

City of St. Petersburg  
**Budget, Finance, and Taxation Committee**  
April 10, 2025 – 11:20 AM  
City Hall, Room 100

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Members: Committee Chair Copley Gerdes, Committee Vice-Chair Lisset Hanewicz, Council Member Brandi Gabbard, and Council Member Deborah Figgs-Sanders

Alternate: Council Member Mike Harting

Support Staff: Tricia Terry – Legislative Aide

**1) Call to Order**

**2) Approval of Agenda**

**3) Approval of March 27, 2025 Minutes**

**4) New Business – April 10, 2025**

a) **A Discussion on the City of St. Petersburg’s Disaster Short-Term Financing – Tom Greene, Assistant City Administrator, Anne Fritz, Debt Finance Officer, and Erika Langhans, Chief Financial Officer**

**Attachments:**

- 1) Update to Fiscal Policies/Additional Recovery Related Financing Memorandum
- 2) PFM Recommendation and Summary of Proposals
- 3) Estimated Source and Uses of Funds
- 4) Proposed Resolution Amending Fiscal Policies
- 5) Draft Updated Fiscal Policies
- 6) Proposed Resolution Authorizing Non-ad Valorem Revenue Note, Series 2025

b) **Proposed Resolution to Utilize Existing Fund Balances for the May 1, 2025, Principal and Interest Payment of the Public Utility Subordinate Lien Bond Anticipation Note, Series 2024 – Tom Greene, Assistant City Administrator, Anne Fritz, Debt Finance Officer, and Erika Langhans, Chief Financial Officer**

**Attachments:**

- 1) Memorandum
- 2) Proposed Resolution

**Upcoming Meeting Dates & Tentative Agenda Items**

**April 24, 2025**

- a) FY 2025 Grants Reports –*Aubrey Phillips, Strategic Initiatives and Grant Director*
- b) FY 2024 External Audit (Community Redevelopment Agency Report and Presentation) – *Erika Langhans, Chief Financial Officer, and Audit Partner Lauren Strope (Cherry Bekaert)*

**May 8, 2025**

- a) Second Quarter Financial Reports - *Liz Makofske, Budget and Management Director, and Erika Langhans, Chief Financial Officer*
- b) Quarterly Review of Procurement Reports (January, February and March reports) – *Tom Greene, Assistant City Administrator*

**General Attachments:**

Minutes of the March 27, 2025 BFT Committee Meeting

Pending and Continuing Referral List

Weeki Wachee Project List

Agenda Item Support Material

City of St. Petersburg  
**Budget, Finance and Taxation Committee**  
**March 27, 2025 Meeting Minutes**  
*City Hall, Room 100*

**Present:** Committee Chair Copley Gerdes, Committee Vice-Chair Lisset Hanewicz, Council Member Deborah Figgs-Sanders, Council Member Brandi Gabbard, and Council Member Mike Harting (Alternate)

**Absent:** none

**Also Present:** Council Member Corey Givens Jr., Assistant City Administrator Tom Greene, Assistant City Attorney Sharon Michnowicz, Chief Financial Officer Erika Langhans, Financial Audit Manager David Goddu, Lauren Strope (Engagement Partner - Cherry Bekaert), Lawrence Watts (Director of Southeast Defined Benefit Operations – Nyhart), and Deputy City Clerk Paul Traci.

**Support Staff:** Tricia Terry – City Council Legislative Aide

- 1. Call to Order – 11:21 AM**
- 2. Approval of Agenda** – VC Hanewicz motioned for approval. All voted in favor.
- 3. Approval of March 13, 2025 Minutes** – CM Gabbard motioned for approval. All voted in favor.
- 4. New Business – March 27, 2025**

**FY 2024 External Audit Presentation (Annual Comprehensive Financial Reports) – Erika Langhans, Chief Financial Officer, Lauren Strope (Engagement Partner - Cherry Bekaert), and Lawrence Watts (Director of Southeast Defined Benefit Operations – Nyhart)**

Erika Langhans introduced Lauren Strope from Cherry Bekaert, the City's external auditor, and Lawrence Watts from Nyhart, the City's actuarial consultant. Ms. Strope began by detailing the scope of the external audit, including the significant audit areas, internal controls, and compliance measures.<sup>1</sup>

Ms. Strope explained that the methods utilized for the audit come from general governmental auditing standards, including assessing risks for material misstatement in the City's financial statements, whether due to fraud or error. The audited financial statements include the City's governmental activities, business activities, component units, major funds, and the aggregate remaining fund information. Additionally, the auditor evaluates the City's internal controls for financial reporting to design the most appropriate audit procedures, not to express an opinion on the effectiveness of the City's internal controls.

Ms. Strope stated that the audit resulted in an unmodified (clean) opinion, confirming that financial statements comply with Generally Accepted Accounting Principles (GAAP). The audit also included compliance reviews for federal and state funding, with a minor control deficiency in the Home Investment Partnerships Program due to missed inspections. No material weaknesses were found, but a significant deficiency was noted related to a data transfer error in the AP automation system, which required a \$1 million adjustment.

Additional reports included government auditing standards, management letters, and an examination of investment policy compliance, all with clean opinions. No inappropriate accounting practices, significant difficulties, or fraud concerns were identified. The audit reviewed key estimates

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<sup>1</sup> Florida Statutes and the City Charter require that an annual financial audit be performed by independent certified public accountants.

such as pension liabilities and investment fair values, finding them reasonable. Future reporting changes include GASB 102 (Certain Risk Disclosures), GASB 103 (Financial Reporting Model Improvements), and GASB 104 (Disclosure of Certain Capital Assets).

Council Member Figgs-Sanders asked if discussions have begun about next year's outlook amid this year's major financial changes. Ms. Langhans confirmed that the Finance Department works with our external auditors throughout the year and proactively plan for changes. CM Figgs-Sanders asked if those changes will be reflected in the risk disclosures document. Ms. Langhans indicated that some risk disclosures may include these changes, but no reporting triggers have occurred yet. The Finance Department monitors significant financial changes, and existing processes assess potential reporting needs.

Council Chair Gerdes asked about the significant deficiency. Ms. Langhans stated that it was a technical issue and due to the sensitive nature of IT security, she would have to provide any additional information in a one-on-one meeting.

Lawrence Watts began his actuarial presentation, which focused on the financial health of the City's three pension plans—Firefighters' Retirement System (FRS), Police Officers' Retirement System (PORS), and general Employees' Retirement System (ERS)—along with retiree medical benefits (OPEB). The FRS plan is the strongest, with 110.6% funding, while the PORS and ERS plans have unfunded liabilities of \$67.8 million and \$90.1 million, respectively.<sup>2</sup> Strong market returns drove lower pension expenses this year, but future contributions may still increase. Discount rate reductions continue to impact liabilities, with the FRS plan being ahead of the curve, the PORS plan adjusting to 7%, and the ERS plan gradually decreasing its rate. A 2% COLA for post-2008 Fire retirees will soon be recognized as a permanent liability, affecting future funding percentages.<sup>3</sup>

The City's OPEB liability stands at \$195 million, with no pre-funding, making it more volatile due to reliance on municipal bond discount rates.<sup>4</sup> Though this year's OPEB expense was minimal, long-term funding decisions could impact balance sheet liabilities. The State provides some funding for Fire and Police through a premium tax, which is partially allocated to City contributions. Future presentations will reflect higher pension liabilities due to ongoing adjustments in discount rates and COLA recognition.

Lastly, Mr. Watts reviewed key GASB-required disclosures, highlighting how pension and OPEB liabilities change with different discount rate assumptions. Noted GASB disclosures include GASB 67 (Financial Reporting for Pension Plans), GASB 68 (Accounting and Financial Reporting for Pensions), and GASB 74/75 (Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans). Using the PORS as an example, they noted that lowering the discount rate from 7.25% to 6.25% would increase liabilities by roughly \$78 million, providing insight into future funding impacts.<sup>5</sup> A similar sensitivity analysis applies to OPEB, where liabilities fluctuate based on both discount rate and medical cost growth assumptions. These disclosures help illustrate potential financial shifts. Mr. Watts indicated further details are available in the appendix for those interested.

Vice-Chair Hanewicz noted factors such as foreign policy concerns, currency risk, and tariffs and how they affect discount rate assumptions. Ms. Langhans indicated that the Finance Department and

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<sup>2</sup> The current plan funding status for PORS is 89% and ERS is 86.2%.

<sup>3</sup> Cost-of-Living Adjustment (COLA) is an annual increase in Social Security and Supplemental Security Income (SSI) benefits to keep pace with inflation.

<sup>4</sup> Last year's total OPEB liability was \$195.8 million. OPEB expenses have increased relative to last year, primarily due to interest rate changes in 2023.

<sup>5</sup> GASB 67 and GASB 68 require sensitivity disclosures related to discount rates. The +/- 1% range has become common practice in pension disclosures because it provides a clear and useful insight into the impact of interest rate changes on pension liabilities.

the City's actuarial consultant attend many Pension Board meetings, during which investment strategies and discount rates are regularly reviewed and adjusted based on market conditions and expert analysis.

VC Hanewicz asked if the 7% discount rate assumption is an industry standard. Mr. Watts stated that the 7% discount rate is the most common assumption for diversified pension plans in the United States, based on expected asset returns, investment policies, and risk tolerance. He further explained that unlike some international approaches that favor a lower, risk-free rate, GASB allows using expected returns if assets back the obligation, while unfunded liabilities (like OPEB) use a low-risk bond rate. There is downward pressure on discount rates, with large statewide plans averaging around 6.9%, and FRS at 6.7%. Despite current market volatility and high interest rates, the trend remains toward lower discount rates, not higher. Ms. Langhans added that the City could deviate and go more conservative with a lower rate for accounting purposes.

Council Member Givens inquired about the firefighters who joined the Fire Department prior to 1973 who do not receive the 2% COLA annual raise. He was encouraged to review the past City Council discussion for further details.

***With no further business, Chair Gerdes adjourned the meeting at 12:04 PM.***

	<b>Budget, Finance, &amp; Taxation Committee Pending &amp; Continuing Referral List</b>					<b>April 10, 2025</b>	
	<b>Topic</b>	<b>Return Date</b>	<b>Referral Date</b>	<b>Prior Meeting</b>	<b>Referred by</b>	<b>Staff</b>	<b>Notes</b>
<b>1</b>	<b>A Discussion on the City of St. Petersburg Disaster Short-Term Financing</b>	<b>4/10/2025</b>	<b>3/27/25</b>		<b>Gerdes (Staff Request)</b>	<b>Tom Greene Anne Fritz Erika Langhans</b>	
<b>2</b>	FY 2025 Grants Report Update	4/24/2025	Semi-Annual	12/12/2024	City Council	Aubrey Phillips, Liz Makofske	
<b>3</b>	FY 2024 External Audit Presentation (Community Redevelopment Agency)	4/24/2025	Annual	3/27/2025	City Code § 4.05, Florida Statutes § 218.32	Erika Langhans	3/21/2025 - The Community Redevelopment Agency Audit Report and Presentation will be on the 4/24/2025 BFT agenda.
<b>4</b>	2025 Quarterly Financial Reports	Q2 - 5/8/2025 Q3 - 8/14/2025 Q4 - 11/6/2025	Quarterly	Q1 - 2/13/2025	City Fiscal Policies (Resolution 2009-247)	Liz Makofske, Erika Langhans	8/18/2022 - City Council requested that quarterly financial reports include updates on American Rescue Plan Act (ARPA) funds expenditures
<b>5</b>	Quarterly Review of Procurement Reports (January, February, and March 2025)	5/8/2025 8/14/2025 11/6/2025	12/12/2024	2/13/2025	Committee of the Whole	Tom Greene, Stephanie Scarbrough	12/12/2024 - With the elimination of agenda review meetings, the Committee of the Whole agreed to review procurement reports quarterly at BFT 2/13/2025 - Committee reviewed the November and December 2024 reports
<b>6</b>	A Discussion on Adding the Woodlawn Park Courts Redesign to the Weeki Wachee Project List	5/29/2025	2/6/2025		Hanewicz	Mike Jefferis, Barbara Stalbird	
<b>7</b>	A Discussion Regarding a Potential Childcare Benefit for City of St. Petersburg Employees	5/29/2025	2/6/2025		Driscoll	Tom Greene, Chris Guella	
<b>8</b>	FY 2026 Utility Rate Study (Meeting #1)	6/11/2025	Annual		City Council	Angela Miller, Andy Burnham (Stantec)	
<b>9</b>	FY 2026 Utility Rate Study (Meeting #2, If Needed)	7/10/2025	Annual		City Council	Angela Miller, Andy Burnham (Stantec)	
<b>10</b>	Annual Review of the City's Fiscal and Investment Policies	8/14/2025	Annual	8/8/2024	City Fiscal Policies, City Investment Policies	Liz Makofske, Erika Langhans	
<b>11</b>	FY 2026 Management Evaluation Discussion	10/9/2025	Annual		Resolution 2012-271	Boriana Pollard	
<b>12</b>	FY 2025 Budget Clean-Up	11/6/2025	Annual	11/7/2024	Florida Statutes § 166.241	Liz Makofske	

	Topic	Return Date	Referral Date	Prior Meeting	Referred by	Staff	Notes
13	2026 Health Insurance Renewal - Status Update on Current Year Health Plan	12/11/2025	Annual	12/12/2024	BF&T	Jason Hall, Chris Guella, Chuck Tobin (Gallagher Benefit Services)	
14	Presentation from Matrix Consulting: Management Evaluation Report for the St. Petersburg Fire Rescue Department	January 2026	Annual	8/24/2023 10/12/2023 1/25/2024 1/9/2025	City Code § 4.05(g)	Robert Finn (Senior Manager, Matrix Consulting)	10/12/2023 - Committee approved the scope of services for the management evaluation of SPFR & authorized the Administration to issue the RFP. 1/25/2024 - Committee shortlisted & recommended to the full City Council to authorize BFT Chair/City Admin to negotiate an agreement with Matrix Consulting. 4/4/2024 - Agreement with Matrix Consulting approved by the City Council. Sept/Oct 2024 - Presentation delayed due to Hurricanes.
15	Office of Supplier Diversity Annual Update: Small Business Enterprise (SBE) Program and Minority/Women Owned Businesses (M/WBE) Program	February 2026	Annual	2/27/2025	City Code § 2-236 & 2-287	Kourey Hendryx-Bell	
16	2025 Property Insurance Renewals	March 2026	Annual	3/13/2025	City Code § 2-202, City Council	Blaise Mazzola, Chris Guella	
17	A Discussion Regarding the Art in Public Places Ordinance	TBD	8/15/2024		Floyd	Ben James	
18	Comprehensive Update on All Hurricane-Related Expenses	TBD	1/9/2025	1/23/2025	Hanewicz	Tom Greene	
19	Planning & Development Services Department Management Evaluation - Annual Progress Update	TBD	Annual	1/11/2024 2/27/2025	BF&T	Liz Abernethy	1/11/2024 - Matrix Consulting presented the final report for the management evaluation of the Planning & Development Services Department 2/27/2025 - Annual progress update provided

Upcoming BF&T Dates: 4/24, 5/8, 5/29, 6/12, 7/10, 7/24, 8/14, 8/28, 9/11, 9/25, 10/9, 10/23, 11/6, 12/11

Revised: 4/4/2025

**BUDGET, FINANCE & TAXATION COMMITTEE**  
**WEEKI WACHEE PROJECT LIST**

**April 10, 2025**

<b>TOPIC</b>	<b>DATE REFERRED</b>	<b>REFERRED BY</b>	<b>RETURN DATE</b>	<b>STAFF RESPONSIBLE</b>	<b>SPECIAL NOTES</b>
Carter G. Woodson African American Museum – Outdoor Event Green Space Beautification Project	August 5, 2021	Figgs-Sanders		David Wirth, Chris Ballestra	
Salt Creek Property Project	August 1, 2024	Driscoll		Mike Jefferis, Aaron Fisch	<p>Funding approval for property purchase (phase one) recommended at 1/23/25 COW.</p> <p>Approved by the City Council on 2/6/2025.</p> <p>Project to remain on project list until phase two funding (O&amp;M) is finalized and approved.</p>

**Budget, Finance & Taxation Committee**  
**April 10, 2025**

**TO:** Copley Gerdes, Chair and Members of the Budget, Finance & Taxation Committee

**FROM:** **Thomas Greene, Assistant City Administrator** *TG*  
**Erika Langhans, Chief Financial Officer** *ERL*  
**Elizabeth M. Makofske, Budget and Management Director** *EM*  
**Anne A. Fritz, Director, Debt Financing** *AAF*

**SUBJECT:** Update to Fiscal Policies/Additional Recovery Related Financing

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**REQUEST:** BFT Recommendation to City Council of the following resolutions:

(A) Resolution approving an amendment to the City of St. Petersburg's fiscal policies (i) to allow tax-exempt debt to include a line of credit, (ii) increasing the percentage for variable rate debt to ten percent (10%) of the city's total outstanding debt, (iii) changing the analysis of each outstanding variable rate bond issue from at least twice per year to annually, and (iv) providing that variable debt instruments which are part of a disaster recovery plan or for interim financing purposes are excluded from the ten percent (10%) of the city's total outstanding debt limit; reaffirming the city's fiscal policies as amended for fiscal year 2025; and providing an effective date.

(B) Resolution of the City Council of the City of St. Petersburg, Florida authorizing the issuance of a not to exceed \$85,000,000 non-ad valorem revenue note, series 2025 to finance and/or reimburse the costs of capital repairs and/or debris removal from recent hurricane damage within the city and to pay associated transactional costs; approving the form and authorizing the execution and delivery of a non-revolving credit agreement with Bank of America, N.A.; appointing the registrar for the note; authorizing certain officials of the city to execute any document or to take any action required in connection with the issuance of the note; and providing for severability and an effective date.

**OVERVIEW:**

In the abundance of caution given the uncertainties at the federal level, the Fiscal Recovery team reviewed the outstanding amounts remaining for disaster recovery, including debris removal and the continued repairs to Tropicana Field.

For debris removal and other recovery efforts, all amounts remaining on the advances from FEMA have been spent, and the City will be required to make all remaining payments due at this time, and then request reimbursement from FEMA. Given the unknown time of reimbursement from FEMA, the City has received new proposals solicited by our financial advisor, PFM Financial Advisors (PFM) for an additional recovery financing program.

Upon review of the proposals by the fiscal recovery team and our financial advisor, PFM has recommended, and the Administration agrees, that the best option for the City for this effort is a

variable rate line of credit up to \$85 million from Bank of America, that allows the City to draw down the funds as required for cash outflows.

To proceed with the variable rate line of credit, it would first require the City to amend its fiscal policies related to variable rate debt, which was originally adopted and had focused on commercial paper variable rates instruments.

#### **(A) FISCAL POLICY CHANGES:**

The original debt policy was written while the City was recovering from the Great Recession, the section on variable debt was included to allow the City to use a commercial paper program if determined to be in the best interest of the City, along with numerous safeguards including limiting such debt to 5 percent of total debt outstanding. At the time it did not take into consideration the use of short-term financing programs, such as a variable rate line of credit to use for interim or disaster related financings. Administration recommends an amendment to the Fiscal Policies to update the allowable tax-exempt debt to include line of credit and variable rate debt as part of a disaster recovery plan or for interim financing purposes and other related changes shown below.

The variable rate debt language is updated per review with the debt-related team including our financial advisor. The recommendation is also to exclude variable debt which is as part of disaster recovery plan or for interim financing purposes from the variable rate debt limit, which is also recommended to increase from five to ten percent of the City's total debt outstanding debt. These changes are comparable with other similar entities' debt policies per our financial advisor. The changes to the fiscal policies include the following updates to Section IV, paragraph e as follows:

- e. Tax-exempt debt, including but not limited to commercial paper, lines of credit or variable rate demand notes may be issued when their use is judged prudent and advantageous. Careful consideration shall be used for any variable rate debt financing and would only be utilized when an independent financial advisor makes the recommendation in writing.
  - i. Economic and cash flow projections for variable rate issues shall be calculated at the then applicable fixed rate.
  - ii. Total variable rate debt shall be limited to 10 5% percent of total debt outstanding.
  - iii. At least twice per year, Annually, an analysis of each outstanding variable rate bond issue shall be undertaken to determine the advisability of converting the issue to fixed-rate debt.
  - iv. Variable rate bonds shall be structured to protect against loss.
  - v. As part of a disaster recovery plan or for interim financing purposes, the City may consider variable rate debt instruments (with such debt excluded from the 10 percent of total debt outstanding limit above). Such decision to

use variable rate debt for these purposes should take into account short term cash flows needs, timing of FEMA/insurance reimbursements and the ability to meet IRS spenddown requirements.

- vi. The City should avoid any complex financing instruments involving variable debt

## **(B) DEBT FINANCING REVIEW:**

PFM solicited offers for a line of credit or a funded loan for the City. Upon analysis of the offers, the Administration, as per the recommendation of PFM, is recommending the City proceeds with Bank of America for a line of credit with a variable interest rate based upon the Secured Overnight Financing Rate (SOFR). The Line of Credit option was selected and would be available for drawdowns as required to fund project expenses. Each would have interest only payments through the term. There are fees assessed for the unused portion of the line of credit until the draws exceed fifty percent of the maximum (\$85 million).

The prepayment option allows the flexibility for the City to make such principal prepayments from the insurance, FEMA, or other proceeds, thus reducing interest costs to the City, and further for compliance with IRS regulations on such a tax-exempt financing. Please see attached recommendation from PFM Financial Advisors for the analysis.

## **COST/FUNDING/ASSESSMENT INFORMATION**

As with most bond issues and bank loans, the ordinary and customary costs of issuance are charged to the transaction, and we fully expect that to be the case with the funded loan. Such issuance costs are estimated at \$191,500.

The source of repayment for the loan interest is the General Fund (0001) (utilizing Guaranteed Entitlement Revenues), and principal repayments, which would be required to be repaid within thirty days from time of reimbursement from FEMA, insurance, and other recoveries, and at any time from other City funds as authorized and appropriated.

## **RECOMMENDATION:**

The Administration, per PFM's recommendation, requests that the BFT committee recommend the resolutions for the (A) Change to the City's fiscal policies, and (B) The additional recovery financing, and placing it on the BFT report for consideration on the April 10, 2025, City Council meeting.

## **ATTACHMENTS**

### **PFM Recommendation and Summary of Proposals**

### **Estimated Source and Uses of Funds**

### **(A) Resolution amending Fiscal Policies**

### **(A) Draft updated Fiscal Policies**

### **(B) Resolution authorizing Non-ad Valorem Revenue Note, Series 2025**



April 1, 2025

## Overview Memorandum

**To:** Tom Greene, Assistant City Administrator  
Anne Fritz, Director, Debt Financing  
Erika Langhans, Chief Financial Officer

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

**RE:** Hurricane Recovery Financing – Overview Memo

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PFM Financial Advisors LLC (“PFM”) was asked by the City of St. Petersburg, Florida (the “City”) to provide alternatives to finance a portion of the recovery costs related to Hurricanes Helene and Milton on an interim basis in anticipation of State, Federal and insurance reimbursements. PFM recently helped the City with a similar financing but additional funding is needed given the uncertainty related to the timing of reimbursements. At the City’s direction, PFM requested indications of interest from a group of lending institutions that have a current relationship with the City for funding in an amount up to \$100,000,000. This list included Bank of America, JP Morgan and Truist, all three of which provided responses as outlined in Exhibit A.

An initial review and discussion between PFM, City staff and Bond Counsel considered a variable rate line of credit, a fixed rate fully funded loan, and variable rate commercial paper. It was determined that a 3-year variable rate line of credit in an amount up to \$85,000,000 best meets the City’s needs. The variable rate line of credit will allow the City to draw down funds as needed, while allowing for prepayment at any time without penalty. Additionally, with the current expectation for the Federal Reserve to cut its Federal Funds Rate in 2025, the variable interest rate should also decline allowing the City to take advantage of lower future short term interest rates.

Based on this analysis, it was determined that Bank of America provided the most favorable interest rate and terms for a 3-year line of credit. The variable interest rate will be reset daily by adding 46 basis points to 80% of the One-Day SOFR rate, which equates to 3.924% based on the current level of SOFR. In addition, an unutilized fee of 20 basis points will be charged as long



as the City has drawn less than half of the line of credit. Given the City's expected draw schedule, the unutilized fee should not have a major impact on the City's financing costs.

In conjunction with this financing process, the City is also seeking approval to update the Fiscal Policies to provide additional flexibility in regard to the types of debt that can be issued for disaster recovery and other interim financing needs. The current policy is overly restrictive on the amount of variable rate debt and doesn't provide any flexibility to deal with emergency needs. The requested edits to the policy are being presented as part of this financing to the Budget Finance and Taxation (BF&T) Committee.

Bond Counsel will prepare the resolution and loan documents that reflect the recommended structure to be brought before the BF&T Committee as well as City Council at the April 10 meetings for consideration. If you have any questions, please feel free to contact me at 407-406-5760 or [gloverj@pfm.com](mailto:gloverj@pfm.com).



## **Exhibit A**

	Bank of America	JPMorgan	Truist
Contact Information	Holly Kuhlman 9128 Strada Place, Suite 10110 Naples, FL 34108 239-598-8805 holly.kuhlman@bofa.com	Matt Resnik 100 N Tampa St, Floor 33 Tampa, FL, 33602 302-634-4462 matt.resnik@jpmorgan.com	Adam Horn 401 East Jackson Street, 20th Fl Tampa, FL 33602 813-224-2552 adam.horn@truist.com
Amount	\$100,000,000	\$100,000,000	\$100,000,000
Financing Type	Line of Credit	Line of Credit	Line of Credit
Interest Rates	Option 1: 2yr put: 3.894% (Indicative) Option 2: 3yr put: 3.924% (Indicative) Option 3: 4yr put: 4.014% (Indicative) Option 4: 5yr put: 4.064% (Indicative)	Option 1: 3 Years: 4.11% (Indicative) Option 2: 5 Years: 4.18% (Indicative)	Option 1: 1 year: 3.62% (Indicative) Option 2: 3 year: 4.06% (Indicative) Option 3: 5 year: 4.29% (Indicative)
Calculation	Option 1: 80% of 1 Day SOFR + 43bps Option 2: 80% of 1 Day SOFR + 46bps Option 3: 80% of 1 Day SOFR + 55bps Option 4: 80% of 1 Day SOFR + 60bps	Option 1: 80% of (1 Month SOFR+10bps) + 57bps Option 2: 80% of (1 Month SOFR+10bps) + 64bps	Option 1: 79% of 1 Month SOFR + 20.5bps Option 2: 79% of 1 Month SOFR + 64bps Option 3: 79% of 1 Month SOFR + 87bps
Unused Fee	20 bps per annum (for fundings less than 50%)	Option 1: 20 bps Option 2: 20bps	Option 1: 15bps Option 2 and Option 3: 20bps
Financing Type	Fully Funded Loan	Fully Funded Loan	Fully Funded Loan
Interest Rates	Would require a breakage fee that doesn't meet the City needs.	10-year amortization with call options:  Option a: 3-year call: 4.16% (Indicative) Option b: 5-year call: 3.96% (Indicative)	Loans with interest only period and put option. If put is not exercised, rate would reset and loan would amortize over 15 years.  Option a: 3-year interest only period, prepayment after 6 months: 3.99% (indicative) Option b: 3-year interest only period, prepayment after 12 months: 3.963% (indicative) Option c: 5-year interest only period, prepayment after 6 months: 4.288% (indicative) Option d: 5-year interest only period, prepayment after 12 months: 4.265% (indicative)
Prepayment	-	Option a: 3-year call Option b: 5-year call	Up to 10% may be prepaid without penalty prior to the prepayment dates
Other Conditions	(i) Term out option of the LOC is subject to term out pricing. Greater of: - BOA Prime +1% - Fed funds +2% - 7% for first 90 days, then additional 1%	FLGFC CP Program also an option. JPM provides the letter of credit. Approximate all in variable rate is 3.60% with ability to fund as needed and prepayment flexibility.	(i) The one year LOC can be renewed annually

## SOURCES AND USES OF FUNDS

City of St. Petersburg, Florida  
Non Ad Valorem Revenue Note, Series 2025A

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Preliminary Numbers  
Line of Credit with 3 Year Draw Period  
12 Year Amortization Following Draw Period

Dated Date	04/17/2025
Delivery Date	04/17/2025

### Sources:

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Bond Proceeds:	
Par Amount	85,000,000.00
	85,000,000.00
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### Uses:

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Project Fund Deposits:	
Project Fund	84,808,500.00
Delivery Date Expenses:	
Cost of Issuance	191,500.00
	85,000,000.00
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## BOND SUMMARY STATISTICS

City of St. Petersburg, Florida  
Non Ad Valorem Revenue Note, Series 2025A

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Preliminary Numbers  
Line of Credit with 3 Year Draw Period  
12 Year Amortization Following Draw Period

Dated Date	04/17/2025
Delivery Date	04/17/2025
First Coupon	10/01/2025
Last Maturity	10/01/2039
Arbitrage Yield	4.000207%
True Interest Cost (TIC)	4.000207%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.029801%
Average Coupon	4.000000%
Average Life (years)	9.421
Weighted Average Maturity (years)	9.421
Duration of Issue (years)	7.777
Par Amount	85,000,000.00
Bond Proceeds	85,000,000.00
Total Interest	32,031,888.89
Net Interest	32,031,888.89
Total Debt Service	117,031,888.89
Maximum Annual Debt Service	9,059,000.00
Average Annual Debt Service	8,095,980.02
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	85,000,000.00	100.000	4.000%	9.421	64,788.45
	85,000,000.00			9.421	64,788.45

	TIC	All-In TIC	Arbitrage Yield
Par Value	85,000,000.00	85,000,000.00	85,000,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-191,500.00	
- Other Amounts			
Target Value	85,000,000.00	84,808,500.00	85,000,000.00
Target Date	04/17/2025	04/17/2025	04/17/2025
Yield	4.000207%	4.029801%	4.000207%

**BOND DEBT SERVICE**

City of St. Petersburg, Florida  
Non Ad Valorem Revenue Note, Series 2025A

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Preliminary Numbers  
Line of Credit with 3 Year Draw Period  
12 Year Amortization Following Draw Period

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2025			1,548,888.89	1,548,888.89	1,548,888.89
04/01/2026			1,700,000.00	1,700,000.00	
10/01/2026			1,700,000.00	1,700,000.00	3,400,000.00
04/01/2027			1,700,000.00	1,700,000.00	
10/01/2027			1,700,000.00	1,700,000.00	3,400,000.00
04/01/2028			1,700,000.00	1,700,000.00	
10/01/2028	5,655,000	4.000%	1,700,000.00	7,355,000.00	9,055,000.00
04/01/2029			1,586,900.00	1,586,900.00	
10/01/2029	5,885,000	4.000%	1,586,900.00	7,471,900.00	9,058,800.00
04/01/2030			1,469,200.00	1,469,200.00	
10/01/2030	6,120,000	4.000%	1,469,200.00	7,589,200.00	9,058,400.00
04/01/2031			1,346,800.00	1,346,800.00	
10/01/2031	6,365,000	4.000%	1,346,800.00	7,711,800.00	9,058,600.00
04/01/2032			1,219,500.00	1,219,500.00	
10/01/2032	6,620,000	4.000%	1,219,500.00	7,839,500.00	9,059,000.00
04/01/2033			1,087,100.00	1,087,100.00	
10/01/2033	6,880,000	4.000%	1,087,100.00	7,967,100.00	9,054,200.00
04/01/2034			949,500.00	949,500.00	
10/01/2034	7,155,000	4.000%	949,500.00	8,104,500.00	9,054,000.00
04/01/2035			806,400.00	806,400.00	
10/01/2035	7,445,000	4.000%	806,400.00	8,251,400.00	9,057,800.00
04/01/2036			657,500.00	657,500.00	
10/01/2036	7,740,000	4.000%	657,500.00	8,397,500.00	9,055,000.00
04/01/2037			502,700.00	502,700.00	
10/01/2037	8,050,000	4.000%	502,700.00	8,552,700.00	9,055,400.00
04/01/2038			341,700.00	341,700.00	
10/01/2038	8,375,000	4.000%	341,700.00	8,716,700.00	9,058,400.00
04/01/2039			174,200.00	174,200.00	
10/01/2039	8,710,000	4.000%	174,200.00	8,884,200.00	9,058,400.00
	85,000,000		32,031,888.89	117,031,888.89	117,031,888.89

**RESOLUTION NO. 25-\_\_\_\_\_**

**A RESOLUTION APPROVING AN AMENDMENT TO THE CITY OF ST. PETERSBURG'S FISCAL POLICIES (I) TO ALLOW TAX-EXEMPT DEBT TO INCLUDE A LINE OF CREDIT, (II) INCREASING THE PERCENTAGE FOR VARIABLE RATE DEBT TO TEN PERCENT (10%) OF THE CITY'S TOTAL OUTSTANDING DEBT, (III) CHANGING THE ANALYSIS OF EACH OUTSTANDING VARIABLE RATE BOND ISSUE FROM AT LEAST TWICE PER YEAR TO ANNUALLY, AND (IV) PROVIDING THAT VARIABLE DEBT INSTRUMENTS WHICH ARE PART OF A DISASTER RECOVERY PLAN OR FOR INTERIM FINANCING PURPOSES ARE EXCLUDED FROM THE TEN PERCENT (10%) OF THE CITY'S TOTAL OUTSTANDING DEBT LIMIT; REAFFIRMING THE CITY'S FISCAL POLICIES AS AMENDED FOR FISCAL YEAR 2025; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of St. Petersburg has adopted a comprehensive series of fiscal policies that embody recognized sound financial management concepts ("Fiscal Policies"); and

**WHEREAS**, the Fiscal Policies are organized under four subject headings including General Fiscal Policy, Fiscal Policy for Annual Operating Revenue and Expenses, Fiscal Policy on Investments and Fiscal Policy for Capital Expenditure and Debt Financing; and

**WHEREAS**, Administration, after input from the Budget, Finance and Taxation Committee, recommends an amendment to the Fiscal Policies to allow tax-exempt debt to include a line of credit, increasing the percentage for variable rate debt to ten percent (10%) of the City's total outstanding debt, changing the analysis of each outstanding variable rate bond issue from at least twice per year to annually, and providing that variable debt instruments which are part of a disaster recovery plan or for interim financing purposes are excluded from the ten percent (10%) of the City's total outstanding debt limit.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of St. Petersburg, Florida that an amendment to the City of St. Petersburg's Fiscal Policies (i) to allow tax-exempt debt to include a line of credit, (ii) increasing the percentage for variable rate debt to ten percent (10%) of the City's total outstanding debt, (iii) changing the analysis of each outstanding variable rate bond issue from at least twice per year to annually, and (iv) providing that variable debt instruments which are part of a disaster recovery plan or for interim financing purposes are excluded from the ten percent (10%) of the City's total outstanding debt limit is hereby approved.

**BE IT FURTHER RESOLVED** that the Fiscal Policies as amended are reaffirmed for Fiscal Year 2025.

This Resolution shall become effective immediately upon its adoption.

LEGAL:

  
00801040

DEPARTMENT:



BUDGET:



## FISCAL POLICIES

The City of St. Petersburg has adopted a comprehensive series of fiscal policies that embody recognized sound financial management concepts. These policies were originally approved by City Council in July 1980. Subsequently, the 1980 policies were updated and expanded, and codified in the City's Administrative Policies and Procedures. In order to keep these policies up to date, they are reviewed annually as part of the budget process and revised as needed. Previous changes to this policy statement include:

Date Approved by City Council:	Resolution:	Summary:
July 11, 2002	2002-406	Revised the policy to reflect Public Utilities funds pay-as-you-go projects in accordance with the minimum bond covenant requirement.
April 16, 2009	2009-215	Revised the City's detailed Investment Policy.
August 26, 2010	2010-442	Changes to keep compliant with GASB Statement #54.
August 4, 2011	2011-312	Added language regarding subsidized funds and G&A and/or PILOT payments and added language to Short-Term Cash Balances.
June 14, 2012	2012-276	Revised the policy to reflect that ad valorem shall be earmarked to support the Police Department
April 17, 2014	2014-166	Restructure the fund balance target for the General Fund Group of Funds and the core General Fund
September 20, 2018	2018-492	Included modifications to the fund target balances, individual fund guidelines, Penny for Pinellas, Enterprise Capital Improvements, and debt policy sections. It also added new language defining the working capital calculation.
September 17, 2020	2020-375	Included adding a reference to the City's Integrated Sustainability Action Plan (ISAP), updates to fund balance targets for the Internal Service Funds and the Building Permit Special Revenue Fund, including the Revolving Energy Investment Fund in the General Fund Group of funds, and updating the language for the bond funding requirement ratio in the enterprise funds.

Date Approved by City Council:	Resolution:	Summary:
November 5, 2020	2021-450	Provided language for periodic reviews of advances and inter-fund loans to ensure compliance with General Accepted Accounting Principles (GAAP), added new funds to the General Fund Group of Funds, updated the language on the use of the Economic Stability Fund balance and lease purchases or borrowing for assets, and removed references to the Penny for Pinellas Round III.
September 15, 2022	2022-468	Amended the policies to add a new fund to the General Fund Group of Funds, update a fund's name, increased the target fund balance for the General Fund to 10%, and updated the target balance calculation of the General Fund to exclude certain transfers.
September 14, 2023	2023-462	Increased the target fund balance for the General Fund to 12% of the current adopted budget, provided a process for a fund balance target to be established if an enterprise fund is unsubsidized for three years, added a target balance for the Sunken Gardens Operating Fund, and added language relating to the prepayment of annual recommended contributions of city pension funds.
August 30, 2024	2024-396	Increased the target fund balance for the General Fund to 14.67% of the current adopted budget, added a fund balance target for the Technology and Infrastructure Fund, updated the fund balance targets for the Health Insurance, General Liabilities Claims, and Workers' Compensation Funds, and updated language relating to the target for funding utility capital improvements.
		Updated procedures regarding variable debt

It is anticipated that these policies will be amended as part of the City's annual budget process and reconfirmed each year as a part of budget development.

The fiscal policies are organized under four subject headings:

- I. **General Fiscal Policy** presents the overall guidelines for financial and accounting practices, including the basic framework for preparing the City's operating and capital budgets, maintaining accounting records, and funding services on a non-discriminatory basis.
- II. **Fiscal Policy for Annual Operating Revenue and Expenses** outlines the policies for budgeting and accounting for revenue and requirements and provides adequate fund balances in the City's various operating funds. This section includes several references to capital project funding in relation to the amount and type of support to be provided by the operating funds.
- III. **Fiscal Policy on Investments** provides guidelines for investing, operating and capital balances.
- IV. **Fiscal Policy for Capital Expenditures and Debt Financing** directly relates to the resources and requirements of the capital improvement program. Included are overall policies on issuance of debt, as well as guidelines applicable to specific fund types.

The City attempts to adhere to these fiscal policies in the conduct of its operations. However, it must be noted that these policies are guidelines and not statutory limitations. Some of the policies, particularly with regard to recommended fund balances, are designed as goals to be pursued, not necessarily achieved on an annual or ongoing basis. The City reserves the right to deviate from any or all of the fiscal policies if such action is determined by City Council to be in the best interest of St. Petersburg as a whole.

## **I. GENERAL FISCAL POLICY**

### ***A. GENERAL GUIDELINES***

1. The annual operating budget of the City of St. Petersburg, Florida shall balance the public service needs of the community with the fiscal capabilities of the City. It is intended to achieve those goals and objectives established by City Council for the next fiscal year. Service programs will represent a balance of services, but with special emphasis on the City's public safety, environmental health, economic development, employment, physical appearance, living conditions, and affordable housing. Services shall be provided on a most cost-effective basis.
2. The City recognizes that its citizens deserve a commitment from the City to fiscal responsibility, and that a balanced operating budget is the cornerstone of fiscal responsibility. Annual operating expenditures (personal services, contracts, commodities, supplies, capital outlay, outside agency support, and transfers) will be fiscally balanced with revenues or income estimates that can reasonably and normally be projected to be received during the fiscal year. New programs, or changes in policies that would require the expenditure of additional operating funds, will either be funded through reduction in programs of lower priority or through adjustments to rates, service charges or taxes. Requests for new or modified programs or policies will be accompanied by an analysis of the short and long-term impact on the operating budget caused by such changed or new program or policy, with significant changes reported to the appropriate Council committee and/or full Council.
3. New programs, services, or facilities shall be based on general citizen demand, need, or legislated mandate.

4. The City shall prepare and implement a capital improvement program (CIP), consistent with state requirements, which shall schedule the funding and construction of projects for a five-year period, including a one-year CIP budget. The CIP shall balance the needs for improved public facilities and infrastructure, consistent with the City's comprehensive plan, within the fiscal capabilities and limitations of the City.
5. The City shall maintain its accounting records in accordance with Generally Accepted Accounting Principles (GAAP), applied to governmental units as promulgated by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). In addition, federal and state grant accounting standards will be met.
6. Consistent with Council Resolution 2009-247, a financial report shall be distributed to City Council following the close of each fiscal quarter. This report shall include the City's investments, pension funds, debt, revenues, expenditures/expenses, and fund balances, and shall be presented in a form and forum specified by Council.
7. The City shall provide funding for public services on a fair and equitable basis and shall not discriminate in providing such services on the basis of race, color, national origin, religion, sex, sexual preference, marital status, age, or disability.
8. Budgets for all city departments and all other city expenditures/expenses shall be under City Council appropriation control.
9. Transfers between funds will be permitted with City Council approval, which are consistent with city policies, resolutions, ordinances, and external restrictions.
10. Advances and inter-fund loans must be supported by a fiscally sound source of funds available for repayment and must comply with any applicable bond covenants. There will be a review during the annual budget process of all advances and inter-fund loans to determine if changes to the timing of repayment and amounts of such repayments are necessary. Subject to City Council approval and if it is determined that the repayment of any advance or inter-fund loan is no longer viable due to unforeseen circumstances, such advance or interfund loan will be converted to transfers as per governmental accounting standards.
11. Preparation of the City's budget shall be in such format as to allow correlation with the expenditures/expenses reported in the City's Annual Comprehensive Financial Report, with content of said budget to include that required by Section 6.01 of the City Charter and section 13(c), Chapter 15505, Special Laws of the State of Florida, 1931, or as later revised by ordinance of the City Council and now codified in §2-126 St. Petersburg City Code. Detailed estimates per Section 13(c)(1) shall be by object code at the division or program level and summarized by department.
12. An analysis shall be made to determine and project life cycle cost of ownership where appropriate, when it is proposed that the city lease or rent facilities or equipment from an outside source, if such costs will commit the City to \$50,000 or more in any one year.

***B. FISCAL SUSTAINABILITY AND THE CITY'S INTEGRATED SUSTAINABILITY ACTION PLAN***

1. The City's Integrated Sustainability Action Plan (ISAP) was approved by City Council on April 18, 2019, and the goals and actions are incorporated into the City's fiscal policies.

2. The plan includes the following:

#### Sustainability Action Implementation

Early action for equity and racial justice work  
Economic development and workforce development  
Built Environment  
Climate & Energy  
Economy & Jobs  
Education, Arts & Community  
Equity & Empowerment  
Health & Safety  
Natural Systems  
Innovation & Process Improvement  
Community & Business Partnerships

3. The City's fiscal policies and financial planning process are designed to incorporate the ISAP plan with a focus on the City's long-term fiscal sustainability through proper planning, prioritization, and processes.

## **II. FISCAL POLICY FOR ANNUAL OPERATING REVENUES AND EXPENSES**

### ***A. ALL FUNDS***

1. Revenue

- a. Revenue projections will be based on an analysis of historical trends and reasonable assumptions of future conditions using a conservative basis to ensure that estimates are realized.
  - b. The operating budget will be prepared based on 96% of the certified taxable value of the property tax roll.
  - c. The City will not use long-term debt to finance expenditures/expenses required for operations.
  - d. As a general rule, operating budgets will be balanced using current year revenues to finance current year expenditures. Minimum fund balances shall not normally be budgeted as a resource to support routine annual operating expenses. However, balances exceeding the policy targets may be budgeted as a resource to support capital, debt, or extraordinary major maintenance needs on a non-recurring basis, or for specific purposes, as assigned.

2. Expenditures/Expenses

- a. Normal maintenance requirements necessary to sustain the basic asset value will be included in the budget of the proper operating fund.
  - b. Contractual obligations required by labor agreements and compensation plans for employees will be included in the budget or provided through supplemental appropriations, dependent upon available funds.
  - c. Capital funding will be provided for major improvements and automation of services based on multiple-year planning and appropriate cost benefit analysis.

- d. Equipment replacement (capital outlay) not funded by a replacement fund will be included in the operating budget of the department requesting the equipment.

3. Fund Balance

- a. Maintaining an adequate fund balance is essential to the financial health of the City, to maintain high bond ratings and to ensure its ability to serve its citizens, meet emergency needs and unforeseen circumstances. Accordingly, some of the funds will have fund balance reserve targets which are not requirements but are considered to be goals of the City. The General Fund “Group of Funds” fund balance target will be considered appropriate in the amount of 20% of the current year’s operating appropriations for the General Fund “Group of Funds”. The budgetary fund balance of the General Fund, the Economic Stability Fund, Preservation Reserve Fund, Affordable Housing Fund, Community Benefit Agreement Fund, Assessment Revenue Fund, Arts in Public Places Fund, Downtown Open Space Fund, Employment Center - 2 Open Space, Revolving Energy Investment Fund, Technology and Infrastructure Fund, and Treasurer’s Accounts Funds are included within the General Fund “Group of Funds” fund balance for purpose of determining if the target has been achieved.
- b. In compliance with governmental accounting standards the following terminology will be used in reporting the City’s fund balances:

*Nonspendable fund balance* – amounts that are not in a spendable form (such as inventory and prepaids) or are required to be maintained intact (such as the corpus of an endowment fund).

*Restricted fund balance* – amounts constrained to specific purposes by external providers (such as grantors, bondholders, and higher levels of government).

Unrestricted fund balance:

*Committed fund balance* – amounts constrained to specific purposes by City Council resolution or ordinance. To be reported as committed, amounts cannot be used for any other purpose unless the City Council reverses or amends the applicable resolution or ordinance to remove or change the constraint.

*Assigned fund balance* – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or recommended by the mayor/administration. There are two essential differences between committed fund balance and assigned fund balance. First, committed fund balance requires action by the City Council, whereas assigned fund balance allows that authority to be delegated to some other body or official. Second, formal action is necessary to impose, remove, or modify a constraint reflected in committed fund balance, whereas less formality is necessary in the case of assigned fund balance.

*Unassigned fund balance* – The General Fund, as the principal operating fund of the government, often will have net resources in excess of what can properly be classified in one of the four categories already described. If so, that surplus is presented as unassigned fund balance.

Budgetary fund balance – It is essential for the government to maintain an adequate level of working capital in certain operating funds to mitigate current and future risks and to ensure stable services and fees. The City’s budgetary fund balance calculation is based on a working capital outlook to determine current assets or resources less

liabilities that are reasonably expected to be realized in cash or consumed within one year. The City of St. Petersburg's budgetary fund balance includes the certain current balance sheet line items plus outstanding encumbrances (purchase orders) less unrealized gain and loss on investments (asset). Detail on the calculation is included in the *Budgetary Fund Balance Policies and Procedures*.

c. Fund Balance Reserve Target

- i. **The General Fund reserve target is 20% of the current year budgeted appropriations in that fund (excluding any internal transfers to other funds within the General Fund "Group of Funds").** For purposes of determining if the target has been met, the budgetary fund balance of the General Fund "Group of Funds," as defined in the Annual Comprehensive Financial Report, is compared with the annual appropriation. The General Fund "Group of Funds" includes; General Fund (0001), Preservation Reserve (0002), Affordable Housing (0006), Community Benefit Agreement Fund (0007), Economic Stability (0008), Assessment Revenue (1108), Art in Public Places (1901), Downtown Open Space (1902), Employment Center - 2 Open Space (1904), Revolving Energy Investment Fund (5007), Technology and Infrastructure Fund (5019), and Treasurer's Accounts Funds (6701 and 6801), as well as any additional funds that would be included in the future General Fund for financial reporting purposes per GASB Statement No. 54. There is further established a target of 14.67% of the current year adopted General Fund appropriations which is to remain in the core General Fund budgetary fund balance. Transfers to the General Capital Improvement Fund will be excluded from the target balance calculation. Only amounts over the 14.67% budgetary fund balance may be assigned or committed. There is also established a target for the Technology and Infrastructure Fund (5019) specific to the portion of fund balance associated with PC/laptop/tablet replacement contributions from departments.
- ii. **Other governmental funds of the City do not have specified fund balance targets.** Recommended levels of committed and/or assigned fund balance will be determined on a case by case basis, based on the needs of each fund and as recommended by city officials and approved by City Council.
- iii. **Fiduciary funds do not have fund balance targets.** These funds do not represent resources available to support city activities and it would be inappropriate to establish fund balance targets.
- iv. **Proprietary funds, which include both enterprise funds and internal service funds, have fund balance targets as shown in the list on the following page.** Proprietary funds do not report fund balance amounts. However, for the purpose of setting targets, estimated fund balance amounts will be determined based on a budgetary fund balance calculation performed by the Finance Department and the calculated amounts will be compared with the established targets.

In most cases the specific targets for proprietary funds are a percentage of the annual, appropriated budget for that fund, excluding any transfer to related capital improvement funds or related replacement funds. Percentage targets can also be described in terms of a number of months of operating costs. For example, a fund balance reserve target equal to 8.3% is the same as a reserve target equal to one

month of operating expenditures; 16.7% equals two months expenditures and 25% equals three months.

A few proprietary funds have targets that are not based on annual operating costs. In those cases, there will be a notation as to what the target is based on. An example is the Equipment Replacement Fund which has a target equal to 20% of the replacement cost of the equipment in the fund. The reason for the different approach is because this fund accounts for equipment that needs to be protected from loss due to natural disaster. Additionally, the fund balance target of three insurance funds, General Liability Claims, Workers' Compensation and Health Insurance Funds, is set annually as the result of an actuarial study that looks at both short-term and long-term funding requirements. The Health Insurance Fund target will take into consideration the Florida Statutory requirement of 16.67% of the annual appropriation but is more conservative at 25% (or 90 days).

Some of the enterprise funds receive an annual subsidy from the General Fund. In those cases, there is no established fund balance target for the subsidized fund. If the fund becomes self-supporting, and remains unsubsidized for three years, a fund balance target will be established.

*Unless otherwise noted, the following targets are a percentage of the annual, appropriated budget.*

#### Enterprise Funds

\*^Water Resources – 25% (8.3% in operating fund, 16.7% in water cost stabilization fund)

Water Resources Equipment Replacement Fund – 20% of equipment replacement cost

\*^Stormwater Utility Fund – 16.7%

Stormwater Equipment Replacement Fund – 20% of the equipment replacement cost

^Sanitation Operating Fund – 16.7%

Sanitation Equipment Replacement Fund – 20% of equipment replacement cost

Airport – no target

\*Marina – 8.3%

\*Golf Courses – 8.3%

Jamestown – no target

Port – no target

Parking Fund – no target<sup>1</sup>

Mahaffey Theater Fund – no target<sup>1</sup>

Pier Fund – no target<sup>1</sup>

Coliseum Fund – no target<sup>1</sup>

Sunken Gardens Fund – 8.3%<sup>1</sup>

Tropicana Field Fund – no target<sup>1</sup>

<sup>1</sup>*These funds were reclassified from special revenue funds to enterprise funds, effective with the fiscal year 2010 financial statements and the fiscal year 2011 budget.*

\* Transfers to capital improvement fund excluded from target balance calculation.

^Transfers to equipment replacement fund excluded from target balance calculation.

## Internal Service Funds

Fleet Management Fund – 8.3%  
Equipment Replacement Fund – 20% of equipment replacement cost  
Municipal Office Buildings Fund – 8.3%  
Department of Technology Services – 8.3%  
Supply Management Fund – 8.3%  
Health Insurance Fund – 25%  
Life Insurance Fund – 8.3%  
General Liability Claims Fund – Set by the 75% confidence level of the annual actuarial study taking into consideration the annual appropriation amount of the fund.  
Commercial Insurance Fund – 50%  
Workers' Compensation Fund – Set by the 75% confidence level of the annual actuarial study taking into consideration the annual appropriation amount of the fund.  
Billing and Collections Fund – 8.3%

## d. Stabilization Funds

Stabilization funds are a type of reserve fund maintained to offset economic downturns, natural disasters, and other unforeseen events. Governmental stabilization funds will be reported in the Annual Comprehensive Financial Report (ACFR) as committed fund balances in the appropriate fund and the level of funding will be reviewed annually by City Council. Additions to or reductions from a stabilization fund will be approved by City Council as part of the budget process or the supplemental appropriation process. Establishing the proper balances in stabilization funds will take into account risk exposure related to self-insurance and property insurance deductibles in the event of major storm damage to city assets. Transfers from stabilization funds will not be allowed if they would cause the fund to be in a deficit position. The City maintains two stabilization arrangements, the "Economic Stability Fund" and the "Water Cost Stabilization Fund".

Permitted uses of this fund have been established by City Council with Resolution 2003-480 as amended by a new resolution adopted by City Council on August 26, 2010, by Resolution 2010-442. A portion of the balance in the Water Cost Stabilization Fund is pledged to meet two months (16.7%) of the three month (25%) fund balance reserve target established for the Water Resources Operating Fund. Permitted uses of this fund have been established by Resolution 91-549 for Revenue Bond Series 1999 as amended by Resolution 2008-257.

## e. Economic Stability Fund

Balances in the Economic Stability Fund represent committed fund balances which are available for expenditure only with the approval of City Council and under the following conditions:

- i. The Economic Stability Fund may be used in the event of an estimated budget shortfall amounting to more than 2% of the most recent adopted budget. Only the amount of the shortage above 2% may be taken from the Economic Stability Fund, while other budget balancing measures will be employed to offset budget shortfalls up to and including 2%. If the 2% threshold has been met, the appropriate amount of resources to utilize from the Economic Stability Fund may take into account the economic climate, including the local unemployment rate, inflation rate, rate of

personal income growth, assessed property values, and other factors as determined to be appropriate.

- ii. The Economic Stability Fund may be used in the event of damage to city property or loss of city assets due to disasters such as hurricane, tornado, flood, wind, terrorism, public health emergency, or other catastrophic events when such an event results in a declaration of a state of emergency. Other funds of the City, such as the Equipment Replacement Funds, the Self Insurance Fund and the Technology/Infrastructure Fund will be used first, as appropriate to the circumstances, before relying on the Economic Stability Fund.
- iii. The Economic Stability Fund may be used to provide short-term (one year or less) advances, or long-term loans exceeding one-year in length, to other funds of the City for shortfalls due to economic impacts or for other purposes, as recommended by the mayor and approved by City Council. A plan for repayment of the funds will be established before any such advance or loan is made.
- iv. When economic stability funds are used for any purpose, the fund will be replenished in an amount to meet the fund balance target, either from the fund for which the resources were required or from another fund of the City, within the time frame recommended by the Mayor or City Administrator and approved by City Council.

f. Water Cost Stabilization Fund

Balances in the Water Cost Stabilization Fund represent committed fund balances which are available for expenditure only with the approval of City Council and under the conditions specified in Resolution 91-549 for Revenue Bond Series 1999 as amended by Resolution 2008-257 for the Water Cost Stabilization Fund.

g. Other General Policies

- i. The balances of each fund will be maintained by using a conservative approach in estimating revenues and expenditures/expenses, based on historical and/or projected costs.
- ii. Funds which exceed their established fund balance target by 10% or more for two consecutive years will be reviewed and, if appropriate and permitted by law, the amount over target will be transferred to the General Fund, or other fund of the City, with approval of City Council.
- iii. Funds which fall below their established fund balance target by 10% or more for two consecutive years will be reviewed by administration. If it is determined that the fund balance target level is still appropriate, a corrective action plan to restore the fund to the appropriate level will be submitted to City Council for their approval.
- iv. All fund balance targets will be reviewed annually, as part of the budget process, to determine if adjustments need to be made.

## ***B. SPECIFIC GUIDELINES FOR INDIVIDUAL FUNDS***

1. General Fund:
  - a. The General Fund is the principal operating fund of the City and will account for activities that are not reported in another type of fund.
  - b. It is the objective of the City to pay operating expenses of the General Fund from sources other than ad valorem taxes. Only when non-ad valorem tax sources of revenue are inadequate to support services at desired levels should ad valorem taxes be considered for assessment. Ad valorem taxes shall be allocated to cover the cost of providing public safety to the City. These revenues will first be used to fund the Police Department's annual budget with the excess (to the extent there is an excess) applied toward Fire Rescue Department's annual budget.
  - c. Service charges and fees for all General Fund services will be analyzed to ensure an appropriate proportional recovery of direct costs and overhead.
  - d. Available funds accruing in an Enterprise Fund which are not needed for working balance or future planned improvements may, at City Council's discretion, be transferred to the General Fund as an annual, budgeted return on investment or equity, except where prohibited by bond covenants or other legal requirements. This will be encouraged wherever feasible.
  - e. There may be circumstances where the City may use available resources in the General Fund in excess of the stated targets for a fiscal year to prepay future required actuarially determined City contributions to the pension plans. Such a circumstance would be advantageous when there is a decrease in market value compared to expected return, salary increases and cost of living adjustments higher than expected from the prior year plan, and updated assumptions were drivers to this increase. The strategic use of available resources in the General Fund in excess of the stated targets in a fiscal year will reduce the estimated appropriation needed in the future fiscal year.
2. Special Revenue Funds:
  - a. Special revenue funds will be used to account for and report the proceeds of specific sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects.
  - b. The Emergency Medical Services Fund will be budgeted to be fully supported by revenue from Pinellas County.
  - c. The Building Permit Special Revenue Fund will have as a target balance the average of the operating budget for the previous four fiscal years in accordance with F.S. 553.80 (which includes the changes set forth in 2019-75 Laws of Florida).
3. Capital Projects Funds:
  - a. Are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition of construction of capital facilities and other capital assets.
  - b. Exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

4. Debt Service Funds:

- a. Are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
- b. Should be used to report resources if legally mandated.
- c. Are financial resources that are being accumulated for principal and interest maturing in future years should also be reported in debt service funds.

5. Permanent Funds:

- a. Are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.
- b. Do not include private purpose trust funds which are used to account for and report situations where the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

6. Enterprise Funds:

- a. Enterprise funds will be used to account for those activities where the costs are expected to be funded substantially by external (non-city department) user fees and charges.
- b. Enterprise funds will pay the General Fund their proportionate share of the cost of general administrative departments and a payment-in-lieu-of-taxes, which will be computed in a fashion that will relate the tax to a comparable commercial use, as limited by outstanding bond resolutions. (Public Utilities bond restrictions limit payments- in-lieu-of-taxes to fifteen percent (15%) of gross revenues).

Water Resources (water, reclaimed water, and sewer), Stormwater, Sanitation, Golf Course, Airport, and Marina, are able to produce sufficient revenue from their service charges to fully recover all direct operating costs and overhead, plus provide for debt service and major capital outlay. Initial startup of operations or specific circumstances may require an individual enterprise to be subsidized for a limited period of time; however, it is fully expected that these operations will be totally self-supporting over time and will repay any subsidy to the General Fund, as revenues permit.

- i. Service charges, rent and fee structures will be established so as to ensure recovery of all costs.
- ii. The requirements of the enterprise operating funds will include all expenses of the operations (salaries, benefits, services, commodities, and capital outlay), including allocation of general and administrative costs and payment-in-lieu-of-taxes, as well as any transfers to capital project funds, debt service funds or return on investment/equity.
- iii. A review of cost of service and rate structures for Water Resources (water, sewer, and reclaimed water), Stormwater and Sanitation charges will be performed on an annual basis. The recommended budget will set forth the cost requirements to be recovered by the service charges that will be based on the cost of services provided. The impact of such cost of services on rate schedules charged for such services shall be presented to City Council in a timely manner to allow review and analysis prior to Council approval.

- iv. Any return on equity for these operations shall be computed using a methodology similar to that used by the Florida Public Service Commission.
- v. The Airport, Port, Golf Course, and Marina fee structures will be reviewed on an annual basis and will relate to competitive rates in other local private and public operations, and to the City's operating and capital plan requirements.
- vi. As provided for in section 3, it shall be the goal of the Golf Course and Marina Enterprises to return to the General Fund an annual return on investment (ROI). This return on investment may vary in amount from year to year to assure that the necessary capital improvements are made to maintain high quality golf course and marina facilities, with needed improvements taking priority over the return on investment.
- vii. The Jamestown fee structure will be reviewed on an annual basis and will relate to competitive rates in similar facilities, the anticipated level of federal assistance to tenants, and to the City's operating and capital plan requirements.
- viii. The Parking Fund shall be used to account for operating revenue and expenditures, and capital outlay and debt service transfer requirements, associated with city parking assets. Any funds not required for these purposes may be transferred to the General Fund.
- ix. The Mahaffey Theater, Pier, Sunken Gardens, Tropicana Field, Coliseum, Port, and Jamestown Funds will be used to account for operating revenues, expenditures, and capital outlay associated with operating these facilities. The income generated by these facilities may not cover their costs and the shortfalls will require transfers from the General Operating Fund.

7. Internal Service Funds

- a. Internal service funds will be used to account for the cost of providing specific goods or services to city departments where those services can reasonably be apportioned to the users on a cost-reimbursement basis.
- b. Charges to departments for internal services rendered will be sufficient to cover the total cost of performing services on an efficient basis. Rates or rate schedules for such charges shall be presented to City Council prior to planned date of implementation and shall be accompanied by an analysis and justification.
- c. Included in the cost of furnishing services will be the replacement of equipment considering inflationary cost factors.

8. Funds which are subsidized by the General Fund may be excused from paying general and administrative charges (G&A) and/or payment in lieu of taxes (PILOT), at the discretion of management, until the time that such funds would become self-supporting.

### **III. FISCAL POLICY ON INVESTMENTS**

#### ***A. GENERAL GUIDELINES***

The deposit and investment of all city monies is governed to the extent permitted by Section 2-102 and 2-104 of the City Code, and in accordance with the Restated City of St. Petersburg Investment Policy for Municipal Funds and the Alternate Investment Policy (Preservation

Reserve Fund, Weeki Wachee Fund, Environmental Preservation Fund, Water Cost Stabilization Fund). The policies were prepared in accordance with Chapter 218.415, Florida Statutes, which governs the City's investment activities. The policies are included as part of the overall City's Fiscal Policies.

## **IV. FISCAL POLICY FOR CAPITAL EXPENDITURES AND DEBT FINANCING**

### ***A. ALL FUNDS***

1. Revenue
  - a. Revenue projections for the one-year capital improvement program budget and five-year Capital Improvement Program Plan shall be based on conservative assumptions of dedicated fees and taxes, future earnings, and bond market conditions.
2. Requirements
  - a. Capital projects shall be justified in relation to the applicable elements of the City's Comprehensive Plan.
  - b. Estimated requirements for capital projects shall include all costs reasonably associated with the completion of the project and shall take into consideration both life cycle costs as well as the initial cost where appropriate.
  - c. The impact of each project on the operating revenues and requirements of the City shall be analyzed as required by the General Fiscal Policy stated above.
  - d. Consistent with IRS regulations, timeframes for debt repayment will not exceed the average life of improvements.
3. Long Term Debt: Annual debt service payments will be level over the life of a bond issue, unless fiscal or other constraints dictate an alternative approach. A policy of full disclosure will be followed in all financial reports and official statements for debt.
4. Medium Term Debt: Lease-purchase methods, bonds or other debt instruments may be used as a medium-term (4 to 10 years) method of borrowing for the financing of vehicles, other specialized types of equipment, or other capital improvements. The equipment or improvement must have an expected life of more than four years. The City will determine and utilize the least costly financing methods available. Such debt arrangements will be repaid within the expected life of the equipment or improvement acquired.
5. Short Term Debt: Short-term borrowing may be utilized for temporary funding of anticipated tax revenues, anticipated grant payments, anticipated bond proceeds, or other expected revenues. Anticipated funding is defined as an assured source with the anticipated amount based on conservative estimates. Such borrowing may utilize a short-term note maturing before the end of the current appropriation period. Other short-term debt, such as tax-exempt commercial paper, bond anticipation notes, tax anticipation notes, or grant anticipation notes, may be used when it provides immediate financing and an interest advantage, or delays long-term debt until market conditions are more favorable. The City will determine and utilize the least costly method for short-term borrowing. Short-term debt may be refunded in accordance with applicable federal laws.

## ***B. SPECIFIC GUIDELINES***

1. General Capital Improvements: General capital improvements, or those improvements not related to municipally owned enterprises, shall be funded from Governmental Fund revenues or fund balances, the sale of revenue bonds or general obligation bonds, and from special revenues, assessments, and grants.
  - a. Pay-As-You-Go Capital Improvements: Pay-as-you-go capital improvements shall be funded from Governmental Fund revenues or fund balances, state and federal grants, special assessments, or other sources of revenue which may become available to the City. In the case of special assessments, abutting property owners shall pay for local neighborhood improvements, unless exempted by City Council. Major capital projects related to the delivery of general public services shall be paid from general purpose revenues.

The one-cent infrastructure sales surtax, approved by referendum in November 1989 and approved for second and third ten-year periods in March 1997 and March 2007, shall be used on a pay-as-you-go basis. The City will strive to allocate the sales surtax funds in approximately the same proportions as presented in the 1989, 1997, and 2007 referendum materials.

On November 7, 2017, the voters of Pinellas County reauthorized the Penny for Pinellas for a fourth ten-year period covering the years 2020 – 2030. Prior to the election, City Council debated and approved an updated allocation of future Penny for Pinellas resources. This updated allocation reflects the changing infrastructure needs from past rounds of Penny for Pinellas. The primary focus is on the core infrastructure of the City to include improvements to underground wastewater pipes, bridges, street and roads as well as sidewalks and seawalls. During the fourth round (2020 – 2030) the allocation of local option state sales surtax dollars will be made in the following general proportions:

Public Safety Improvements:	4.36 – 6.52%
Citywide Infrastructure Improvements:	73.77 – 84%
Recreation & Culture:	9.82 – 17.67%
City Facility Improvements:	1.25 – 2.61%

It is recognized that the allocation of funds in any given year of the program may vary significantly from these parameters due to prioritization and scheduling of projects, and that an amendment of these percentages may be needed to address any of the following factors, alone or in combination: changes or clarifications to applicable law, changing needs or priorities of the community, fluctuations in the actual amount of proceeds from the Penny Program, or availability of other sources of infrastructure funding.

- b. Special Assessments: When special assessments are used for general capital improvements, demolitions, lot clearing, or reclaimed water system extensions, the interest rate charged will be established by City Council consistent with state law.

- c. Revenue Bond Debt Limit: Sale of revenue bonds shall be limited to that amount which can be supported from non-ad valorem revenues, including covenant revenue debt. The total net annual governmental revenue bond debt service shall not exceed 25% of the total governmental purpose revenue and other funds available for such debt service, less all ad valorem tax revenues. Net annual debt service shall be gross annual debt service less estimated interest on debt service reserve accounts and funds from other governmental units designated for payment of such debt service.
- d. Private Activity Revenue Bonds: Private activity revenue bonds will be limited to the issuing authority of the St. Petersburg Health Facilities Authority. The St. Petersburg Health Facilities Authority will review all bond applications and submit a recommendation to the City Council. The City and its Health Facility Authority will not be obligated either directly or indirectly for any debt service requirements.

2. Enterprise Capital Improvements:

- a. Pay-as-you-go Improvements: Enterprise funds should support needed capital improvements on a pay-as-you-go basis to the greatest extent possible, except where analysis shows that it is in the City's best interest to issue debt for such improvements. Water Resources funds pay-as-you-go projects in accordance with the minimum bond covenant requirement and current fiscal policies. As initiated in its FY18 Utility Rate Study, the City's Public Utility shall set a target for funding utility capital improvements of 50% cash and other resources and 50% bond funding. This target has been met.
- b. Revenue Bond Debt Limit: Enterprise revenue bonds shall be used to finance revenue-producing capital facilities of the enterprise fund. Bond coverage will be provided from the enterprise revenue sources and may include General Fund revenue support. The City's Public Utilities revenue debt contains a minimum coverage requirement of 1.15 of net revenues (as defined in the bond documents), and the City uses a target of 2.0 net revenue coverage as a goal in its rate studies.
- c. State Revolving Loan Fund: The Water Resources Fund has available a state-funded, below-market interest rate loan pool. This pool may be used whenever its use is feasible and in the best interest of the City.

3. Debt Issuance:

- a. The sale of debt shall be on a competitive basis if prudent. General and Non-general obligation debt financings may be sold on a negotiated basis if it is found that the sale by negotiation provides significant cost or other advantages.
- b. Agreements with commercial banks or other financial entities may be entered into for purposes of acquiring lines of credit that will provide access to credit under terms and conditions judged prudent and advantageous.
- c. Tax or Revenue Anticipation Notes will not be issued to fund operations. Cash will be managed in a fashion that will lessen the need for borrowing to meet working capital needs.
- d. When financing a project, Bond Anticipation Notes may be issued if such notes will result in a financial benefit. Revenue bonds will be used whenever possible to finance public improvements which can be shown to be self-supported by dedicated revenue sources and needed for the infrastructure and economic development.

- e. Tax-exempt debt, including but not limited to commercial paper, lines of credit or variable rate demand notes may be issued when their use is judged prudent and advantageous. Careful consideration shall be used for any variable rate debt financing and would only be utilized when an independent financial advisor makes the recommendation in writing.
  - i. Economic and cash flow projections for variable rate issues shall be calculated at the then applicable fixed rate.
  - ii. Total variable rate debt shall be limited to 10 5% percent of total debt outstanding.
  - iii. At least twice per year, Annually, an analysis of each outstanding variable rate bond issue shall be undertaken to determine the advisability of converting the issue to fixed-rate debt.
  - iv. Variable rate bonds shall be structured to protect against loss.
  - v. As part of a disaster recovery plan or for interim financing purposes, the City may consider variable rate debt instruments (with such debt excluded from the 10 percent of total debt outstanding limit above). Such decision to use variable rate debt for these purposes should take into account short term cash flows needs, timing of FEMA/insurance reimbursements and the ability to meet IRS spenddown requirements.
  - vi. The City should avoid any complex financing instruments involving variable debt
- f. Lease purchase or borrowing of funds to acquire assets will be considered appropriate only if it involves a major conversion from which the cost saving benefits will accrue in future years during the useful life of assets acquired by such methods. The lease approval checklist is available from the Finance Department and the department requesting a lease purchase or the borrowing of funds to acquire assets is required to complete such checklist. The Chief Financial Officer or her designee will review the completed checklist to determine if the lease agreement, as a debt instrument, or the borrowing of funds to acquire assets is prudent and advantageous for the City. Written approval from the Chief Financial Officer or her designee (along with all other required approvals) must be obtained before the City can execute (i) a lease agreement, as a debt instrument, in which the City is the lessee or (ii) loan document to borrow funds in order to acquire assets.

4. Debt Compliance:

- a. Any debt issued by the City through this policy is also subject to the City's Post-Issuance Compliance Policy for Tax-Exempt Bonds which addresses tax reporting and other tax compliance matters relating to City issued debt instruments, as well as the Policies and Procedures Relating to Primary and Continuing Disclosure Obligations Incurred in Connection with the Issuance of Public Debt.
- b. The Chief Financial Officer shall monitor debt compliance related matters on an annual basis as part of the City's overall financial audit and prepare a separate Debt Supplement Report that includes all debt obligations and any required disclosures.

RESOLUTION NO. 2025-\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG, FLORIDA AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$85,000,000 NON-AD VALOREM REVENUE NOTE, SERIES 2025 TO FINANCE AND/OR REIMBURSE THE COSTS OF CAPITAL REPAIRS AND/OR DEBRIS REMOVAL FROM RECENT HURRICANE DAMAGE WITHIN THE CITY AND TO PAY ASSOCIATED TRANSACTIONAL COSTS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A NON-REVOLVING CREDIT AGREEMENT WITH BANK OF AMERICA, N.A.; APPOINTING THE REGISTRAR FOR THE NOTE; AUTHORIZING CERTAIN OFFICIALS OF THE CITY TO EXECUTE ANY DOCUMENT OR TO TAKE ANY ACTION REQUIRED IN CONNECTION WITH THE ISSUANCE OF THE NOTE; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG, FLORIDA:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the City of St. Petersburg, Florida (the "Issuer") and other applicable provisions of law (collectively, the "Act").

SECTION 2. DEFINITIONS. All capitalized undefined terms shall have the same meanings as set forth in this Resolution, as hereinafter defined. In addition, the following terms, unless the context otherwise requires, shall have the meanings specified in this Section. Words importing the singular number shall include the plural number in each case and vice versa.

*"Chief Financial Officer"* shall mean the Chief Financial Officer of the Issuer, or her designee.

*"City Administrator"* shall mean the City Administrator of the Issuer, or his designee.

*"City Attorney"* shall mean the City Attorney or any Assistant City Attorney of the Issuer.

*"City Clerk"* shall mean the City Clerk or any assistant or deputy City Clerk of the Issuer.

*"City Council"* shall mean the City Council of the Issuer.

*"Code"* shall mean the Internal Revenue Code of 1986, as amended, and any Treasury Regulations, whether temporary, proposed or final, promulgated thereunder or applicable thereto.

*"Credit Agreement"* shall mean the Non-Revolving Credit Agreement authorized pursuant to Section 6 hereof, in substantially the form attached hereto as Exhibit A.

*"Debt Service Fund"* shall mean the Debt Service Fund established in the Credit Agreement with respect to the Note.

*"Fiscal Year"* shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

*"Lender"* shall mean Bank of America, N.A., together with its successors and assigns.

*"Mayor"* shall mean the Mayor of the Issuer, or his designee. The Mayor is authorized, but is not bound, to designate the City Administrator and/or the Chief Financial Officer to execute certificates, agreements and all other documents in connection with the issuance of the Note.

*"Non-Ad Valorem Revenues"* shall mean all legally available revenues of the Issuer other than ad valorem tax revenues.

*"Note"* shall mean the Issuer's Non-Ad Valorem Revenue Note, Series 2025 authorized by Section 4 hereof.

*"Note Counsel"* shall mean Bryant Miller Olive P.A., or other nationally recognized bond counsel firm.

*"Noteholder"* shall mean the Person or Persons who is the registered owner (or their authorized representatives) of the Note and whose name or names shall be registered on the books of the Issuer kept for that purpose in accordance with provisions of this Resolution. The Lender shall be the initial Noteholder.

*"Person"* shall mean natural persons, firms, trusts, estates, associations, corporations, joint ventures, partnerships and public bodies.

*"Pledged Revenues"* shall mean the Non-Ad Valorem Revenues budgeted, appropriated and deposited in the Debt Service Fund and any proceeds of the Note on deposit in the Project Fund as provided herein, together with investment income on deposit in such respective Funds.

*"Project"* shall mean the acquisition, design, construction, reconstruction, and equipping of capital repairs and/or debris removal within the City from recent hurricane damage.

*"Project Fund"* shall mean the Project Fund established in the Credit Agreement with respect to the Note.

*"Resolution"* shall mean this Resolution, pursuant to which the Note is authorized to be issued.

*"State"* shall mean the State of Florida.

### SECTION 3. FINDINGS.

(A) The Issuer finds, determines and declares that it is beneficial for the continued preservation of the welfare and convenience of the Issuer and its citizens to finance and/or reimburse the costs of the Project, and the Project satisfies a municipal purpose or a paramount public purpose, as applicable.

(B) The Issuer is authorized pursuant to the Act generally, and pursuant to Section 166.111, Florida Statutes in particular, to issue bonds to finance the undertaking of any capital or other project. The City Council finds and determines that Project is the undertaking of a "capital project" or "other project," as contemplated by the Act.

(C) Debt service on the Note will be secured by a covenant to budget, appropriate and deposit Non-Ad Valorem Revenues as provided herein. The Pledged Revenues are expected to be sufficient to pay the principal and interest on the Note herein authorized, as the same become due, and to make all deposits required by this Resolution. The Note is expected to serve, at least in part, as interim financing until such time the City receives reimbursement from insurance proceeds and/or grants from federal or state government agencies such as the Federal Emergency Management Agency.

(D) The Issuer shall never be required to levy ad valorem taxes or use the proceeds thereof to pay debt service on the Note or to make any other payments to be made hereunder or to maintain or continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. The Note shall not constitute a lien on any property owned by or situated within the city limits of the Issuer other than the Pledged Revenues.

(E) It is estimated that the Non-Ad Valorem Revenues will be available after satisfying funding requirements for obligations having an express lien on or pledge thereof and after satisfying funding requirements for essential governmental services of the Issuer, in amounts sufficient to provide for the payment of the principal of and interest on the Note and all other payment obligations hereunder.

(F) The Issuer, after soliciting proposals in from several financial institutions, has selected the Lender to purchase the Note.

**SECTION 4. AUTHORIZATION OF NOTE AND PROJECT.** Subject and pursuant to the provisions of this Resolution, an obligation of the Issuer to be known as the "City of St. Petersburg, Florida Non-Ad Valorem Revenue Note, Series 2025" is hereby authorized to be issued under and secured by the Credit Agreement in the principal amount not to exceed \$85,000,000 for the purpose of financing and/or reimbursing the costs of the Project, and paying the costs of issuing the Note. The use of the proceeds of the Note as heretofore described is authorized. The Project is also hereby authorized.

Because of the characteristics of the Note, prevailing market conditions, and additional savings to be realized from an expeditious sale of the Note, it is in the best interest of the Issuer to accept the offer of the Lender to purchase the Note at a private negotiated sale, which was based upon a competitive selection process. Prior to the issuance of the Note, the Issuer shall receive from the Lender a Lender's Certificate, in substantially the form attached hereto as Exhibit B and a Disclosure Letter containing the information required by Section 218.385, Florida Statutes, in substantially the form attached hereto as Exhibit C.

#### **SECTION 5. DESCRIPTION OF THE NOTE.**

A. The Note shall be dated such date as provided in the Note, and in substantially the form attached as an exhibit to the Credit Agreement. The Note shall have such principal payments on such dates, shall bear interest at a variable interest rate from such date, calculated and payable on such dates as set forth in the Note, and shall mature, all as set forth in the Note. The approval of such terms by the Mayor shall be conclusively evidenced by the execution of the Note. The interest rate on the Note shall not under any circumstances exceed the maximum rate permitted by law.

B. The Note may be subject to such optional prepayment provisions as provided in the Note and approved by the Mayor, the approval by the Mayor to be conclusively evidenced by the execution of the Credit Agreement.

C. The text of the Note and the form of assignment for such Note and Certificate of Authentication shall be substantially in the form set forth in the Note, with appropriate modifications to reflect other details of the Note, and with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this Resolution or the Credit Agreement, or by any subsequent resolution adopted prior to the issuance thereof, or as may be approved and made by the officers of the Issuer executing the same, such execution to be conclusive evidence of such approval.

**SECTION 6. APPROVAL OF THE CREDIT AGREEMENT; APPOINTMENT OF REGISTRAR WITH RESPECT TO THE NOTE.** The Credit Agreement, in substantially the form attached hereto as Exhibit A, is hereby approved by the Issuer (such approval indicating the recognition of the Issuer that the conditions precedent in the Credit Agreement have been met or will be met prior to the delivery of the Note). Upon satisfaction of the conditions contained in this Resolution, the Credit Agreement shall be executed in the name of the Issuer by the Mayor and attested by the City Clerk, the official seal of the Issuer to be imprinted thereon, and shall be approved as to form and correctness by the City Attorney, with such additional non-substantive changes and insertions therein as are subsequently approved by the City Attorney, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

**SECTION 7. EXECUTION AND DELIVERY OF NOTE.** The Note shall be executed in the name of the Issuer by its Mayor and attested by its City Clerk, subject to the approval of the City Attorney as to form and correctness, and the official seal of the Issuer or a facsimile thereof shall be affixed thereto or reproduced thereon. In case any one or more of the officers of the Issuer who shall have signed or sealed the Note shall cease to be such officer or officers of the Issuer before the Note so signed and sealed shall have been actually sold and delivered, such Note may nevertheless be sold and delivered as if the persons who signed or sealed such Note had not ceased to hold such offices. The Note may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Note shall hold the proper office, although at the date of such execution of the Note such person may not have held such office or may not have been so authorized.

**SECTION 8. NOTICE OF INTENT.** The Issuer hereby expresses its intention to be reimbursed from proceeds of Note for capital expenditures and extraordinary working capital to be paid by the Issuer in connection with the incurrence of debt for the purpose of financing and/or reimbursing the Project. Pending reimbursement, the Issuer expects to use legally available funds to pay such costs associated with the incurrence of Note. It is reasonably expected that the total amount of debt to be incurred by the Issuer with respect to the Project will not exceed \$85,000,000. This Resolution is intended to constitute a "declaration of official intent" within the meaning of Section 1.150-2 of the Income Tax Regulations which were promulgated pursuant to the Code, with respect to the Note to finance and/or reimburse the Project.

**SECTION 9. LIMITATION OF RIGHTS.** With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from the Credit

Agreement or the Note is intended or shall be construed to give to any Person other than the Issuer and the Noteholder any legal or equitable right, remedy or claim under or with respect to the Credit Agreement or any covenants, conditions and provisions therein contained. The Credit Agreement and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Noteholder.

**SECTION 10. NO ADVISORY OR FIDUCIARY RELATIONSHIP.** In connection with all aspects of the transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other documents related hereto), the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Resolution and the Credit Agreement is an arm's length, commercial transaction between the Issuer and the Lender in which the Lender is acting solely as a principal and for its own interest; (ii) the Lender is not acting as a municipal advisor or financial advisor to the Issuer; (iii) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Issuer on other matters); (iv) the only obligations the Lender has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Resolution and the Credit Agreement; and (v) the Lender is not recommending that the Issuer take an action with respect to the transaction contemplated by this Resolution and the Credit Agreement, and before taking any action with respect to the contemplated transaction, Issuer should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to Issuer, Issuer is free to engage a municipal advisor to serve in that capacity. The transaction contemplated herein and the Note that is delivered, pursuant to and in reliance upon the bank exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transaction contemplated hereunder.

**SECTION 11. SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed severable from the remaining covenants, agreements or provisions of this Resolution and shall in no way affect the validity of any of the other provisions hereof or of the Note.

**SECTION 12. RULES OF INTERPRETATION.** Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

**SECTION 13. CAPTIONS.** The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

**SECTION 14. EXEMPTION FROM LIABILITY.** No covenant, stipulation, obligation or agreement contained in this Resolution shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the City Council, the Mayor, the City Clerk, the Chief Financial Officer, the City Attorney and any other employee of the Issuer in his or her individual capacity, and neither the members of the City Council nor the Mayor, the City Clerk, the Chief Financial Officer, the City Attorney nor employee of the Issuer executing the Note shall be liable personally on the Note or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution of the Note or this Resolution.

**SECTION 15. GENERAL AUTHORITY.** The members of the City Council, the Mayor, the City Administrator, the Chief Financial Officer, the City Attorney, the City Clerk and any other employees of the Issuer are hereby authorized to perform 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 of the terms, covenants and agreements contained in the Note, the Credit Agreement and this Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Note Counsel or the Lender to effectuate the sale of the Note. All action taken to date by the members of the City Council, the Mayor, the City Administrator, the Chief Financial Officer, the City Attorney, the City Clerk and any other employees of the Issuer in furtherance of the execution and delivery of the Credit Agreement and the issuance of the Note is hereby approved, confirmed and ratified.

**SECTION 16. SUPERSEDING OF INCONSISTENT RESOLUTIONS.** This Resolution supersedes all prior action of City Council inconsistent herewith. All resolutions or parts thereof in conflict herewith are hereby superseded to the extent of such conflict.

[Remainder of page intentionally left blank]

SECTION 17. EFFECTIVE DATE. This Resolution shall become effective immediately upon its adoption.

LEGAL:



DEPARTMENT:



**EXHIBIT A**

**FORM OF NON-REVOLVING CREDIT AGREEMENT**

**NON-REVOLVING CREDIT AGREEMENT**

**between**

**CITY OF ST. PETERSBURG, FLORIDA**

**and**

**BANK OF AMERICA, N.A.**

**Dated April 17, 2025**

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## **NON-REVOLVING CREDIT AGREEMENT**

This NON-REVOLVING CREDIT AGREEMENT made and entered as of April 17, 2025, by and between CITY OF ST. PETERSBURG, FLORIDA (the "City") and BANK OF AMERICA, N.A. (the "Bank").

### **WITNESSETH**

**WHEREAS**, the City, after soliciting proposals from several commercial banks to provide interim financing for the costs of the Project (as hereinafter defined) and receiving multiple responses, has selected the Bank to extend a non-revolving line of credit to the City; and

**WHEREAS**, the obligations of the City to repay amounts borrowed and other amounts payable hereunder shall be evidenced by the execution and delivery by the City of its Non-Ad Valorem Revenue Note, Series 2025 (as amended, restated, or otherwise modified from time to time in accordance with the terms herein, the "Note") in the principal amount of not exceeding \$85,000,000.00; and

**WHEREAS**, the City Council previously adopted a resolution on April 10, 2025 (the "Authorizing Resolution") authorizing the issuance of the Note; which shall be payable in the manner and to the extent described herein.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

**SECTION 1. DEFINITIONS.** Terms used but not otherwise defined herein shall have the meanings set forth in the Authorizing Resolution, unless the text otherwise expressly requires. In addition, the following terms shall have the following meanings herein, unless the text otherwise expressly requires:

**"Advance"** means disbursement to the City of all or a portion of the Authorized Amount pursuant to a Requisition.

**"Authorized Amount"** means an aggregate principal amount not to exceed Eighty-Five Million Dollars and No Cents (\$85,000,000.00). At any time and from time to time, the City may permanently reduce the Authorized Amount of the Note to any amount that is an integral multiple of \$100,000.00 and that is not less than the then-current principal outstanding thereunder, by giving two (2) Business Days prior written notice to the Bank setting forth the reduced Authorized Amount and the effective date thereof.

**"Business Day"** means any day other than a Saturday or Sunday or a legal holiday on which the Bank is authorized or required by law to be closed for business in Florida.

**"Closing Date"** means April 17, 2025.

**"Credit Agreement"** means this Non-Revolving Credit Agreement, as amended and supplemented from time to time pursuant to the provisions hereof.

**"Debt Service Fund"** means the Debt Service Fund established with respect to the Note pursuant to Section 4 hereof.

**"Default" or "Event of Default"** has the meaning set forth in Section 14 hereof.

**"Designated Jurisdiction"** means any country or territory to the extent that such country or territory is the subject of any Sanction.

**"Fiscal Year"** means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

**"Loan"** means the loan made to the City by the Bank by the making of the Advances pursuant to Section 3 hereof.

**"Maturity Date"** means the final date on which all outstanding principal and unpaid accrued interest on the Note, or any portion thereof, shall be payable.

**"Non-Ad Valorem Revenues"** means all legally available revenues of the City other than ad valorem tax revenues.

**"Notice Address"** means the address set forth in or pursuant to Section 13 hereof.

**"Patriot Act"** means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (Title III of Pub. L. 107-56 signed into law October 26, 2001).

**"Project"** means acquisition, design, construction, reconstruction, and equipping of capital repairs and/or debris removal within the City from recent hurricane damage.

**"Project Fund"** means the Project Fund established with respect to the Note pursuant to Section 6 hereof.

**"Register"** means the books maintained by the Registrar in which are recorded the names and addresses of the Noteholder.

**"Registrar"** means, with respect to the Note, the City Clerk.

**"Requisition"** means an order to the Bank to fund an Advance, in substantially the form attached hereto as Exhibit B.

**"Sanctions"** means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty's Treasury ("HMT") or other relevant sanctions authority.

**"State"** means the State of Florida.

**SECTION 2. INTERPRETATION.** The recitals set forth above are incorporated herein as if set forth in their entirety. Unless the context clearly requires otherwise, words of masculine gender shall be construed to include correlative words of the feminine and neuter

genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Credit Agreement and all the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof.

**SECTION 3. THE LINE OF CREDIT AND BANK FEES.** (A) The City may borrow amounts under the Note from time to time, so long as the total of all Advances does not exceed the Authorized Amount. Amounts borrowed are to be used by the City to finance and/or reimburse the Project. The Bank's obligation to advance under the Note shall be suspended for such time as the City is in Default (without regard to any applicable notice or grace periods) under the Note or hereunder and in any event shall expire on June 1, 2028, unless extended by the Bank in writing and in its sole discretion in accordance with the terms set forth in Section 5 below. If all Advances do not aggregate to \$85,000,000, an amount equal to the difference between \$85,000,000 minus all prior Advances in the aggregate shall constitute the "Unused Amount." In that case, the Unused Amount shall be applied to reduce the principal amount to be repaid under the Note in the inverse order of maturity. On June 1, 2028, the Authorized Amount automatically becomes \$0.

On the terms and subject to the conditions of this Credit Agreement, including without limitation the conditions precedent set forth in Section 10 hereof, the Bank shall make Advances to the City. All Advances shall be a minimum amount of \$100,000 and in multiples thereof if more than \$100,000 is requested. All Advances are limited to one Advance per month.

The City shall notify the Bank of the need for an Advance not later than 10:00 a.m. on the date that is two (2) Business Days prior to the Advance by delivering to the Bank at its Notice Address a Requisition executed on behalf of the City by the Chief Financial Officer in substantially the form attached hereto as Exhibit B. Such Requisition shall specify the amount and date of the Advance. The Advance shall be made available to the City by transferring the amount thereof on the date and to the account of the City designated in the Requisition in immediately available funds by 2:00 p.m. on such designated date. The date and amount of each Advance, and all payments made on account thereof, shall be recorded by the Bank on its books, which books shall be conclusive as to amounts payable by the City hereunder, absent manifest error.

(B) The City shall pay to the Noteholder a non-refundable fee (the "Unused Fee") at the annual rate of 20 basis points (0.20%) of the actual daily unused amount of the Authorized Amount. The Unused Fee shall be calculated for each Fee Accrual Period, and shall be computed on the basis of a 360-day year for the actual number of days elapsed. The Unused Fee for a Fee Accrual Period shall be due and payable on the Fee Payment Date succeeding the last day of the Fee Accrual Period. Notwithstanding anything herein to the contrary, the Unused Fee due shall only be due as long as the Unused Amount exceeds 50% of the Authorized Amount, and if the Unused Amount is less than 50% of the Authorized Amount, then the Unused Fee shall be \$0.

"Fee Accrual Period" means, initially, the period from and including April 17, 2025, to and including May 31, 2025, and thereafter each quarterly fee period shall commence on the first

calendar day of such quarterly fee period and end on the last calendar day of such quarterly fee period.

"Fee Payment Date" means each March 1, June 1, September 1 and December 1 immediately succeeding the last day of a Fee Accrual Period, commencing on June 2, 2025; *provided, however,* that if such Fee Payment Date is not a Business Day, the Unused Fee shall be payable on the immediately succeeding Business Day.

**SECTION 4. COVENANT TO BUDGET AND APPROPRIATE.** (A) Subject to the next paragraph, the City covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund hereinafter created, amounts sufficient to pay principal of and interest on the Note and other amounts payable hereunder (including, without limitation, any amounts payable pursuant to Section 14 hereof) not being paid from other amounts as the same shall become due. Such covenant and agreement on the part of the City to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The City further acknowledges and agrees that the obligations of the City to include the amount of such amendments in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues (except as provided in Section 7 hereof), nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Noteholder a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a lien on and pledge of specific components of the Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Credit Agreement or the Authorizing Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the City hereunder shall be payable solely from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem tax power or ad valorem taxing revenues or to permit or constitute a mortgage or lien upon any assets owned by the City and no Noteholder nor any other person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the City or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder or to maintain or continue any of the activities of the City which generate user service charges, regulatory fees, or any other Non-Ad Valorem Revenues. Notwithstanding any provisions of this Credit Agreement, the Authorizing Resolution or the Note to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any Non-Ad

Valorem Revenues. The City is prohibited by law from expending moneys not appropriated or in excess of its current budgeted revenues and surpluses. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Credit Agreement, the Authorizing Resolution nor the obligations of the City hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the City, but shall be payable solely as provided herein subject to the availability of Non-Ad Valorem Revenues after satisfaction of funding requirements for obligations having an express lien on or pledge of such revenues and funding requirements for essential governmental services of the City.

There is hereby created and established the "City of St. Petersburg, Florida Non-Ad Valorem Revenue Note, Series 2025 Debt Service Fund," which fund shall be a trust fund held by the Chief Financial Officer, which shall be held solely for the benefit of the Noteholder. The Debt Service Fund shall be deemed to be held in trust for the purposes provided herein for such Debt Service Fund. The money in such Debt Service Fund shall be continuously secured in the same manner as state and municipal deposits are authorized to be secured by the laws of the State. The designation and establishment of the Debt Service Fund in and by this Credit Agreement shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the City for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided. The City may at any time and from time to time appoint one or more depositaries to hold, for the benefit of the Noteholder, the Debt Service Fund established hereby. Such depository or depositaries shall perform, at the direction of the City, the duties of the City in depositing, transferring and disbursing moneys to and from such Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the City and its agent and employees. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000).

(B) Until applied in accordance with this Credit Agreement, the Non-Ad Valorem Revenues of the City on deposit in the Debt Service Fund and other amounts on deposit from time to time therein, plus any earnings thereon, are pledged to the repayment of the Note. The City does further covenant and represent that it has the power under the Act to irrevocably pledge the Pledged Revenues to the payment of the principal of and interest on the Note and that the pledge of the Pledged Revenues in the manner provided herein shall not be subject to repeal, modification or impairment, by any subsequent resolution, ordinance or other proceeding of the City without the written consent of the Noteholder.

**SECTION 5. DESCRIPTION AND FORM OF NOTE; AUTOMATIC TENDER.** The Loan shall be evidenced by the Note. The Note shall be dated as of the date of initial delivery thereof; shall mature on September 1, 2040; and shall be in registered form. The Note shall be in the form set forth as Exhibit A hereto, and shall be payable as to principal and interest, bear interest at the rate, subject to adjustment, and shall be prepayable and have the other terms, all as set forth on Exhibit A hereto. Interest on the Note shall be calculated on a 360-day year, based on actual days elapsed.

Notwithstanding anything herein to the contrary, unless there is an extension provided in writing by the Noteholder (the provision of any such extension being at the sole discretion of the Noteholder) to the City, on June 1, 2028 the City shall pay the Noteholder the entire outstanding principal balance and accrued interest on the Note, whereupon the Noteholder shall return the Note to the City.

**SECTION 6. APPLICATION OF PROCEEDS OF NOTE.** All Advances shall be applied by the City as follows:

(1) To pay all costs and expenses in connection with the preparation, issuance and sale of the Note; and

(2) To finance and/or reimburse the costs of the Project with Advances deposited, when drawn, into the Project Fund hereafter established. All moneys deposited in said Project Fund shall be and constitute a trust fund created for the purposes stated, and there is hereby created a lien upon such fund in favor of the Noteholder until the moneys thereof shall have been applied in accordance with this Credit Agreement.

The City covenants and agrees to establish a special fund to be designated "City of St. Petersburg, Florida Non-Ad Valorem Revenue Note, Series 2025, Project Fund." The designation and establishment of the Project Fund by this Credit Agreement shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain assets of the City for certain purposes and to establish certain priorities for application of such assets as herein provided. Amounts on deposit from time to time in the Project Fund, plus any earnings thereon, are pledged to the repayment of the Note. Costs of the Project will be paid from the Project Fund.

**SECTION 7. ANTI-DILUTION TEST.** The City may incur additional debt secured by all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior Fiscal Year were at least 2.00 times the maximum annual debt service of all debt to be paid from Non-Ad Valorem Revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

For purposes of calculating maximum annual debt service if the terms of the Debt are such that interest thereon for any future period of time is to be calculated at a rate which is not then susceptible of precise determination ("Variable Rate Debt"), interest on such Variable Rate Debt shall be computed as follows:

(a) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is less than or equal to 25% of the principal amount of all Debt (including the Debt proposed to be incurred), an interest rate equal to the higher of 12% per annum or The Bond Buyer 40 Index shall be assumed; or

(b) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is more than 25% of the principal amount of all Debt (including the Debt proposed to be incurred), the maximum rate which could be borne by such Variable Rate Debt shall be assumed.

For purposes of calculating maximum annual debt service, balloon indebtedness shall be assumed to amortize in up to 20 years (from the date of calculation) on a level debt service basis. In the event that the City is required to fund a reserve fund, the funding of such reserve fund shall be included in the calculation of debt service. For purposes of this paragraph, "balloon indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one year.

**SECTION 8. THIS INSTRUMENT TO CONSTITUTE A CONTRACT.** Upon and in consideration of the acceptance of the Note by the Noteholder and execution and delivery of this Credit Agreement by the parties thereto, this Credit Agreement is deemed to be and will constitute a contract between the City and the Noteholder.

**SECTION 9. FINANCIAL REPORTING.** Not later than 270 days following the close of each Fiscal Year, the City shall provide the Noteholder with an electronic copy of its Annual Comprehensive Financial Report including audited financial statements for each Fiscal Year of the City, prepared in accordance with applicable law and generally accepted accounting principles. In addition, upon request by the Noteholder, the City shall provide such other information respecting the affairs, condition and or operations, financial or otherwise, of the City as the Noteholder may from time-to- time reasonably request.

**SECTION 10. CONDITIONS PRECEDENT TO CREDIT AGREEMENT AND ADVANCES.**

(A) The following are conditions precedent to this Credit Agreement and the initial Advance, and are deemed satisfied upon acceptance by the initial Noteholder of the Note:

- (1) All of the representations and warranties in this Credit Agreement shall be true and correct as of the date of such extension of credit;
- (2) No Event of Default under this Credit Agreement shall have occurred and be continuing, or would result from such extension of credit;
- (3) Delivery to the Bank of standard approving opinion of the Note Counsel regarding the legality of, security for and tax-exempt status of interest on the Note, an opinion of the City Attorney and certificates of the City officials as to certain factual matters regarding the issuance and sale of the Note, all in form and substance satisfactory to the Bank; and
- (4) Receipt of satisfactory financial information as requested by the Bank.

(B) The following are conditions precedent to all Advances:

- (1) Receipt by the Bank of a Requisition executed on behalf of the City by the Chief Financial Officer in the form attached hereto as Exhibit B; and

(2) No Event of Default has occurred and is continuing or would result from the Advance, and no circumstance exists or would result from such Advance, which with passage of time, giving of notice, or both, would constitute an Event of Default.

## **SECTION 11. REPRESENTATIONS AND WARRANTIES OF THE CITY.**

The City hereby represents and warrants that as of the Closing Date:

(1) The City is a municipal corporation duly organized and validly existing under the laws of the State;

(2) The City has full legal right, power and authority under the Act to perform its obligations under this Credit Agreement and the Note;

(3) All authorizations, consents, approvals and orders of any governmental bodies or regulatory authorities having jurisdiction in any matter which would constitute a condition precedent to the performance by the City of its obligations under this Credit Agreement and the Note, have been obtained and are in full force and effect;

(4) This Credit Agreement and the Note are enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(5) Audited financial statements of the City for Fiscal Year ended September 30, 2024 are accurate and complete and no event or condition that has had or could be reasonably expected, either individually or in the aggregate, to have a material adverse effect; provided that such impacts and uncertainties do not materially and adversely impact the ability of the City to pay debt service on the Note;

(6) There is no material action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, of which the City has notice, pending or to our best knowledge threatened to restrain or enjoin the issuance or delivery of the Note;

(7) The City is not insolvent and has not filed for bankruptcy;

(8) No Event of Default has occurred and is continuing or would result from the Advance, and no circumstance exists or would result from such Advance, which with passage of time, giving of notice, or both, would constitute an Event of Default; and

(9) To its knowledge, the Issuer is not (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction. To its knowledge, the Issuer has conducted its business in all material respects in compliance with all applicable laws, including applicable Sanctions, the United States Foreign Corrupt Practices

Act of 1977, the UK Bribery Act 2010 and other applicable anti-corruption legislation in other jurisdictions.

**SECTION 12. TAX COMPLIANCE; REIMBURSEMENTS.** The City covenants to the Noteholder provided for in the Authorizing Resolution and this Credit Agreement that the City will not make any use of the proceeds of the Note at any time during the term of the Note which, if such use had been reasonably expected on the date the Note was issued, would have caused such Note to be an "arbitrage bond" within the meaning of the Code. The City will comply with the requirements of the Code and any valid and applicable rules and regulations promulgated thereunder necessary to ensure the exclusion of interest on the Note from the gross income of the Noteholder thereof for purposes of federal income taxation.

The Note is being issued for the purpose of providing interim financing for costs of the Project until such time the City receives reimbursement from insurance proceeds and/or grants from federal or state government agencies such as the Federal Emergency Management Agency (the "Reimbursement Proceeds"). Upon receipt of any Reimbursement Proceeds which are directly related to costs of the Project paid with proceeds of the Note, the City covenants to deposit such Reimbursement Proceeds into the Debt Service Fund to pay or prepay principal of and interest on the Note within 30 days.

**SECTION 13. NOTICES.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when received at the following addresses:

City: City of St. Petersburg Municipal Services Center  
One 4th Street North  
St. Petersburg, Florida 33701  
Attn: Chief Financial Officer  
Email: [Erika.Langhans@stpete.org](mailto:Erika.Langhans@stpete.org)

Bank: Bank of America, N.A.  
9128 Strada Place  
Suite 10110  
Naples, Florida 34108  
Attn: Amy L. Roberts  
Email: [amy1.l.roberts@bofa.com](mailto:amy1.l.roberts@bofa.com)

With a copy to: Bank of America, N.A.  
9128 Strada Place  
Suite 10110  
Naples, Florida 34108  
Attn: Holly Kuhlman  
Email: [holly.kuhlman@bofa.com](mailto:holly.kuhlman@bofa.com)

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**SECTION 14. EVENTS OF DEFAULT; REMEDIES OF THE NOTEHOLDER.** The following shall constitute "Events of Default": (i) if the City fails to pay any payment of principal of or interest on the Note or any other amounts owing hereunder as the same becomes due and payable; (ii) if the City defaults in the performance or observance of any covenant or agreement contained in this Credit Agreement or the Note (other than set forth in (i) above) and fails to cure the same within thirty (30) days from the earlier of (a) following notice thereof or (b) from the date when the City was required under the immediately succeeding paragraph to provide notice thereof to the Noteholder; (iii) if the City defaults in any material respect in the performance or observance of any representations or warranties listed herein or in the Note; (iv) filing of a petition by or against the City relating to bankruptcy, insolvency, declaration of financial emergency, reorganization, arrangement or readjustment of debt of the City or for any other relief relating to the City under the United States Bankruptcy Code, as amended, or any other insolvency act or law now or hereafter existing, or the involuntary appointment of a receiver or trustee for the City, and the continuance of any such event for ninety (90) days undismissed or undischarged; (v) if the City refuses to honor its obligations under this Credit Agreement or the Note; (vi) if a default is declared with respect to the City's other outstanding indebtedness secured by a covenant to budget and appropriate the Non-Ad Valorem Revenues; or (vii) any final, unappealable judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, which are not covered in full by insurance, with written acknowledgement of such coverage having been provided by the provider of such insurance coverage to the Noteholder, in an aggregate amount not less than \$20,000,000 shall be entered or filed against the City and remain unpaid, unvacated, unbonded or unstayed for a period of one hundred twenty (120) days.

The City shall, within five (5) days after it acquires knowledge of the happening, occurrence, or existence of any Event of Default, notify the Noteholder in writing at its Notice Address. Such notice shall include a detailed statement by a responsible employee of the City of all relevant facts and the action being taken or proposed to be taken by the City with respect thereto. Regardless of the date of receipt of such notice by the Noteholder, such date shall not in any way modify the date of occurrence of the actual Event of Default.

Upon the occurrence and during the continuation of any Event of Default, the Noteholder may, in addition to any other remedies set forth in this Credit Agreement or the Note, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted or contained in this Credit Agreement, and may enforce and compel the performance of all duties required by this Credit Agreement, or by any applicable statutes to be performed by the City. The City is responsible to pay the expenses of the Noteholder in connection with the enforcement of this Credit Agreement and the Note.

In case of (a) an Event of Default pursuant to clause (i) above and upon written declaration of the Noteholder, or (b) upon the acceleration of any other debt of the City which is secured by a covenant to budget and appropriate Non-Ad Valorem Revenues of the City, the entire debt then remaining unpaid under the Note shall be immediately due and payable.

For any payment that is more than fifteen (15) days late, the Bank may impose a late fee equal to 4% of the amount of the late payment.

**SECTION 15. NO RE COURSE.** No recourse shall be had for the payment of the principal of and interest on the Note or for any claim based on the Note or on this Credit Agreement, against any present or former member of City Council or officer of the City or any person executing the Note.

**SECTION 16. PAYMENTS DUE ON BUSINESS DAYS.** In any case where the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Credit Agreement, shall be other than a Business Day, then such payment or performance shall be made on the succeeding Business Day with the same force and effect as if done on the nominal date provided in this Credit Agreement.

**SECTION 17. AMENDMENTS, CHANGES AND MODIFICATIONS.** This Credit Agreement shall not be modified or amended in any respect subsequent to the issuance of the Note, except in writing by the Noteholder and the City, subject to City Council approval.

The City shall pay the Noteholder \$2,500 plus reasonable attorney's fees and expenses if it requests from the Noteholder consent to an amendment or a transfer, a waiver, or a consent.

**SECTION 18. TRANSFER.** The Note is initially registered to the Bank. So long as the Note shall remain unpaid, the Registrar will keep books for the registration and transfer of the Note. The Note shall be transferable only upon such registration books. Notwithstanding anything herein to the contrary, the Note may be exchanged or transferred by the Noteholder, in whole and not in part.

The Person in whose name the Note shall be registered shall be deemed and regarded as the absolute Noteholder thereof for all purposes, and payment of principal of and interest on such Note shall be made only to or upon the written order of the Noteholder. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

**SECTION 19. NOTE MUTILATED, DESTROYED, STOLEN OR LOST.** In case the Note shall become mutilated, or be destroyed, stolen or lost, the City shall issue and deliver the new Note of like tenor as the Note so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Note, or in lieu of and in substitution for the Note destroyed, stolen or lost and upon the Noteholder furnishing the City proof of ownership thereof and a lost bond affidavit, including the acknowledgment that there are no further obligations in respect to the mutilated, destroyed, stolen or lost Note, as applicable, and complying with such other reasonable regulations and conditions as the City may prescribe and paying such reasonable expenses as the City may incur. The Note so surrendered shall be canceled.

## **SECTION 20. ADDITIONAL PROVISIONS.**

(A) Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account or obtains a loan. The Bank will ask for the City's legal name, address, tax ID number and other identifying information. The Bank may also ask for additional information or documentation or take other actions reasonably necessary to verify the identity of the City, guarantors or other related persons.

(B) In the event any provision of this Credit Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

(C) This Credit Agreement and the Note represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent agreements of the parties. There are no unwritten agreements between the parties regarding the matters herein.

(D) This Credit Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**SECTION 21. WAIVER OF JURY TRIAL; PREVAILING PARTY ATTORNEY'S FEES.** This Credit Agreement and the Note shall be governed by the laws of the State. The City and the Noteholder knowingly, voluntarily and intentionally waive any right either may have to a trial by jury, with respect to any litigation or legal proceedings based on or arising out of this Credit Agreement or the Note. In the event of any legal proceeding arising out of or related to the Note, the City and the Noteholder each waive any objections to venue for any action brought in state court lying in Pinellas County, St. Petersburg Division. The City and the Noteholder also each waive any objection to venue for any action brought in federal court lying in the Middle District of Florida, Tampa Division. The Noteholder, by acceptance of the Note, and the City each consent to the personal jurisdiction of the aforementioned courts and irrevocably waive any objections to said jurisdiction.

**SECTION 22. IMPAIRMENT OF CONTRACT.** The City covenants with the Noteholder that it will not, without the written consent of the Noteholder, enact any ordinance or adopt any resolution which repeals, impairs or amends in any manner adverse to the Noteholder the rights granted to the Noteholder hereunder.

**SECTION 23. LIMITATION OF RIGHTS.** With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Credit Agreement or the Note is intended or shall be construed to give to any Person other than the City and the Noteholder any legal or equitable right, remedy or claim under or with respect to this Credit Agreement or any covenants, conditions and provisions herein contained. This Credit Agreement and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the City and the Noteholder.

**SECTION 24. PATRIOT ACT.** The Issuer hereby acknowledges that pursuant to the requirements of the Patriot Act, the Lender may be required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Lender to identify the Issuer in accordance with the Patriot Act. The Issuer agrees to, promptly following a request by the Noteholder, provide all such other documentation and information that the Noteholder requests (if available) in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Credit Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

CITY OF ST. PETERSBURG, FLORIDA

(SEAL)

By: \_\_\_\_\_  
Kenneth T. Welch, Mayor

ATTESTED:

By: \_\_\_\_\_  
Chan Srinivasa, City Clerk

APPROVED AS TO FORM AND CORRECTNESS

By: \_\_\_\_\_  
Macall D. Dyer, Managing Assistant City Attorney

BANK OF AMERICA, N.A.

By: \_\_\_\_\_  
Holly Kuhlman, Senior Vice President

## EXHIBIT A

### [FORM OF NOTE]

#### CITY OF ST. PETERSBURG, FLORIDA NON-AD VALOREM REVENUE NOTE, SERIES 2025

MATURITY DATE:	DATED DATE:	INTEREST RATE:
September 1, 2040	April 17, 2025	Variable, as described below

KNOW ALL MEN BY THESE PRESENTS that the CITY OF ST. PETERSBURG, FLORIDA (the "Issuer"), a municipal corporation created and existing pursuant to the Constitution and the laws of the State, for value received, promises to pay from the sources hereinafter provided, to the order of BANK OF AMERICA, N.A., or successors or registered assigns (hereinafter, the "Noteholder") on the Maturity Date specified above, so much of the Authorized Amount hereof as shall have been advanced hereunder and remains outstanding on such date (the "Outstanding Principal"), plus interest on the amount of each Advance hereunder from the date of the Advance for each Interest Accrual Period at the interest rate described herein until repayment of such amount, such interest to be calculated on a 360-day year for the actual days elapsed and payable quarterly on March 1, June 1, September 1, and December 1 of each year (each, an "Interest Payment Date"), commencing on September 1, 2025; *provided* that if such Interest Payment Date is not a Business Day interest shall be due and payable on the immediately succeeding Business Day. On the Maturity Date, the Issuer will pay the Noteholder all Outstanding Principal and all accrued unpaid interest thereon.

This Note shall bear interest on the amount of Outstanding Principal at the Interest Rate, subject to adjustment as set forth herein. The Interest Rate shall be adjusted daily. For purposes of this paragraph, the following definitions shall apply.

**"Applicable Rate"** means the Daily SOFR Rate or any Successor Rate determined in accordance with the terms herein.

**"Bloomberg"** means Bloomberg Index Services Limited.

**"Business Day"** means any day other than a Saturday or Sunday or a legal holiday on which the Noteholder is authorized or required by law to be closed for business in Florida.

**"Conforming Changes"** means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate, as applicable, any conforming changes to the definition of "SOFR," timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "U.S. Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Bank, to reflect the adoption and implementation of such applicable rate (s) and to permit the

administration thereof by the Bank in a manner substantially consistent with market practice (or, if the Bank determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Bank determines is reasonably necessary in connection with the administration of the Note).

**"Daily SOFR Rate"** means the rate per annum equal to SOFR determined for any day pursuant to the definition thereof. Any change in Daily SOFR shall be effective from and including the date of such change without further notice. If the rate as so determined would be less than zero percent (0.0%), such rate shall be deemed to be zero percent (0.0%) for purposes of the Note.

**"Default Rate"** means the Interest Rate plus four percent (4%) per annum.

**"Downgrade Rate"** means the Interest Rate plus four percent (4%) per annum.

**"Floor"** means a rate of interest per annum equal to zero basis points (0.00%).

**"Interest Accrual Period"** means, initially, the period from and including the date of any Advance, to and including the last calendar day immediately prior to the next succeeding Interest Payment Date, and thereafter each quarterly period, commencing on the first calendar day of such quarterly interest period and ending on the last calendar day of such quarterly interest period

**"Interest Rate"** means the sum of (A) 80% of the Applicable Rate, as the same shall be adjusted as provided herein, plus (B) 46 basis points (0.46%); provided, however, in the event of a Rating Downgrade Event, the interest rate will increase to the Downgrade Rate until such time as the Rating Downgrade Event ceases to occur and in the Event of Default, the interest rate will increase to the Default Rate until such time as the Event of Default ceases to occur.

**"NYFRB"** means the Federal Reserve Bank of New York.

**"Prime Rate"** means the rate publicly announced by the Noteholder (if a bank, and if not a bank, then announced by the Bank) from time to time as its prime rate. The Prime Rate is determined from time to time by the Noteholder as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index and does not necessarily reflect the lowest rate of interest actually charged to the Noteholder to any particular class or category of customers.

**"Rating"** means a long-term credit rating (without regard to any credit or liquidity enhancement) assigned by a nationally recognized statistical rating agency to outstanding obligations of the Issuer, if any, which were publicly offered and which are solely secured by a covenant to budget and appropriate Non-Ad Valorem Revenues of the Issuer, which rating is "current" in accordance with the policies of the applicable rating agency.

**"Rating Downgrade Event"** occurs if a Rating falls below the following category: Baa3 by Moody's, BBB- by S&P or BBB- by Fitch. A change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating in a related

category listed above. References to Ratings above are references to Rating categories as presently determined by such rating agencies and, in the event of adoption of any new or changed rating system by any such rating agency, each of the ratings from such rating agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as in effect upon issuance of the Note. In the event of a split rating, the highest rating shall govern for the purposes of determining whether a Rating Downgrade Event has occurred. Notwithstanding anything herein to the contrary, the Noteholder, by acceptance of the Note, agrees that (i) the Issuer is never required to obtain a rating on obligations that are or were not publicly offered, and (ii) not having a rating because the Issuer has no obligations which were publicly offered and which are solely secured by a covenant to budget and appropriate Non-Ad Valorem Revenues of the Issuer does not constitute a Ratings Downgrade Event.

**"SOFR"** means, with respect to any applicable determination date, the Secured Overnight Financing Rate published on the fifth U.S. Government Securities Business Day preceding such date by the SOFR Administrator on the Federal Reserve Bank of New York's website (or any successor source); *provided however* that if such determination date is not a U.S. Government Securities Business Day, then SOFR means such rate that applied on the first U.S. Government Securities Business Day immediately prior thereto.

**"SOFR Administrator"** means the Federal Reserve Bank of New York, as the administrator of SOFR, or any successor administrator of SOFR designated by the Federal Reserve Bank of New York or other Person acting as the SOFR Administrator at such time that is satisfactory to the Noteholder.

**"U.S. Government Securities Business Day"** means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Unless prepaid in any amount prior to June 1, 2028 or paid in full on June 1, 2028, in each instance, in accordance with the terms of this Note, principal on this Note shall be payable on the following dates and in the following amounts, assuming the Authorized Amount is fully drawn as of June 1, 2028:

[Remainder of page intentionally left blank]

<u>Dates</u>	<u>Amounts</u>
9/1/2028	\$5,115,000
9/1/2029	5,315,000
9/1/2030	5,530,000
9/1/2031	5,750,000
9/1/2032	5,980,000
9/1/2033	6,220,000
9/1/2034	6,470,000
9/1/2035	6,730,000
9/1/2036	6,995,000
9/1/2037	7,275,000
9/1/2038	7,565,000
9/1/2039	7,870,000
9/1/2040	8,185,000

If the Authorized Amount is not fully drawn on June 1, 2028, the Noteholder shall provide the Issuer with an updated amortization schedule reflecting the principal payments due and owing to the Noteholder after June 1, 2028 and on the dates set forth immediately above.

The Issuer may prepay this Note in whole or in part at any time, and on any date, without premium or penalty with five (5) Business Days' prior written notice to the Noteholder by payment in an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of prepayment. Partial prepayment shall be applied in inverse order of maturity. Upon such prepayment, the amount available to be drawn under this Note shall be reduced permanently by the amount repaid.

Notwithstanding anything herein to the contrary, unless there is an extension provided in writing by the Noteholder (the provision of any such extension being at the sole discretion of the Noteholder) to the Issuer, on June 1, 2028 the Issuer shall pay the Noteholder the entire outstanding principal balance and accrued interest on this Note, whereupon the Noteholder shall return this Note to the Issuer.

#### Benchmark

(a) If in connection with any request for an Advance (i) the Noteholder determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate for the Applicable Rate has been determined in accordance with subsection (b) or subsection (c) below and the circumstances under clause (i) of subsection (b) or subsection Section (c) below or the Scheduled Unavailability Date, or the SOFR Scheduled Unavailability Date, has occurred with respect to such Applicable Rate (as applicable) or (B) adequate and reasonable means do not otherwise exist for determining the Applicable Rate with respect to a proposed Advance or (ii) the Noteholder determines that for any reason that the Applicable Rate with respect to a proposed Advance does not adequately and fairly reflect the cost to the Noteholder of funding such Advance, the Bank will promptly so notify the Issuer. Thereafter the obligation of the Bank to make or maintain Advances shall be suspended in each case. Upon receipt of such notice, (i) the Issuer may revoke any pending request for an Advance or, failing that, will be deemed to

have converted such request into a request for an Advance at the applicable Prime Rate in the amount specified therein, and (ii) any outstanding Advance shall be deemed to have been converted to an Advance that bears interest with reference to the applicable Prime Rate immediately.

(b) *Replacement of SOFR or SOFR Successor Rate.* Notwithstanding anything to the contrary in this Note, if the Noteholder determines (which determination shall be conclusive absent manifest error), or the Issuer notifies the Noteholder that the Issuer has determined, that:

(i) adequate and reasonable means do not exist for ascertaining SOFR because SOFR is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the applicable authority has made a public statement identifying a specific date after which SOFR shall or will no longer be representative or made available, or permitted to be used for determining the interest rate of bilateral loans denominated in dollars, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Noteholder, that will continue to provide SOFR on a representative basis (the date on which SOFR is no longer representative or available permanently or indefinitely, the “*SOFR Scheduled Unavailability Date*”);

or if the events or circumstances of the type described in subsection (c)(i) or (ii) have occurred with respect to the SOFR Successor Rate then in effect, then, the Noteholder and the Issuer may amend this Note solely for the purpose of replacing SOFR for dollars or any then current SOFR Successor Rate for dollars in accordance with this Section with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar bilateral credit facilities in the U.S. and denominated in dollars for such alternative benchmarks, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar bilateral credit facilities in the U.S. and denominated in dollars for such benchmarks (any such proposed rate, including for the avoidance of doubt, any adjustment thereto, a “*SOFR Successor Rate*”), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Noteholder shall have posted such proposed amendment to the Issuer.

(c) *Replacement of Applicable Rate or Successor Rate.* Notwithstanding anything to the contrary in this Note, if the Noteholder determines (which determination shall be conclusive absent manifest error), or the Issuer notifies the Noteholder that the Issuer has determined that:

(i) adequate and reasonable means do not exist for ascertaining the Applicable Rate (other than SOFR) because none of the tenors of such Applicable Rate (other than SOFR) under this Note is available or published on a current basis, and such circumstances are unlikely to be temporary; or

(ii) the applicable authority has made a public statement identifying a specific date after which all tenors of the Applicable Rate (other than SOFR) under this Note shall or will no longer be representative or made available, or permitted to be used for

determining the interest rate of syndicated loans denominated in such, or shall or will otherwise cease, provided that, in each case, at the time of such statement, there is no successor administrator that is satisfactory to the Noteholder that will continue to provide such representative tenor(s) of the Applicable Rate (other than SOFR) for such (the latest date on which all tenors of the Applicable Rate under this Note are no longer representative or available permanently or indefinitely, the “Scheduled Unavailability Date”;

or if the events or circumstances of the type described in subsection (b)(i) or (ii) above have occurred with respect to the Successor Rate then in effect, then, the Noteholder and the Issuer may amend this Note solely for the purpose of replacing the Applicable Rate or any then current Successor Rate in accordance with this Section with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar credit facilities in the U.S. for such alternative benchmarks, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar credit facilities loaned in the U.S. for such benchmarks (and any such proposed rate, including for the avoidance of doubt, any adjustment thereto, and collectively with the SOFR Successor Rate, each a “*Successor Rate*”), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Noteholder shall have posted such proposed amendment to the Issuer.

(d) *Successor Rate.* The Noteholder will promptly (in one or more notices) notify the Issuer of the implementation of any Successor Rate.

Any Successor Rate shall be applied in a manner consistent with market practice; *provided* that to the extent such market practice is not administratively feasible for the Noteholder, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Noteholder.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than 0.00%, the Successor Rate will be deemed to be 0.00% for the purposes of this Note.

In connection with the implementation of a Successor Rate, the Noteholder will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Note; *provided* that, with respect to any such amendment effected, the Noteholder shall provide each such amendment implementing such Conforming Changes to the Issuer reasonably promptly after such amendment becomes effective.

(e) *Favorable Opinion.* If the Advances that bear interest with reference to Daily SOFR are then outstanding and are tax-exempt, the Issuer shall cause a favorable opinion of Note Counsel to be delivered each time a new Applicable Rate is determined for calculation of the interest rate with respect to such Advances under the Note that bear interest with reference to Daily SOFR (or any tax-exempt Applicable Rate).

Upon the occurrence of a Determination of Taxability, then the interest rate on this Note shall be adjusted to a rate that is the product of the otherwise applicable interest rate multiplied by the Taxable Rate Factor in effect from time to time (the "Adjusted Interest Rate"), as of and from the date such Determination of Taxability would be applicable with respect to this Note (the "Accrual Date"); and on the next Interest Payment Date, or if this Note shall have otherwise been paid in full, within 30 days after demand by the Noteholder, the Issuer shall pay to the Noteholder an amount equal to the sum of (1) the difference between (A) the total interest that would have accrued on this Note at the Adjusted Interest Rate from the Accrual Date to such Interest Payment Date (or date on which the principal was paid in full), and (B) the actual interest paid by the Issuer on this Note from the Accrual Date to such Interest Payment Date (or date on which the principal was paid in full), and (2) any interest, penalties or charges, including any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs, required to be paid as a result of any federal income taxes imposed upon the Noteholder arising as a result of such Determination of Taxability. This adjustment shall survive payment of this Note until such time as the federal statute of limitations under which the interest on this Note could be declared taxable under the Code shall have expired.

**"Determination of Taxability"** means that interest on this Note is required to be included in the gross income of the Noteholder for federal income tax purposes pursuant to a final judgment by a court of competent jurisdiction (from which no further right of appeal exists) or a final official action of the Internal Revenue Service (from which no further right of appeal exists) determining that any interest payable with respect to this Note is includable in the gross income of the Noteholder for federal income tax purposes as a result of the action or inaction of the Issuer.

**"Maximum Federal Corporate Rate"** is the highest marginal federal income tax rate charged to U.S. corporations in effect as of the date of the Determination of Taxability.

**"Taxable Rate Factor"** means for each day that the Taxable Rate is determined, the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Rate in effect as of such day, rounded upward to the second decimal place.

This Note is issued pursuant to the authority of and in full compliance with the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the municipal charter of the Issuer; and a resolution adopted by the City Council on April 10, 2025 (the "Resolution") and a Non-Revolving Credit Agreement, dated the date hereof, by and between the Issuer and the Noteholder (the "Credit Agreement"). All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Resolution or the Credit Agreement.

Pursuant to the Credit Agreement, the Issuer may borrow, and the Noteholder may advance under this Note from time to time until the maturity hereof (each an "Advance" and together the "Advances"), so long as the total principal amount of Advances does not exceed the Authorized Amount. The Noteholder's obligation to make Advances under this Note shall be suspended for such time as the Issuer is in Default (without regard to any applicable notice requirement or grace period) under the Credit Agreement. As of the date of each proposed

Advance, the Issuer shall be deemed to represent that each representation made in the Credit Agreement is true as of such date.

The Issuer to the extent permitted by law hereby waives presentment, demand, protest and notice of dishonor. In furtherance of the foregoing, the Noteholder is not obligated to present this Note for payment, nor is the Noteholder obligated to cancel or surrender this Note until it has received all amounts due and owing under this Note and the Credit Agreement.

This Note shall not be deemed to constitute a general debt or a pledge of the faith and credit of the Issuer, or a debt or a pledge of the faith and credit of the State or any political subdivision thereof within the meaning of any constitutional, legislative or charter provision or limitation, and it is expressly agreed by the Noteholder that such Noteholder shall never have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the Issuer or any other political subdivision of the State of Florida or taxation in any form on any real or personal property for the payment of the principal of and interest on this Note or for the payment of any other amounts provided for in the Resolution or the Credit Agreement.

It is further agreed between the Issuer and the Noteholder that this Note and the indebtedness evidenced hereby shall be secured by and shall constitute a lien only on the Pledged Revenues, all in the manner and to the extent provided in the Credit Agreement. Neither the members of City Council nor any person executing this Note shall be liable personally on this Note by reason of its issuance.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Credit Agreement until the Certificate of Authentication endorsed hereon shall have been signed by the Registrar.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State to happen, exist and be performed precedent to and in the issuance of this Note, have happened, exist and have been performed in regular and due from and time as so required.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the City of St. Petersburg, Florida, has issued this Note and has caused the same to be executed by its Mayor, attested by its City Clerk and approved as to form and correctness by the Managing Assistant City Attorney, and the corporate seal of the Issuer, or a facsimile thereof to be impressed, imprinted or otherwise reproduced hereon, all as of the Dated Date set forth above.

CITY OF ST. PETERSBURG, FLORIDA

(SEAL)

---

Kenneth T. Welch, Mayor

ATTESTED:

---

Chan Srinivasa, City Clerk

APPROVED AS TO FORM AND CORRECTNESS

---

Macall D. Dyer, Managing Assistant City Attorney

CERTIFICATE OF AUTHENTICATION OF REGISTRAR

This Note is described in the Credit Agreement.

CITY CLERK, as Registrar

By: \_\_\_\_\_  
Authorized Signature

---

Date of Authentication: April 17, 2025

The following abbreviations, when used in the inscription on the face of the within Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -	as tenants in common	UNIF GIF MIN ACT -
TEN ENT -	as tenants by the entireties	(Cust.)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	Custodian for (Minor) under Uniform Gifts to Minors Act of (State)

Additional abbreviations may also be used though not in list above.

#### ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

---

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE the within Note and does hereby irrevocably constitute and appoint \_\_\_\_\_ as his or her agent to transfer the Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

---

(Bank, Trust company or Firm)

---

(Authorized Officer)

---

NOTICE: The signature to this assignment must correspond with the name of the Noteholder as it appears upon the face of the Note in every particular, without alteration or enlargement or any change whatever.

**EXHIBIT B**  
**FORM OF REQUISITION**

REQUISITION NO.: \_\_\_\_\_

DATE OF ADVANCE: \_\_\_\_\_

REQUESTED AMOUNT: \_\_\_\_\_ DOLLARS

ADVANCED UNDER: City of St. Petersburg, Florida Non-Ad Valorem Revenue Note, Series 2025

**REMAINING AVAILABLE**

CREDIT AFTER THIS ADVANCE: \_\_\_\_\_ DOLLARS

TO: Bank of America, N.A.  
9128 Strada Place  
Suite 10110  
Naples, FL 34108  
Attn: Amy L. Roberts  
Email: [amy1.l.roberts@bofa.com](mailto:amy1.l.roberts@bofa.com)

You are hereby authorized and directed, pursuant to the provisions of the Non- Revolving Credit Agreement (the "Credit Agreement") dated as of April 17, 2025, between City of St. Petersburg, Florida (the "City") and Bank of America, N.A. (the "Bank") and that certain City of St. Petersburg, Florida Non-Ad Valorem Revenue Note, Series 2025, dated April 17, 2025, issued by the City (the "Note"), to advance the above referenced Requested Amount, which advance shall be recorded on books and records of the Bank, and thereby become a portion of the principal due and owing under said Note. By this requisition, you are hereby authorized and empowered to deposit into the account of the City specified below the amount hereof without any further action on the part of the City.

[insert payment instructions here]

No Event of Default has occurred and is continuing or would result from the Advance, and no circumstance exists, or would result from such Advance, which with passage of time, giving of notice, or both, would constitute an Event of Default.

**CITY OF ST. PETERSBURG, FLORIDA**

By: \_\_\_\_\_  
Name: Erika Langhans  
Title: Chief Financial Officer

## **EXHIBIT B**

### **FORM OF LENDER'S CERTIFICATE**

This is to certify that Bank of America, N.A. (the "Lender") has made a loan (the "Loan") to the City of St. Petersburg, Florida (the "City"). The Loan is evidenced by the City's Non-Ad Valorem Revenue Note, Series 2025 (the "Note"). The Lender acknowledges that the Loan is being made as a direct loan pursuant to the Non-Revolving Credit Agreement (the "Agreement"), dated the date hereof, by and between the City and the Lender, and that the City will not make a filing with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access repository. Any capitalized terms not otherwise defined herein shall have the meanings set forth in a resolution adopted by the City Council of the City (the "City Council") on April 10, 2025 (the "Authorizing Resolution") or the Agreement.

The Lender is a sophisticated investor and is aware that the Loan and investment in the Note involves various risks, that the Note is not a general obligation of the City or payable from ad valorem tax revenues, and that the repayment of the Note is secured solely from the sources described in the Authorizing Resolution and Credit Agreement (the "Note Security").

The Lender has made such independent investigation of the Note Security as it, in the exercise of sound business judgment, considers to be appropriate under the circumstances. The Lender understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Loan and the Note.

The Lender has knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of making the Loan and purchasing the Note and can bear the economic risk associated therewith. The Lender has conducted its own investigation, to the extent it deems satisfactory or sufficient, into matters relating to business affairs or conditions (either financial or otherwise) of the City in connection with the Loan and the Note and no inference should be drawn that the Lender, in the making of the Loan and acceptance of said Note, is relying on Note Counsel, Bryant Miller Olive P.A., or the City Attorney's Office as to any such matters other than the legal opinions rendered by Note Counsel and by the City Attorney's Office. The Lender has had access to and has reviewed such information concerning the City as it has deemed necessary. The Lender acknowledges that the City's financial advisor is not acting as a placement agent.

The Lender acknowledges that no CUSIP numbers or credit ratings have been obtained with respect to the Note. The Lender understands that the Note is issued in a single denomination, may not be transferred in a denomination less than the outstanding principal amount thereof and any transfer must be in accordance with the provisions, and subject to the restrictions, of the Authorizing Resolution and Agreement. The Loan evidenced by the Note will not be used in the future on a securitized transaction.

The Lender is not acting as a broker or other intermediary and is making the Loan and purchasing the Note with its own capital and for its own account and not with a present view to a

resale or other distribution to the public. The Lender is a United States national banking association. The Lender is not making the Loan or purchasing the Note for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of Chapter 517, Florida Statutes.

This Certificate is furnished by us as Lender based solely on our knowledge on the day hereof and is solely for the benefit of the City and may not be relied upon by, or published or communicated to, any other person without our express written consent. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention.

DATED this 17<sup>th</sup> of April, 2025.

BANK OF AMERICA, N.A.

By: \_\_\_\_\_  
Name: Holly Kuhlman  
Title: Senior Vice President

## EXHIBIT C

### FORM OF DISCLOSURE LETTER

Bank of America, N.A. (the "Lender"), as purchaser, proposes to negotiate with City of St. Petersburg, Florida (the "City") for the private purchase of its not to exceed \$85,000,000 Non-Ad Valorem Revenue Note, Series 2025 (the "Note"). Prior to the award of the Note, the following information is hereby furnished to the Issuer:

1. Set forth is an itemized list of the nature and estimated amounts of expenses to be incurred for services rendered to the Lender in connection with the issuance of the Note (such fees and expenses to be paid by the Issuer):

\$25,000
Lender's Counsel
Chapman and Cutler LLP
Legal Fees

2. (a) No other fee, bonus or other compensation is estimated to be paid by the Lender in connection with the issuance of the Note to any person not regularly employed or retained by the Lender (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes), except as specifically enumerated as expenses to be incurred by the Lender, as set forth in paragraph (1) above.

(b) No person has entered into an understanding with the Lender, or to the knowledge of the Lender, with the Issuer, for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Lender or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Note.

3. The amount of the underwriting spread expected to be realized by the Lender is \$0.

4. The management fee to be charged by the Purchaser is \$0.

5. Truth-in-Bonding Statement:

The Note is being issued primarily to reimburse and/or finance the costs of the Project, as described in the Authorizing Resolution hereafter defined.

Unless earlier redeemed, the Note is expected to be repaid by September 1, 2040. At an assumed interest rate of 4.00%, and assuming the entire available principal amount is drawn on the date hereof, total interest paid over the life of the Note is estimated to be \$34,224,290.55.

The Note will be payable from Pledged Funds as described in a resolution adopted by the City Council of the Issuer on April 10, 2025 (the "Authorizing Resolution"). See the Authorizing Resolution for a definition of Pledged Revenues. Based on such assumed interest rate, the issuance of the Note is estimated to result in a maximum annual of approximately \$8,571,666.66 of revenues of the Issuer not being available to finance the other services of the Issuer during the life of the Note.

6. The name and address of the Lender is as follows:

Bank of America, N.A.  
9128 Strada Place  
Suite 10110  
Naples, FL 34108

IN WITNESS WHEREOF, the Lender has executed this Disclosure Letter this 17<sup>th</sup> day of April, 2025.

BANK OF AMERICA, N.A.

By: \_\_\_\_\_  
Name: Holly Kuhlman  
Title: Senior Vice President

**Budget, Finance & Taxation Committee**  
**April 10, 2025**

**TO:** Copley Gerdes, Chair and Members of the Budget, Finance & Taxation Committee

**FROM:** **Thomas Greene, Assistant City Administrator** *TG*  
**Erika Langhans, Chief Financial Officer** *ERL*  
**Elizabeth M. Makofske, Budget and Management Director** *EM*  
**Anne A. Fritz, Director, Debt Financing** *AAF*

**SUBJECT:** FY25 Debt Planning for the City's Public Utility

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**REQUEST:**

The Administration requests approval of the attached Resolution approving transfers in the amounts of \$13,177,003.92 from the unappropriated balance of the Water Resource Operating Fund (4001) and \$9,959,073.64 from the unappropriated balance of the Water Resources Capital Projects Fund (4003) to the Water Resources Debt Fund (4002); approving a supplemental appropriation in the amount of \$23,136,077.56 from the increase in the unappropriated balance of the Water Resources Debt Fund (4002), resulting from the above transfers to the Finance Department, General Purpose Revenues and Transfers Division (320-3201); rescinding an unencumbered appropriation in the Stormwater Drainage Capital Projects Fund (4013) in the amount of \$2,922,000 from the FAC Equip & WH Replacement Project (19339); approving transfers in the amounts of \$599,941.91 from the unappropriated balance of the Stormwater Utility Operating Fund (4011) and \$3,887,580.53 from the unappropriated balance of the Stormwater Drainage Capital Projects Fund (4013), partially resulting from the above rescission, to the Stormwater Debt Service Fund (4012); approving a supplemental appropriation in the amount of \$4,487,522.44 from the increase in the unappropriated balance of the Stormwater Debt Service Fund (4012), resulting from the above transfers to the Finance Department, General Purpose Revenues and Transfers Division (320-3201); and providing an effective date.

**OVERVIEW:**

As part of the financing plan for the Public Utility, during FY24 the City issued its Public Utility Subordination Lien Bond Anticipation Note, Series 2024. As part of that note, there was a planned interest payment on November 1, 2024, in the amount of \$1.3 million, a planned principal payment of \$26.5 million and interest payment of \$ 1.1 million on May 1, 2025, along with a final payment due on November 1, 2025, of \$26.5 million in principal and \$561,800 in interest. These amounts were included in the City FY25 Annual Rate Study, with the City planning to refund the note with the issuance of bonds during early FY25.

After Hurricane Helene and Hurricane Milton, Administration is reevaluating projects to prioritize those for storm-related resiliency and recommends that the public utility repay the May 1 principal payment utilizing existing fund balances to reduce financing costs.

**COST/FUNDING/ASSESSMENT INFORMATION:** Funding will be available for the May 1, 2025, debt payment after the approval of transfers in the amounts of \$13,177,003.92 from the unappropriated balance of the Water Resource Operating Fund (4001) and \$9,959,073.64 from the unappropriated balance of the Water Resources Capital Projects Fund (4003) to the Water Resources Debt Fund (4002); a supplemental appropriation in the amount of \$23,136,077.56 from the increase in the unappropriated balance of the Water Resources Debt Fund (4002), resulting from the above transfers to the Finance Department, General Purpose Revenues and Transfers Division (320-3201); a rescission of an unencumbered appropriation in the Stormwater Drainage Capital Projects Fund (4013) in the amount of \$2,922,000 from the FAC Equip & WH Replacement Project (19339); transfers in the amounts of \$599,941.91 from the unappropriated balance of the Stormwater Utility Fund (4011) and \$3,887,580.53 from the unappropriated balance of the Stormwater Drainage Capital Projects Fund (4013), partially resulting from the above rescission, to the Stormwater Debt Service Fund (4012); and a supplemental appropriation in the amount of \$4,487,522.44 from the increase in the unappropriated balance of the Stormwater Debt Service Fund (4012), resulting from the above transfers, to the Finance Department, General Purpose Revenues and Transfers Division (320-3201).

A summary of the Resources Available and Requirements are as follows:

<b>Source of Funding for Note Repayment 5/1/2025 (Water Resources)</b>				
Water Capital Projects Fund (Fund 4003) Transfer to Water Debt Service Fund (4002)				\$9,959,073.64
Use of Fund Balance, Fund 4002 after transfer from Water Operating Fund (4001)				<u>13,177,003.92</u>
Total Resources Available				<u>23,136,077.56</u>
Total Requirement May 1, 2025 (Water Resources)				23,136,077.56

<b>Source of Funding for Note Repayment 5/1/2025 (Stormwater)</b>				
Recission of unencumbered appropriation, Project 19339 FAC Equip & WH Replacement				2,922,000.00
Stormwater Capital Projects Fund (Fund 4013) Transfer to Stormwater Debt Service Fund (4012)				965,580.53
Use of Fund Balance, Fund (4012) after transfer from Stormwater Operating Fund (4011)				<u>599,941.91</u>
Total Resources Available				<u>4,487,522.44</u>
Total Requirement May 1, 2025 (Stormwater)				4,487,522.44

### **RECOMMENDATION:**

The Administration requests that the Budget, Finance & Taxation Committee recommend approval of the Resolution.

### **ATTACHMENTS**

Resolution

RESOLUTION NO. 2025- \_\_\_\_\_

A RESOLUTION APPROVING TRANSFERS IN THE AMOUNTS OF \$13,177,003.92 FROM THE UNAPPROPRIATED BALANCE OF THE WATER RESOURCES OPERATING FUND (4001) AND \$9,959,073.64 FROM THE UNAPPROPRIATED BALANCE OF THE WATER RESOURCES CAPITAL PROJECTS FUND (4003) TO THE WATER RESOURCES DEBT FUND (4002); APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$23,136,077.56 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE WATER RESOURCES DEBT FUND (4002), RESULTING FROM THE ABOVE TRANSFERS TO THE FINANCE DEPARTMENT, GENERAL PURPOSE REVENUES AND TRANSFERS DIVISION (320-3201); RESCINDING AN UNENCUMBERED APPROPRIATION IN THE STORMWATER DRAINAGE CAPITAL PROJECTS FUND (4013) IN THE AMOUNT OF \$2,922,000 FROM THE FAC EQUIP & WH REPLACEMENT PROJECT (19339); APPROVING TRANSFERS IN THE AMOUNTS OF \$599,941.91 FROM THE UNAPPROPRIATED BALANCE OF THE STORMWATER UTILITY OPERATING FUND (4011) AND \$3,887,580.53 FROM THE UNAPPROPRIATED BALANCE OF THE STORMWATER DRAINAGE CAPITAL PROJECTS FUND (4013), PARTIALLY RESULTING FROM THE ABOVE RESCISSION, TO THE STORMWATER DEBT SERVICE FUND (4012); APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$4,487,522.44 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE STORMWATER DEBT SERVICE FUND (4012) RESULTING FROM THE ABOVE TRANSFERS TO THE FINANCE DEPARTMENT, GENERAL PURPOSE REVENUES AND TRANSFERS DIVISION (320-3201); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City issued its Public Utility Subordinate Lien Bond Anticipation Note, Series 2024, a bond anticipation note, that included two equal principal repayments: \$26.5 million on May 1, 2025, and \$26.5 million on November 1, 2025, with the intent of issuing bonds in FY25 to repay the note prior to May 1, 2025; and

WHEREAS, after Hurricane Helene and Hurricane Milton, Administration is reevaluating projects to prioritize those for storm-related resiliency; and

WHEREAS, Administration recommends utilizing existing fund balances to pay the May 1, 2025 debt payment for the above note to reduce financing costs; and

WHEREAS, funding for the debt payment will be available after the budgetary action in this Resolution.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that there is hereby approved from the unappropriated balances of the respective funds identified below the following transfers for FY25:

Water Resources Operating Fund (4001)  
Transfer to: Water Resources Debt Fund (4002) \$13,177,003.92

Water Resources Capital Projects Fund (4003)  
Transfer to: Water Resources Debt Fund (4002) \$9,959,073.64

BE IT FURTHER RESOLVED that there is hereby approved from the increase in the unappropriated balance of the Water Resources Debt Fund (4002), resulting from the above transfers, the following supplemental appropriation for FY25:

Water Resources Debt Fund (4002)  
Finance Department, General Purpose and  
Transfers Division (320-3201) \$23,136,077.56

BE IT FURTHER RESOLVED that an unencumbered appropriation in the Stormwater Drainage Capital Projects Fund (4013) in the amount of \$2,922,000 from the FAC Equip & WH Replacement Project (19339) is hereby rescinded.

BE IT FURTHER RESOLVED that there is hereby approved from the unappropriated balances of the respective funds identified below, partially resulting from the above rescission, the following transfers for FY25:

Stormwater Operating Fund (4011)  
Transfer to: Stormwater Debt Service Fund (4012) \$599,941.91

Stormwater Capital Projects Fund (4013)  
Transfer to: Stormwater Debt Service Fund (4012) \$3,887,580.53

BE IT FURTHER RESOLVED that there is hereby approved from the increase in the unappropriated balance of the Stormwater Debt Service Fund (4012), resulting from the above transfers, the following supplemental appropriation for FY25:

Stormwater Debt Service Fund (4012)  
Finance Department, General Purpose Revenues and  
Transfers Division (320-3201) \$4,487,522.44

This Resolution shall become effective immediately upon its adoption.

LEGAL:

  
00801042.docx

DEPARTMENT:



BUDGET:

