rate and terms most favorable to the City. SouthState proposed a fixed interest rate of 3.90% that would be locked through a closing date no later than July 24, 2026, thus eliminating the risk of an increase in the interest rate during the current volatile market conditions between now and closing. SouthState Bank also provides the City the ability to prepay the 2026 Notes in whole or in part, at any time, with no prepayment penalty.

Based on the fixed interest rate and acceptable terms and conditions provided in their proposal, PFM recommends selecting SouthState Bank as the loan provider for the 2026 Notes. If you have any questions, please feel free to contact me at 407-406-5760 or gloverj@pfm.com.

Exhibit A
Summary of Proposals

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RFP Summary
City of Lake Wales, Florida
Capital Improvement Revenue Notes, Series 2026A

	Citizens Bank and Trust	Flagstar Public Funding Corp.	Seacoast National Bank
Contact Information	Brian W. Marbutt 222 State Road 60 East Lake Wales, FL 33853 (863) 676-7631 brian.marbutt@citizens-bank.com	Scott M. Allison 121 West Trade Street, 12th Floor Charlotte, NC 28202 (908) 721-6664 scott.allison@flagstar.com	Dwaine Bush 3833 SW 37th Blvd Gainesville, FL 32608 (352) 219-2124 dwaine.bush@seacoastbank.com
Not-to-Exceed Amount	$17,800,000	$17,800,000	$17,800,000
Final Maturity	Option A: December 1, 2040 (15-year term) Option B: December 1, 2045 (20-year term)	Option A: December 1, 2040 (15-year term) Option B: December 1, 2045 (20-year term)	Option A: December 1, 2040 (15-year term) Option B: December 1, 2045 (20-year term)
Tax-Exempt Interest Rate(s)	Option A: 3.95% Fixed Option B: 4.05% Fixed for first 15 years, then resets on 12/1/2040 to the 5-Year U.S. Treasury + 0.00% and Fixed for remaining 5 years	Options A & Option B: 3.92% Fixed *Indicative as of 6/24/2026	Option 1: Option A - 4.45% Fixed Option B - 4.65% Fixed Option 2: Option A - 4.55% Fixed Option B - 4.75% Fixed *Indicative as of 6/24/2026
Rate Set Calculation	Option A: n/a Option B: Reset in Year-15 to 5-Year U.S. Treasury + 0.00%	FPFC internal Swap Rate: 10-Year SOFR Swap less 0.18%	n/a
Rate Locked to Closing, or Date to be Set	Rate firm through anticipated closing date and good through July 31, 2026; no breakage penalty	Rates may be locked any time following award to Flagstar	All rates locked-in for 60 days from the date of the proposal letter (6/24/2026)
Prepayment Provisions	Prepayable in whole or in part, at any time, with no penalty	Optional: prepayment, in whole, not in part, on any payment date with 30 days' notice; Call Premium Applied to Par: On or before: July 1, 2027 - 1.5% July 1, 2028 - 1.0% July 1, 2029 - 0.5% Thereafter - None Option A&B: 10-year Mandatory Redemption on July 1, 2036, unless extended by Bank (extension requestable after 5th anniversary of closing)	Option 1: Option A - Prepayment fee of 3,2,1 Option B - No Prepayment Fee Option 2: Option A - Prepayment fee of 3,2,1 Option B - No Prepayment Fee
Bank Counsel/ Other Fees	Capped at $25,000 (Bank Fee and Bank Counsel)	Internal Counsel will review docs - no fee expected; if external counsel required - capped at $15,000	$8,500
Notes & Other Conditions	(i) Interest calculated on a 365/360 day basis (ii) Only interest-rate adjustment proposed is in the event the 2026 Notes are determined to be taxable, solely due to the acts and/or omissions of the City (iii) Subject to final credit approval, including approval by the Bank's Board of Directors	(i) Default Rate: 9.00% (ii) Escrow Agreement included; proposes to serve as Escrow Agent with no additional escrow fee (iii) City to meet to discuss products/services within 180 days of closing, but under no obligation to utilize additional services (iv) Requests Annual Budget within 30 days of adoption; Audited Financials within 210 days of FYE	(i) Annual audited financial statements due within 270 days of fiscal year end
Exhibit B's Required Forms Submitted?	Yes	Yes	No
Term Sheet Expiration	September 22, 2026	July 15, 2026	July 30, 2026

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RFP Summary
City of Lake Wales, Florida
Capital Improvement Revenue Notes, Series 2026A

	SouthState Bank, N.A.	Truist Bank	Webster Public Finance Corporation
Contact Information	Russel "Rusty" L. Mouton, II 7722 SR 544 E Winter Haven, FL 33881 (863) 236-2906 rmouton@southstatebank.com	Clayton Thompson 333 S. Garland Ave., Fl 17 Orlando, FL 32801 (407) 701-4796 clayton.thompson@truist.com	Mark A. Cargo Concord, NC 28027 (704) 287-4493 mcargo@websterbank.com
Not-to-Exceed Amount	$17,800,000	$17,800,000	$17,665,000
Final Maturity	Option A: August 1, 2040 (15-year term) Option B: August 1, 2045 (20-year term)	Up to December 1, 2045	Opiton A : December 1, 2040 (15-year term) Option B: December 1, 2045 (20-year term)
Tax-Exempt Interest Rate(s)	Option A - 3.90% Fixed Option B - 4.15% Fixed	Option 1 (2026A&B): 4.09% with Put Option - December 1, 2031* Option 2 (2026A&B): 4.80% with Put Option - December 1, 2040* *Lender may give written notice to City no later than 120 days prior to put date that it will, in its sole discretion, extend the term for an additional period; failure to give notice means term has not been extended and City obligated to pay or purchase the Notes in full on put date.	Option A: 4.32% Option B: 4.55%
Rate Set Calculation	n/a	n/a	n/a
Rate Locked to Closing, or Date to be Set	Rates held through the anticipated closing date of July 23, 2026	Rates available through August 11, 2026; if funded during the lock period, the rate becomes effective even if market rates are lower	Rates valid through July 24, 2026
Prepayment Provisions	Prepayable in whole or in part, at any time, with no penalty	Option 1: Standard Break-Funding option Option 2: Declining Penalty Option - Prepayment of principal, whether in whole or in part, and shall be subject to penalty as follows: Closing Date to day prior to 2nd Anniversary of Closing: 5% 2nd Anniversary to day before 4th Anniversary of Closing: 4% 4th Anniversary to day before 6th Anniversary of Closing: 3% 6th Anniversary to day before 8th Anniversary of Closing: 2% 8th Anniversary to day before 10th Anniversary of Closing: 1% 10th Anniversary of Closing and after: No Penalty	Option A (15 years): Closing - 11/30/2027: No Call 12/1/2027 - 11/30/2029: 102% 12/1/2029 - 11/30/2031: 101% On or after 12/1/2031: 100% Option B (20 years): Closing - 11/30/2027: No Call 12/1/2027 - 11/30/2029: 102% 12/1/2029-11/30/2032: 101% On or after 12/1/2032: 100%
Bank Counsel/ Other Fees	Not to exceed $10,000 ($5,000 per Series)	$9,000 plus expenses	Not to Exceed $7,500
Notes & Other Conditions	(i) Default Rate: Applicable Rate + 6.00% (ii) Event of Taxability: Rate grossed up for taxability due to the action or inaction of the City (iii) Annual financials/CAFR within 270 days of FYE; budgets due 30 days prior to start of the fiscal year	(i) Annual Financial Statements within 270 days of FYE; Annual Budget within 30 days of FYE (ii) Notify Lender within 5 business days in writing of any default condition, event, or act (iii) Determination of Taxability: rates subject to increase in the event of acts and/or omissions of the City	(i) Escrow Option: proceeds may be funded into a collateralized escrow account, disbursed as needed
Exhibit B's Required Forms Submitted?	No	Yes	No
Term Sheet Expiration	N/A	July 8, 2026	June 26, 2026 (if accepted, expires if not funded by July 24, 2026)

Attachment #7

Town of Melbourne Beach, Florida

Town Commission Meeting

General Obligation Bond Financing Update

August 5, 2026

PFM Financial
Advisors LLC

200 S. Orange Avenue,
Suite 760
Orlando, FL 32801

407-648-2208
pfm.com

Financing Future Capital Needs – Overview

- The Town has significant capital needs moving forward including stormwater needs
- Local governments often issue debt to fund these long-term capital needs for the following reasons:
  - Large capital projects often can't be broken into smaller phases and funded out of annual budget
  - Mitigate rising construction costs
  - Taxpayer / Ratepayer equity – if multiple generations of tax or rate payers benefit from a capital project, then they should all pay for it
  - Historically speaking, interest rates for municipalities are low (tax-exempt)
- Local governments have a variety of financing options at their disposal including revenue bonds and general obligation bonds
  - Revenue Bonds are backed by revenues from a specific source
    - This can be revenues from an enterprise fund, such as water and sewer revenues or from the general fund which includes non ad valorem revenues
  - General Obligation Bonds are backed by the full faith and credit of the issuer, which has the power to tax residents to pay bondholders (ad valorem taxes)
    - They require voter referendum approval in Florida

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General Obligation Bonds – Estimated Millage Impact

- The table below provides context on the estimated required millage levy to fund up to $5 million of capital needs over 20 years based on the current property tax Homestead exemption
  - Assumes initial $2 million Borrowing in 2027, followed by $3 million Borrowing in 2029

20-Year General Obligation Bond Financing			
Issuance Date	**Project Amount**	**Est. Millage Levy***	**Est. Annual Tax Payer Impact ($250,000 Taxable Assessed Value)***
2027	$2,000,000	0.22 mills	$54.00
2029	$3,000,000	0.31 mills	$77.00
Total	$5,000,000	0.53 mills	$131.00

*Based on 2026 estimated $722.0 million Taxable Value and assuming 2% annual growth

General Obligation Bonds – Estimated Millage Impact

- The table below provides context on the estimated required millage levy to fund up to $5 million of capital needs over 20 years based on the estimated Taxable Value if the proposed property tax amendment passes in November
  - Assumes initial $2 million Borrowing in 2027, followed by $3 million Borrowing in 2029

20-Year General Obligation Bond Financing			
Issuance Date	Project Amount	Est. Millage Levy*	Est. Annual Tax Payer Impact ($250,000 Taxable Assessed Value)*
2027	$2,000,000	0.29 mills	$72.00
2029	$3,000,000	0.41 mills	$103.00
Total	$5,000,000	0.70 mills	$175.00

*Based on 2026 estimated $722.0 million Taxable Value (less estimated 25.3% reduction from property tax amendment) and assuming 2% annual growth

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Financing Future Capital Needs – General Obligation Bonds

- If the Town Commission wanted to pursue a general obligation bond issuance, the November 2026 election would be an option for holding the referendum. The following steps would need to take place leading up the referendum
  - **June 2026:** Staff/Commission to Finalize Project List to Be Financed, Run Taxpayer Impact Assumptions based on Varying Dollar Amounts to present options to Town Commission for sizing of G.O. Bond Issue
  - **July 2026:** Town Attorney / Bond Counsel prepare resolution, including project scope, ballot question and referendum date
  - **August 2026:** Town Commission consider resolution authorizing referendum
  - **August 17, 2026:** Deadline to submit ballot language to Supervisor of Elections
  - **September/October 2026:** Series of public notices are published as legally required
  - **November 2026:** Referendum is held
- If the referendum is passed, the Town in consultation with the Town Attorney and Bond Counsel can consider whether a bond validation process is undertaken
- The Town would then begin the process of issuing bonds, the timing of which would be determined based on when projects would commence

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