



TOWN OF PALM BEACH

Town Manager's Office

SPECIAL TOWN COUNCIL MEETING

AGENDA

TOWN COUNCIL CHAMBERS

FEBRUARY 11, 2021

9:30 AM

I. CALL TO ORDER AND ROLL CALL

Gail L. Coniglio, Mayor
Margaret A. Zeidman, President
Bobbie Lindsay, President Pro Tem
Julie Araskog
Lew Crampton
Danielle H. Moore

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF AGENDA

IV. COMMUNICATIONS FROM CITIZENS - 3 MINUTE LIMIT

V. COMMUNICATIONS FROM CITIZENS - 3 MINUTE LIMIT PLEASE

A. REGULAR AGENDA

1. RESOLUTION NO. 026-2021 A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County Florida, Providing For the Issuance of its General Obligation Bonds (Underground Utility Project) Series 2021 in a Principal Amount of Not to Exceed \$18,000,000 for the Purpose of Financing or Refinancing a Portion of the Cost of the Underground Utility Project and Paying Costs of Issuance; Providing for

Registration Through a Book-Entry System; Approving the Forms and Authorizing the Use of a Preliminary Official Statement, Official Notice of Sale and Summary Notice of Sale in Connection with the Public Sale of the Bonds; Authorizing the Execution and Delivery of a Final Official Statement; Authorizing the Town Manager and Director of Finance to Determine Certain Details of the Bonds Within the Parameters Set Forth Herein; Authorizing the Delegated Award of the Bonds; Providing Covenants As To Continuing Disclosure; Authorizing All Proper Officials To Do All Things Necessary in Connection with the Issuance, Sale and Delivery of the Bonds; and Providing an Effective Date.

Jane Le Clainche, Director of Finance

VI. ANY OTHER MATTERS

VII. ADJOURNMENT

PLEASE TAKE NOTE:

Note 1: Please submit written comments/materials to council@townofpalmbeach.com or in person to the Town Clerk's Office, located at Town Hall, 360 South County Road. No written materials received after 3:30 p.m. on the Wednesday immediately prior to a monthly Town Council meeting will be included in the back-up binders distributed to the Mayor and Town Council in preparation for that meeting. Written materials received after 3:30 p.m. on Wednesday will be separately distributed to the Mayor and Town Council; however, depending upon the length of the materials, the time of submittal, and other circumstances, the Mayor and Town Council may not be able to read and consider such late submittals prior to acting upon the policy matter(s) which they address.

Note 2: The progress of this meeting may be monitored by visiting the Town's website (townofpalmbeach.com) and clicking on "Meeting Audio" in the left column. If you have questions regarding that feature, please contact the Office of Information Technology (561) 227-6315. The audio recording of the meeting will appear within 24 hours after the conclusion of the meeting.

Note 3: If a person decides to appeal any decision made by this Council with respect to any matter considered at this meeting or hearing, he/she will need a record of the proceedings. For such purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Note 4: Disabled persons who need an accommodation in order to participate in the Town Council Meeting are requested to contact the Town Manager's Office at 838-5410 or through the Florida Relay Service by dialing 1-800-955-8770 for voice callers or 1-800-955-8771 for TDD callers, at least two (2) working days before this meeting.

Note 5: Items listed on the Consent Agenda will be approved by one motion of the Town Council, unless the Mayor or an individual Council Member requests that any item(s) be moved to the Regular Agenda and

individually considered.

Note 6: All back-up material for the items listed on the agenda are posted to the Town's website and emailed to all Stay Informed subscribers on the Friday before the Town Council meeting. To access the back-up materials and/or subscribe to the Stay Informed list, please visit the Town's website (townofpalmbeach.com).

PROCEDURES FOR PUBLIC PARTICIPATION

Citizens desiring to address the Town Council should proceed toward the public microphones when the applicable agenda item is being considered to enable the Town Council President to acknowledge you.

PUBLIC HEARINGS: Any citizen is entitled to be heard on an official agenda item under the section entitled "Public Hearings," subject to the three minute limitation.

COMMUNICATIONS FROM CITIZENS: Any citizen is entitled to be heard concerning any matter under the section entitled "Communications from Citizens," subject to the three minute limitation. The public also has the opportunity to speak to any item listed on the agenda, including the consent agenda, at the time the agenda item comes up for discussion.

OTHER AGENDA ITEMS: Any citizen is entitled to be heard on any official agenda item when the Town Council calls for public comments, subject to the three minute limitation.

Town Council Meetings are public business meetings and, as such, the Town Council retains the right to limit discussion on any issue.

TOWN OF PALM BEACH

Special Town Council on: February 11, 2021

Section of Agenda

REGULAR AGENDA

Agenda Title

RESOLUTION NO. 026-2021 A Resolution of the Town Council of the Town of Palm Beach, Palm Beach County Florida, Providing For the Issuance of its General Obligation Bonds (Underground Utility Project) Series 2021 in a Principal Amount of Not to Exceed \$18,000,000 for the Purpose of Financing or Refinancing a Portion of the Cost of the Underground Utility Project and Paying Costs of Issuance; Providing for Registration Through a Book-Entry System; Approving the Forms and Authorizing the Use of a Preliminary Official Statement, Official Notice of Sale and Summary Notice of Sale in Connection with the Public Sale of the Bonds; Authorizing the Execution and Delivery of a Final Official Statement; Authorizing the Town Manager and Director of Finance to Determine Certain Details of the Bonds Within the Parameters Set Forth Herein; Authorizing the Delegated Award of the Bonds; Providing Covenants As To Continuing Disclosure; Authorizing All Proper Officials To Do All Things Necessary in Connection with the Issuance, Sale and Delivery of the Bonds; and Providing an Effective Date.

Presenter

Jane Le Clainche, Director of Finance

ATTACHMENTS:

- ▣ **Memorandum Dated January 28, 2021, from Jane Le Clainche, Director of Finance**
- ▣ **Resolution No. 026-2021**
- ▣ **Exhibit A-1 Official Notice of Sale**
- ▣ **Exhibit A-2 Summary Notice of Sale**
- * **Exhibit B Preliminary Official Statement**

TOWN OF PALM BEACH

Information for Town Council Meeting on: February 11, 2021

To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Jane Le Clainche, Director of Finance

Re: General Obligation Bond Resolution for the Underground Utility Project
Resolution No. 026-2021

Date: January 28, 2021

STAFF RECOMMENDATION

Staff requests Town Council approval of Resolution No. 026-2021, which authorizes the issuance of up to \$18,000,000 of general obligation bonds (the “Bonds”) for the Underground Utility Project.

GENERAL INFORMATION

On March 15, 2016, the voters approved a bond referendum to issue up to \$90,000,000 of general obligation bonds to finance the costs of the town-wide underground utility project. A lawsuit challenging the bond referendum delayed the issuance of general obligation bonds. The Town prevailed in the lawsuit and issued the initial series of general obligations bonds on October 11, 2018. The Town is now in a position to issue the second series of such bonds. Due to the uncertainty with future interest rates, we believe it is important to issue these bonds now to lock in the current rates.

Resolution No. 120-2018, adopted August 15, 2018, authorized the issuance of up to \$60,000,000 of Bonds. General Obligation Bonds totaling \$56,040,000 were issued and closed on October 11, 2018. Resolution 026-2021 authorizes the issuance of up to \$18,000,000 of general obligation bonds authorized by the voters.

The Bonds are general obligations of the Town for which the full faith and credit and taxing power of the Town are pledged. The Bonds are payable first from non-ad valorem special assessments imposed in connection with the Underground Utility Project, and, to the extent such non-ad valorem special assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on such Bonds as the same become due and payable.

The Resolution delegates authority to the Mayor or Town Manager to sell the Bonds pursuant to a competitive public sale.. Based on current market conditions, according to the Town’s Financial Advisor, the true interest cost is expected to be below 4.00% but is subject to

change as market conditions fluctuate. The final true interest cost will be set during the competitive public sale of the Bonds, which is expected to happen on or about February 23, 2021.. Furthermore, the Resolution approves the Preliminary Official Statement, the Official Notice of Sale and Summary Notice of Sale. in substantially the forms attached.

The proceeds of the Bonds will be applied to pay a portion of Underground Utility Project costs and pay costs of issuance.

The Town's Financial Advisor, Mr. Jay Glover with PFM, will be in attendance via phone to make a brief presentation regarding the financing and provide an update on the current market conditions. Also in attendance to answer any questions the Town Council may have will be Richard Miller, bond counsel with Locke Lord LLP.

If the Town Council approves the Resolution, we will be able to market the bonds in late February with a final closing in mid-March. Staff met with the rating agencies on January 28, 2021, and we anticipate confirmation of our current AAA ratings.

We have issued prepayment notices to the remaining property owners with special assessments to allow them to prepay the assessment. We have received \$978,570.68 as of January 27, 2021, in prepaid assessments to date and the deadline for payment is February 3, 2021. Town Council will be updated at the Town Council meeting on the total amount of prepayments received and we should be in a position to provide an up-to-date amount for the expected bond issue based on the remaining annual assessments.

TOWN ATTORNEY REVIEW

The Town's Bond Counsel, Locke Lord LLP, prepared the attached Resolution.

FUNDING/FISCAL IMPACT

Special Assessments are expected to be the primary source of payment of debt service on the Bonds.

Attachments

jl

cc: John C. Randolph, Town Attorney
Richard Miller, Locke Lord LLP
Jay Glover, PFM
Michael Hole, Citigroup

RESOLUTION NO. 026-2021

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA PROVIDING FOR THE ISSUANCE OF ITS GENERAL OBLIGATION BONDS (UNDERGROUND UTILITY PROJECT), SERIES 2021 IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$18,000,000, FOR THE PURPOSE OF FINANCING OR REFINANCING A PORTION OF THE COST OF THE UNDERGROUND UTILITY PROJECT AND PAYING COSTS OF ISSUANCE; PROVIDING FOR REGISTRATION THROUGH A BOOK-ENTRY SYSTEM; APPROVING THE FORMS AND AUTHORIZING THE USE OF A PRELIMINARY OFFICIAL STATEMENT, OFFICIAL NOTICE OF SALE AND SUMMARY NOTICE OF SALE IN CONNECTION WITH THE PUBLIC SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; AUTHORIZING THE TOWN MANAGER AND DIRECTOR OF FINANCE TO DETERMINE CERTAIN DETAILS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE DELEGATED AWARD OF THE BONDS; PROVIDING COVENANTS AS TO CONTINUING DISCLOSURE; AUTHORIZING ALL PROPER OFFICIALS TO DO ALL THINGS NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Florida Statutes, the Town Charter of the Town and other applicable provisions of law, and a bond referendum approved on March 15, 2016, authorize and empower the Town of Palm Beach, Florida (the "Town") to adopt this Resolution; and

WHEREAS, the Town Council of the Town of Palm Beach, Florida (the "Town Council"), by Resolution No. 201-2015, duly adopted on December 8, 2015 (the "Referendum Resolution"), did propose the issuance of general obligation bonds of the Town of Palm Beach, Florida (the "Town"), in the aggregate principal amount of not exceeding \$90,000,000 and pursuant to such Referendum Resolution, the Town Council ordered a Bond Referendum (the "Referendum"), to be held on March 15, 2016; and

WHEREAS, the Referendum was for the purpose of placing before the qualified electors of the Town, for their approval or disapproval, the question of whether the Town should issue

general obligation bonds, in one or more series, in the aggregate principal amount of not exceeding ninety million dollars (\$90,000,000) to finance the cost of burying overhead utility lines located within the Town, including without limitation, electric, telephone and cable service, together with costs incidental thereto (the “Underground Utility Project”); as more fully described and defined in the Referendum Resolution; and

WHEREAS, notice of said Referendum was published, at least twice, in the PALM BEACH DAILY NEWS, a newspaper of general circulation published in the Town, and said publication having been made once in the fifth week and once in the third week prior to the week in which the Referendum was held with the first publication at least thirty days prior to the day on which the Referendum was held, to wit: March 15, 2016; and

WHEREAS, the qualified electors of the Town did, at the Referendum, approve by a majority vote the issuance of general obligation bonds for the purpose of financing the cost of acquiring, constructing, reconstructing and equipping of the Underground Utility Project in the hereinbefore described principal amounts; and

WHEREAS, in accordance with applicable Florida law, the returns of said Referendum have been provided to the Town Council and the Town Council has canvassed and declared the results thereof pursuant to Resolution No. 35-2016, duly adopted by the Town Council on April 12, 2016; and

WHEREAS, on October 11, 2018, the Town issued its \$56,040,000 General Obligation Bonds (Underground Utility Project), Series 2018 pursuant to Resolution No. 120-2018, duly adopted by the Town Council on August 15, 2018 for the purpose of financing a portion of the Underground Utility Project, which bonds are payable first from non-ad valorem special assessments imposed in connection with the Underground Utility Project pursuant to Chapter 90,

Town Code of Ordinances, and, to the extent such non-ad valorem special assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on such bonds as the same become due and payable; and

WHEREAS, in order for the Town Council to effectuate the decision of the electors of the Town, it is necessary for the Town Council to authorize the issuance of an additional series of such general obligation bonds and to provide the terms including the rights, remedies and security for the registered holders of the Bonds and to make such other covenants and agreements as it deems necessary; and

WHEREAS, there have been prepared and submitted to the Town Council forms of:

(a) an Official Notice of Sale (the “Official Notice of Sale”) and Summary Notice of Sale (the “Summary Notice of Sale”), proposed forms of which are attached hereto as Exhibit A; and

(b) a form of Preliminary Official Statement, relating to the Bonds (the “Preliminary Official Statement”) attached hereto as Exhibit B.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, FLORIDA, AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Town Charter of the Town, a bond referendum approved on March 15, 2016 by the qualified electors of the Town of Palm Beach, Florida, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section and utilized in this Resolution shall have the meanings specified in this section.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

“Amortization Installment” shall mean, with respect to any Term Bonds, the amount of money required to be deposited into the Sinking Fund in a particular Bond year to pay the principal amount of such Term Bonds to be redeemed by mandatory redemption or paid at maturity in such Bond year.

“Bond Counsel” shall mean Locke Lord LLP and its successors and assigns and any other firm of attorneys with a proven reputation in the field of municipal finance law subsequently appointed by the Town to serve as the Town’s bond counsel.

“Bond Registrar” shall mean initially The Bank of New York Mellon Trust Company, N.A. or such other bank or trust company that shall hereafter be appointed by the Finance Director, to maintain the registration books of the Town and be responsible for the transfer and exchange of the Bonds, and which also may be the Paying Agent for the Bonds and interest thereon.

“Bonds” shall mean collectively the not to exceed \$18,000,000 aggregate principal amount of Town of Palm Beach, Florida General Obligation Bonds (Underground Utility Project), Series 2021.

“Disclosure Counsel” means Greenspoon Marder LLP or any other firm selected by the Town to serve in such capacity.

“Federal Securities” shall mean, collectively, (i) direct obligations of, or obligations, the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are not redeemable prior to maturity at the option of the obligor; (ii) bank certificates of deposit fully secured as to principal and interest by the obligations described in (i);

(iii) certificates evidencing ownership of portions of such obligations described in (i); (iv) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any state (a) which are not callable by the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in such notice, (b) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund is sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (iv) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iv), as appropriate; and (v) interest on obligations of the Resolution Funding Corporation.

“Finance Director” shall mean the Director of Finance of the Town, or her designee, who shall also act as the Town’s designee to either serve as or to appoint a Bond Registrar and Paying Agent for the Bonds from time to time.

“Financial Advisor” shall mean, when used in connection with the Bonds, PFM Financial Advisors, LLC, Orlando, Florida and its successors and assigns and any other entity

subsequently appointed by the Town to serve as the Town's financial advisor with respect to municipal bonds.

"Holder" or "Bondholder" or "Registered Owner" or any similar term shall mean any person who shall be the Registered Owner of any such Bond or Bonds, or his transferee.

"Paying Agent" shall mean initially The Bank of New York Mellon Trust Company, N.A. and thereafter any authorized depository designated by the Finance Director to serve as Paying Agent or as the place of payment for the Bonds that shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Bonds to the owners thereof, from funds made available therefor by the Town.

"Preliminary Official Statement" shall mean the preliminary official statement relating to the Bonds in substantially the form attached hereto as Exhibit B.

"Record Date" shall mean the 15th day of the month immediately preceding an interest payment date for the Bonds.

"Referendum Resolution" shall mean Resolution No. 201-2015, duly adopted by the Town Council on December 8, 2015.

"Registered Owner" shall mean any person who shall be the owner of any outstanding Bond or Bonds as shown on the books of the Town maintained by the Bond Registrar.

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Serial Bonds" shall mean Bonds of a series designated as such (other than Term Bonds) which mature in annual or semiannual installments.

"Sinking Fund Investments" shall mean any investment permitted by the Town's Investment Policy, as amended.

“Term Bonds” shall mean Bonds of a series which shall either be stated to mature on one date or which are designated as Term Bonds in the Bond Purchase Agreement; Term Bonds may be subject to retirement in part in one or more Bond years prior to their maturity date by scheduled mandatory redemption with Amortization Installments.

“Underground Utility Project” shall mean the burying of overhead utility lines located within the Town, including without limitation, electric, telephone and cable service, together with costs incidental thereto, as more fully described and defined in the Referendum Resolution.

SECTION 3. FINDINGS. It is hereby found, ascertained and determined that:

A. The issuance of the Bonds as general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged is hereby authorized and approved. The Bonds shall be payable first from non-ad valorem special assessments imposed in connection with the Underground Utility Project pursuant to Chapter 90, Town Code of Ordinances, and, to the extent such non-ad valorem special assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on such Bonds as the same become due and payable. All resolutions and proceedings required preliminary to the adoption of this Resolution have been adopted and/or followed.

B. The Bonds were previously approved by a majority of the qualified voters voting in a referendum held for that purpose and are therefore general obligation bonds of the Town, the payment for which the full faith and credit and taxing power of the Town will be pledged.

C. That, for the purpose of providing funds to finance or refinance a portion of the cost of acquiring, constructing, reconstructing and equipping of the Underground Utility Project,

and other costs, necessary or incidental thereto, there shall be issued the Bonds in one or more series in the aggregate principal amount of not exceeding Eighteen Million Dollars (\$18,000,000). Such cost shall include but not be limited to all costs incurred in connection with the acquisition, construction, reconstruction and equipping of the Underground Utility Project, the costs of issuing the Bonds, legal, appraisal, engineering, architectural fees, fees of financial consultants or advisors, the repayment to the Town of moneys heretofore advanced for such purposes, and any other fees or expenses in connection with financing the costs of the Underground Utility Project and the issuance of the Bonds authorized herein to finance such Underground Utility Project.

D. The costs associated with issuing the Bonds shall be deemed to include legal expenses, fiscal expenses, rating agency fees, accounting expenses, costs of printing, fees of the Financial Advisor, provisions for reserves, if any, and such other expenses as may be necessary or incidental for the financing herein authorized, including Underwriter's discount.

E. On August 11, 2015, the Town Council duly adopted Resolution No. 117-2015 declaring the Town's official intent to seek reimbursement for expenditures made with respect to the Underground Utility Project for purposes of U.S. Treasury Regulation §1.150-2(e).

SECTION 4. THIS RESOLUTION TO CONSTITUTE A CONTRACT. In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Town and the Registered Owners of the Bonds. The covenants and agreements herein set forth to be performed by the Town shall be for the equal benefit, protection and security of the owners of any and all of the Bonds, all of which shall be of equal

rank and without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 5. AUTHORIZATION OF BONDS. Subject and pursuant to the provisions hereof, the Bonds are authorized to be issued in the aggregate principal amount of not exceeding \$18,000,000, and shall be designated "Town of Palm Beach, Florida, General Obligation Bonds (Underground Utility Project), Series 2021," or such other appropriate designation or designations as shall be determined by the Finance Director after consultation with the Town Attorney and Bond Counsel. The Bonds are authorized to be issued in one or more series with appropriate designations for the purposes of: (i) financing or refinancing a portion of the cost of acquiring, constructing, reconstructing and equipping of the Underground Utility Project, and (ii) paying the costs of issuance with respect to the Bonds. The Bonds shall mature no later than July 1, 2047. The Bonds shall be dated as of their date of delivery, or such other date as may be designated by the Finance Director.

SECTION 6. NOTICE OF SALE; DETERMINATION OF INITIAL TERM; DELEGATION OF AWARD. Notice of the public sale shall be published in summary form in the manner required by Section 218.385 of the Florida Statutes. The use and distribution of the Official Notice of Sale of the Bonds and Summary Notice of Sale in connection with the sale of the Bonds in substantially the forms attached to this Resolution as Exhibit A, together with such changes, modifications and deletions as the Finance Director (upon advice of Bond Counsel, Disclosure Counsel and the Financial Advisor) shall deem necessary and appropriate, is hereby approved and authorized. In this regard, the Finance Director is hereby authorized and directed to make the initial determinations of the maturity dates and amounts, the dated date, the interest payment dates, and the redemption provisions for the Bonds within the parameters set forth

herein. The Finance Director is hereby authorized to determine the date of sale. The Bonds will be issued pursuant to a book-entry system in the manner provided herein. The Town Council hereby delegates to the Mayor or, in the alternative, the Town Manager the authority to sell the Bonds to the lowest qualified bidder or bidders in accordance with the parameters below.

In no event shall (i) the principal amount of the Bonds exceed \$18,000,000, (ii) the purchase price be less than 100% of the original principal amount of the Bonds (inclusive of original issue discount and/or premium and underwriters' discount), (iii) the true interest cost rate (the "TIC") of the Bonds exceed 4.00%, or (iv) the final maturity date be later than July 1, 2047, all as provided in the Official Notice of Sale.

SECTION 7. DESCRIPTION OF BONDS. The Bonds shall be issued in fully registered form; may be Term Bonds and/or Serial Bonds and/or current interest bonds; shall be numbered; shall be in the denomination of \$5,000 each, or integral multiples thereof, or such other denominations as shall be approved by the Town Manager prior to the sale of the Bonds; and shall bear interest at such rate or rates not exceeding the maximum rate allowed by Florida law.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication payment of any interest which is due and payable has not been made, such bond shall bear interest from the date to which interest shall have been paid.

The principal of and the interest and redemption premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of

payment thereof is legal tender for the payment of public and private debts. The interest on the current interest bonds shall be payable by the Paying Agent on each interest payment date to the person appearing on the registration books of the Town hereinafter provided for as the registered Holder thereof, by wire transfer or check mailed to such registered Holder at his address as it appears on such registration books. Payment of the principal of the Bonds shall be made upon the presentation and surrender of such Bonds as the same shall become due and payable.

SECTION 8. EXECUTION OF BONDS. The Bonds shall be executed in the name of the Town by, or bear the facsimile signature of, the Mayor or Town Council President and shall be countersigned and attested by, or bear the facsimile signature of, the Town Clerk or any deputy Town Clerk and the official seal of the Town or a facsimile thereof shall be imprinted on the Bonds.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such officer has remained in office until such delivery. Any Bond may bear the facsimile signature of or may be signed by such persons who, at the actual time of the execution of such Bond, shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Bonds are hereby authorized to be executed and sealed as set forth in this Section 8 in accordance with the terms of this Resolution.

SECTION 9. AUTHENTICATION OF BONDS. Only such of the Bonds as shall have been endorsed thereon a certificate of authentication substantially in the form hereinbelow set forth, duly executed by the Bond Registrar, as authenticating agent, shall be entitled to any

benefit or security under this Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bond Registrar, and such certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication of all of the Bonds that may be issued hereunder at any one time.

SECTION 10. EXCHANGE OF BONDS. Subject to the provisions of Section 11 hereof regarding the use of the book-entry system, any Bond, upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the Bondholder, be exchanged for an aggregate principal amount of Bonds equal to the principal amount of the Bond or Bonds so surrendered. The Bond Registrar shall make provision for the exchange of Bonds at the designated corporate trust office of the Bond Registrar.

SECTION 11. DTC BOOK ENTRY; NEGOTIABILITY, REGISTRATION AND TRANSFER OF BONDS. The Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each interest rate of each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). As long as the Bonds shall be registered in the name of Cede & Co., all payments of principal on the Bonds shall be made by the Paying Agent by check or draft or by bank wire transfer to Cede & Co., as Holder of the Bonds.

With respect to Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, the Town, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any participant in the DTC book-entry program (a "Participant") or to any indirect participant. Without limiting the immediately preceding sentence, the Town, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (B) the delivery to any Participant or any other person other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal, interest or redemption premium, if any, of the Bonds. The Town, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the Holder and absolute owner of such Bond for the purpose of payment of principal, interest or redemption premium, if any, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal, interest or redemption premium, if any, of the Bonds only to or upon the order of the respective Holders, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the Town's obligations with respect to payment of principal, interest or redemption premium, if any, of the Bonds to the extent of the sum or sums so paid. No person other than a

Holder, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Bond evidencing the obligation of the Town to make payments of principal or redemption premium, if any, pursuant to the provisions hereof. Upon delivery by DTC to the Town of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to transfers during the fifteen (15) days next preceding a payment date or mailing of notice of redemption, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC; and upon receipt of such notice, the Town shall promptly deliver a copy of the same to the Bond Registrar and the Paying Agent.

Upon (A) receipt by the Town of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, or (B) determination by the Town that such book-entry only system is burdensome to the Town or otherwise no longer in the best interest of the Town, the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions hereof. In such event, the Town shall issue and the Bond Registrar shall authenticate, transfer and exchange Bonds consistent with the terms hereof, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the blanket letter of representation executed previously by the Town and delivered to DTC in order to induce DTC to act as securities depository for the Bonds shall apply to the payment of principal, interest and redemption premium, if any, on the Bonds.

The Bond Registrar shall keep books for the registration of and for the registration of transfers of Bonds as provided in this Resolution. The transfer of any Bonds may be registered only upon such books and only upon surrender thereof to the Bond Registrar together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar.

Subject to the foregoing provisions regarding the book-entry system of registration, in all cases in which Bonds shall be exchanged, the Town shall execute and the Bond Registrar shall authenticate and deliver, at the earliest practicable time, a new Bond or Bonds of the same type in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. The Town or the Bond Registrar may make a charge for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made to any Bondholder for the privilege of exchanging or registering the transfer of Bonds under the provisions of this Resolution. Neither the Town nor the Bond Registrar shall be required to make any such exchange or registration of transfer of Bonds on or subsequent to the Record Date prior to the next interest payment date.

The Bonds issued hereunder shall be and shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida, and each successive Registered Owner, in accepting any of the Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the laws of the State of Florida.

SECTION 12. OWNERSHIP OF BONDS. The Town and the Bond Registrar may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. Payment of or on account of the principal or redemption price of any such Bond, and the interest on any such Bond, shall be made only to or upon the order of the Registered Owner thereto or his legal representative. Interest on the Bonds shall be paid to the Registered Owner whose name appears on the books of the Bond Registrar on the Record Date. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the premium, if any, and interest thereon to the extent of the sum or sums so paid. The person in whose name any Bond is registered may be deemed the Registered Owner thereof by the Town and the Bond Registrar, and any notice to the contrary shall not be binding upon the Town or the Bond Registrar.

Notwithstanding the foregoing provisions of this section, the Town reserves the right, on or prior to the delivery of the Bonds, to amend or modify the foregoing provisions relating to registration of the Bonds in order to comply with all applicable laws, rules and regulations of the United States and/or the State of Florida relating thereto.

SECTION 13. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. Subject to the provisions regarding the book-entry system of registration, in case any Bond shall become mutilated, or be destroyed, stolen or lost, the Town may in its discretion cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Town and the Bond Registrar

proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Town and the Bond Registrar may prescribe and paying such expenses as the Town and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same, upon the Town and Bond Registrar being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the Town whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

SECTION 14. FORM OF BONDS. The text of the Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Resolution or by any subsequent resolution adopted prior to the issuance thereof:

[FORM OF BOND]

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF FLORIDA
TOWN OF PALM BEACH
GENERAL OBLIGATION BOND
(UNDERGROUND UTILITY PROJECT)
SERIES 2021

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL:

The Town of Palm Beach, Florida (the "Town"), for value received, hereby promises to pay to the Registered Owner designated above, or registered assignees, on the Maturity Date specified above, the principal sum shown above, upon the presentation and surrender hereof at the office of _____, acting as the paying agent and bond registrar (collectively, the "Bond Registrar"), and to pay interest thereon from the date of this bond or from the most recent interest payment date to which interest has been paid, whichever is applicable, until payment of such sum, at the rate per annum set forth above, payable on _____ 1, 20__, and semiannually thereafter on the first day of [January] and the first day of [July] of each year, by check or draft mailed to the Registered Owner at his address as it appears on the registration books on the 15th day of the month preceding the applicable interest payment date. Both principal of and interest on this bond are payable in lawful money of the United States of America.

This bond is one of an authorized issue of bonds, in the aggregate principal amount of \$_____ issued to finance or refinance a portion of the cost of the Underground Utility Project and costs of issuance, under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 166, Florida Statutes, the Town Charter of the Town and other applicable provisions of law, and a bond referendum approved on March 15, 2016. This bond is issued pursuant to a resolution duly adopted by the Town on February 11, 2021 (the “Resolution”), and is subject to all the terms and conditions of such Resolution. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Resolution.

This bond is one of an authorized issue of general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The bonds shall be payable first from non-ad valorem special assessments imposed in connection with the Underground Utility Project pursuant to Chapter 90, Town Code of Ordinances, and, to the extent such non-ad valorem special assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on the bonds as the same become due and payable.

[insert redemption provisions]

This bond may be transferred only upon the books of the Town kept by the Bond Registrar upon surrender hereof to the Bond Registrar with an assignment duly executed by the Registered Owner or his duly authorized attorney, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Resolution, and upon surrender and cancellation of this bond. Upon any such transfer, there shall be executed in the

name of the transferee, and the Bond Registrar shall deliver, a new fully registered bond or bonds in authorized denominations and in the same aggregate principal amount, series, maturity and interest rate as this bond.

In like manner, subject to such conditions and upon the payment of such charges, if any, the Registered Owner of this bond may surrender the same (together with a written authorization for exchange satisfactory to the Bond Registrar duly executed by the Registered Owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of fully registered bonds in authorized denominations of the same series, maturity and interest rate as this bond.

This bond is and has all the qualities and incidents of a negotiable instrument under the laws of the State of Florida.

It is hereby certified and recited that all acts, conditions and things required to happen, to exist, and to be performed, precedent to and in the issuance of this bond, have happened, exist, and have been performed in due time, form and manner as required by the Constitution and laws of the State of Florida applicable thereto; that this bond has been approved at a bond election held in accordance with the Constitution and Statutes of the State of Florida.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been executed by the Bond Registrar.

IN WITNESS WHEREOF, Town of Palm Beach, Florida, has issued this bond and has caused the same to be signed by the manual or facsimile signature of the Mayor [Town Council President] and the corporate seal of the Town, or a facsimile thereof, to be affixed or reproduced hereon, and attested and countersigned by the manual or facsimile signature of the Town Clerk, all as of the ____ day of _____, 2021.

(SEAL)

TOWN OF PALM BEACH, FLORIDA

By: _____
Title: Mayor

ATTESTED:

By: _____
Title: Town Clerk

CERTIFICATE OF AUTHENTICATION OF BOND REGISTRAR

This bond is one of the bonds of the issue described in the Resolution.

As Bond Registrar

By: _____
Authorized Signature

Date of Authentication

The following abbreviations, when used in the inscription on the face of the within bond, 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-_____	(Cust.)
TEN ENT -	as tenants by the entirety	Custodian for_____	(Minor)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	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 bond and does hereby irrevocably constitute and appoint as his agent to transfer the bond 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 registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

* * * END OF BOND FORM * * *

SECTION 15. OFFERING OF BONDS. The Town Manager upon advice of the Finance Director and the Financial Advisor is hereby authorized to prepare, mail and post (or cause to be prepared, mailed and posted) the Preliminary Official Statement, substantially in the form attached hereto as Exhibit B. At closing, the appropriate officers of the Town are authorized and directed to furnish a certificate to the effect that the Preliminary Official Statement did not as of its date and does not contain any untrue statement or omission of a material fact, except for “permitted omissions,” as defined in SEC Rule 15c2-12 (the “Rule”). The Town Manager is authorized to deem final the Preliminary Official Statement prepared pursuant to this section for purposes of the Rule. The Town Manager is authorized to deliver a certificate to the Disclosure Counsel indicating compliance with the Rule. Subject to meeting the parameters set forth in Section 6 hereof, the execution of the Official Statement of the Town relating to the Bonds, to be dated the date of the sale of the Bonds (unless otherwise determined by the Town), substantially in the form of the Preliminary Official Statement, with such changes as are necessary to conform to the details of the Bonds, is hereby approved. The Town hereby authorizes the execution of the Official Statement and the Town hereby authorizes the Official Statement and the information contained therein to be used in connection with the Bonds. The Official Statement may be modified in a manner not inconsistent with the substance thereof as shall be deemed advisable by the Town, Bond Counsel or Disclosure Counsel. The Mayor (or in the absence of the Mayor, any Town Council Member) and the Town Manager are hereby further authorized to execute and deliver on behalf of the Town, the Official Statement and any amendment or supplement thereto, with such changes, modifications and deletions as the officers of the Town executing the same may deem necessary and appropriate, such execution and delivery to be conclusive evidence of the approval and authorization thereof by the Town. The Town Manager, upon advice of the

Financial Advisor and Finance Director, is hereby authorized and directed to select a financial printer having a favorable reputation in the printing of a preliminary official statement and final official statement to serve as the printer of the Preliminary Official Statement and the final Official Statement, and the payment of such printer's reasonable fees and expenses for such services is hereby authorized.

SECTION 16. CONTINUING DISCLOSURE. A. The Town hereby agrees with the Bondholders, in accordance with the provisions of Rule 15c2-12 in effect from time to time and applicable to the Bonds (the "Rule"), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB") in an electronic format prescribed by the MSRB and such other municipal securities information repository as may be required by law or applicable regulation, from time to time (the MSRB and each such information repository, a "MSIR"), within 180 days following the end of each Fiscal Year of the Town, commencing with the Fiscal Year ending September 30, 2021, annual financial information and operating data concerning the Town, consistent with the financial information and operating data referenced below included in the Official Statement, and, if not included with the annual financial information, then, when and if available, audited financial statements prepared in accordance with generally accepted accounting principles applicable to the Town. If audited financial statements are not available at the time of required filings as set forth above, unaudited financial statements shall be filed pending the availability of audited financial statements. (The information required to be disclosed in this subsection A shall be referred to herein as the "Annual Report"). In connection with the annual financial information and operating data, consistent with the financial information and operating data included in the

official statement prepared with respect to the Bonds, such information shall be deemed to include, but shall not be limited to (to the extent required by the Rule) the Town's Comprehensive Annual Financial Report for the immediately preceding Fiscal Year.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

B. The Town agrees to provide or cause to be provided to each MSIR in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of any property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Town (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having

supervision or jurisdiction over substantially all of the assets or business of the Town);

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

(xiv) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

(xv) the incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material, and

(xvi) a default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For purposes of the foregoing, “financial obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii) excluding municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to

which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

C. The Town agrees to provide or cause to be provided, in a timely manner, to each MSIR written notice of a failure by the Town to provide the Annual Report described in subsection A above on or prior to the date set forth therein.

D. The Town reserves the right to terminate its obligation to provide Annual Report and notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Bonds within the meaning of the Rule (either by the payment, the redemption in full or legal defeasance of all such Bonds). If the Town believes such condition exists, the Town will provide notice of such termination to each MSIR. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

E. The Town agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by any holder or beneficial owner; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Town's obligations under this Section and any failure by the Town to comply with the provisions of this undertaking shall not be an event of default with respect to this Resolution or the Bonds.

F. Any voluntary inclusion by the Town of information in its annual report of supplemental information that is not required hereunder shall not expand the obligations of the Town hereunder and the Town shall have no obligation to update such supplemental information or include it in any subsequent report.

G. The covenants contained herein are solely for the benefit of the holders and beneficial owners of the Bonds and shall not create any rights in any other parties.

H. Notwithstanding any other provision of this Resolution, the Town may amend this Section and any provision of this Section may be waived, provided that the following conditions are satisfied:

(1) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identify, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(2) The undertaking, as amended or taking into account such waiver would, in the opinion of Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver does not materially impair the interests of holders and beneficial owners as determined either by parties unaffiliated with the Town or obligated person (such as bond counsel), or by an approving vote of holders pursuant to the terms of this Resolution.

In the event of any amendment or waiver of a provision of this section, the Town shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of annual

financial information or operating data being presented by the Town. In addition, if the amendment or waiver relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as set forth in subsection B and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 17. PROVISIONS FOR REDEMPTION. The Bonds may be subject to optional or mandatory redemption prior to their maturity as shall be set forth in the Bonds.

To the extent the Bonds are subject to redemption, notice of such redemption shall be given by the Paying Agent, at least thirty (30) days prior to the redemption date, be filed with the Bond Registrar and mailed, first class mail, postage prepaid, to all Holders of the Bonds to be redeemed at their addresses as they appear on the registration books hereinbefore provided for, but failure to mail such notice to one or more Holders of the Bonds shall not affect the validity of the proceedings for such redemption with respect to Holders of the Bonds to which notice was duly mailed hereunder. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds of one maturity are to be called, the distinctive numbers of such Bonds to be redeemed and in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Subject to the rules regarding the book-entry system of registration, upon surrender of any Bond for redemption in part only, the Bond Registrar shall authenticate and deliver to the Bondholder thereof, the cost of which shall be paid by the Town, a new Bond of an authorized denomination equal to the unredeemed portion of the Bond surrendered.

In addition to the foregoing notice, further notice shall be given by the Town as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given in the manner prescribed above.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to any bond insurer which shall have insured any of the Bonds being redeemed and as may be required by the Municipal Securities Rulemaking Board (MSRB) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the Town retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption shall be captioned "Conditional Notice of Redemption." Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Town delivers a written direction to the Paying

Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded, or such moneys not so deposited, shall remain Outstanding, and neither the rescission nor the failure by the Town to make such moneys available shall constitute an event of default hereunder. The Town shall give notice as may be required by the MSRB and to one or more national information services that disseminate notices, and to the affected Bondholders, that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

SECTION 18. PLEDGE AND SECURITY. The Bonds are general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The Bonds shall be payable first from non-ad valorem special assessments imposed in connection with the Underground Utility Project pursuant to Chapter 90, Town Code of Ordinances, and, to the extent such non-ad valorem special assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on such Bonds as the same become due and payable. The proceeds of such tax and/or non-ad valorem special assessments applied to the payment of the Bonds will be deposited into a Sinking Fund, hereby created, to be held by the depository for the Town and administered by the Town solely for the purpose of paying the principal of and interest on the Bonds as they become due. Pending its use, money on deposit in the Sinking Fund may be invested in Sinking Fund Investments.

SECTION 19. APPLICATION OF PROCEEDS OF BONDS. All money received from the sale of the Bonds shall be applied by the Town as follows:

A. All accrued interest, if any, and interest to accrue on the series of the Bonds for such period shall be deposited into the Sinking Fund.

B. There is hereby created a special account to be designated the “Costs of Issuance Account” from which the Town shall pay all legal fees, fees of financial advisors and all other similar costs incurred in connection with the issuance of any of the Bonds. Moneys remaining on deposit in the Cost of Issuance Account six months after the delivery of any of the Bonds shall be transferred to the Sinking Fund and used as provided herein.

C. Any remaining moneys shall be deposited into the Project Fund and applied to the payment of the cost of the Underground Utility Project and, prior to such application, such moneys shall be invested in any investment permitted by the Town’s Investment Policy, as amended; provided, that such investments must mature or otherwise be available no later than the dates when moneys are needed to pay costs of the Underground Utility Project.

SECTION 20. DEFEASANCE. If, at any time, the Town shall have paid, or shall have made provision for payment of, the principal, interest and redemption premiums, if any, with respect to the Bonds, then, and in that event, the pledge of the special ad valorem tax levied on all taxable property in the Town, in favor of the holders of the Bonds and any other funds pledged under this Resolution for the payment of the Bonds shall be no longer in effect. For purposes of the preceding sentence, deposit of sufficient cash and/or Federal Securities in an irrevocable trust with a banking institution or trust company, for the sole benefit of the Bondholders, to make timely payment of the principal of, interest, and redemption premiums, if any, on the outstanding Bonds, shall be considered “provision for payment.”

SECTION 21. TAX COVENANT. No use will be made of the proceeds of the Bonds, which, if such use were reasonably expected on the date of issuance of the Bonds, would cause

the same to be “arbitrage bonds” within the meaning of the Internal Revenue Code of 1986, as amended. The Town at all times while the Bonds and the interest thereon are outstanding will comply with the requirements of the Internal Revenue Code of 1986, as amended, and any valid and applicable rules and regulations promulgated thereunder necessary to maintain the exclusion of the interest on the Bonds from federal gross income including the creation of any rebate funds or other funds and/or accounts required in that regard.

The Town shall at all times do and perform all acts and things permitted by law and this Resolution which are necessary or desirable in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

The Town shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the funds and accounts established in connection with the Bonds.

Notwithstanding any other provisions of this Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof.

SECTION 22. MODIFICATION OR AMENDMENT. No material adverse modification or amendment of this Resolution or of any resolution or ordinance amendatory hereof or supplemental hereto may be made without the consent in writing of the Registered Owners of 51% or more in aggregate principal amount of the Bonds then outstanding, or the Registered Owners of all the Bonds so affected; provided, however, that no modification or amendment

shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the Town to pay the principal of and interest on the Bonds or sinking fund payments as the same shall become due or reduce the percentage of the Registered Owners required to consent to any material modification or amendment hereof, without the consent of the Registered Owners of all such Bonds.

SECTION 23. 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 separable from the remaining covenants, agreements or provisions hereof or of the Bonds.

SECTION 24. FURTHER OFFICIAL ACTION. The Mayor, the Town Manager, Town Council President, the Finance Director, the Town Attorney and any other proper officials of the Town are hereby authorized and directed to execute and deliver any and all documents, pleadings, tax returns and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution. In the event that the Mayor, the Town Manager, the Finance Director or the Town Attorney is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the respective designee of such officer or official or any other duly authorized officer or official of the Town. The Town Clerk or any deputy Town Clerk is hereby authorized and directed to affix and attest the official seal of the Town to any agreement or instrument authorized or approved herein that requires such a seal and attestation.

SECTION 25. REPEALING CLAUSE. All resolutions or parts thereof of the Town in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 26. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED in a special session on this 11th day of February 2021.

Gail L. Coniglio
Mayor

ATTEST:

Queenester Nieves, MBA, CMC, Town Clerk

EXHIBIT A

OFFICIAL NOTICE OF SALE AND
SUMMARY NOTICE OF SALE

EXHIBIT B

FORM OF

PRELIMINARY OFFICIAL STATEMENT

\$18,000,000*
TOWN OF PALM BEACH, FLORIDA
General Obligation Bonds
(Underground Utility Project)
Series 2021

OFFICIAL NOTICE OF SALE

Town of Palm Beach, Florida General Obligation Bonds (Underground Utility Project), Series 2021 (the "Bonds"), are being offered for sale in accordance with this Official Notice of Sale. Bids for the purchase of the Bonds will be received on behalf of the Town of Palm Beach, Florida, electronically via IHS Markit's PARITY/BiDCOMP Competitive Bidding System ("Parity®" or the "System") on February 23, 2021, until 10:30 A.M., Eastern Time.

* Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

\$18,000,000*
TOWN OF PALM BEACH, FLORIDA
General Obligation Bonds
(Underground Utility Project)
Series 2021

Notice is given that all-or-none bids will be received by the Town of Palm Beach, Florida (the "Town"), for the purchase of \$18,000,000* Town of Palm Beach, Florida General Obligation Bonds (Underground Utility Project), Series 2021 (the "Bonds"). All bids must be submitted electronically via Parity® by 10:30 A.M., Eastern Time on February 23, 2021. To bid on the Bonds, bidders must be a contracted customer of the IHS Markit's PARITY/BiDCOMP Competitive Bidding System ("Parity®" or the "System"). Prospective bidders that do not have a contract with the System should call (212) 849-5021 to become a customer and to obtain a list of the bidding rules and procedures. For further information about Parity®, potential bidders may contact IHS Markit at 450 West 33rd Street, 5th Floor, New York, NY 10001, telephone (212) 849-5021. The use of Parity® shall be at the bidder's risk and expense, and the Town shall have no liability with respect thereto. Only bids submitted through Parity® will be considered. To the extent any instructions or directions set forth on Parity® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control.

THE BIDDING PROCESS, CURRENTLY SCHEDULED FOR FEBRUARY 23, 2021, AT 10:30 A.M., EASTERN TIME, MAY BE CANCELLED OR POSTPONED OR THE PRINCIPAL AMOUNT AND AMORTIZATION OF THE BONDS MAY BE CHANGED OR ANY OTHER PROVISION OF THIS OFFICIAL NOTICE OF SALE MAY BE AMENDED BY THE TOWN UPON NO LESS THAN TWENTY-FOUR (24) HOURS PRIOR NOTICE COMMUNICATED THROUGH THOMSON MUNICIPAL MARKET MONITOR. IF SUCH A POSTPONEMENT, CHANGE OR AMENDMENT OCCURS, BIDS WILL BE RECEIVED IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE, AS MODIFIED BY SUCH NOTICE.

BOND DETAILS

The Bonds will be issued initially as fully registered bonds and, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases of beneficial interests in the Bonds may be made only in book-entry-only form in denominations of \$5,000 or integral multiples of \$5,000. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the Bonds, payments of principal and interest with respect to the Bonds will be made to such registered owner who will in turn remit

* Preliminary, subject to change.

such principal and interest payments to DTC participants for subsequent disbursement to the Beneficial Owners.

The Bonds will be dated the date of their original issuance and delivery and bear interest from such date, payable commencing on July 1, 2021, and on each January 1 and July 1 thereafter until maturity or prior redemption, at the rate or rates specified in the proposal of the successful bidder. The schedule of maturities and principal amounts to be paid are as follows:

INITIAL MATURITY SCHEDULE
BONDS

Maturity* (July 1)	Principal Amount*	Maturity* (July 1)	Principal Amount*
2022	\$	2035	\$
2023		2036	
2024		2037	
2025		2038	
2026		2039	
2027		2040	
2028		2041	
2029		2042	
2030		2043	
2031		2044	
2032		2045	
2033		2046	
2034		2047	

*NOTE: The Town reserves the right to modify the initial maturity schedules shown above (the "Initial Maturity Schedule"). See "BOND DETAILS - Adjustment of Principal Amounts" and "TERMS OF BID AND BASIS OF AWARD" below.

Term Bond Option - Bidders for the Bonds have the option of specifying that the principal amount of the Bonds maturing on and after July 1, 2031 in any two or more consecutive years set forth in the maturity schedule may, in lieu of maturing in each of such years, be considered to comprise one maturity of a term bond scheduled to mature in the latest of such years and be subject to mandatory redemption by lot at par in each of the years and in the principal amounts set forth in the maturity schedule (subject to adjustment as provided herein). The number of such term bonds proposed is not limited. Upon such designation, the Bonds of such term maturity shall be subject to mandatory sinking fund redemption in part by lot on July 1, in the principal amounts which would otherwise have matured in such designated years, at the price of par plus accrued interest to the redemption date, without premium.

Adjustment of Maturity Schedule - The Initial Maturity Schedule for the Bonds represents an estimate of the principal amounts and maturities of Bonds which will be

sold. The Town reserves the right to change the Initial Maturity Schedule by announcing any such change not later than twenty-four (24) hours prior to the date and time established for receipt of bids, through Thomson Municipal Market Monitor. If such a change is announced, then the changes, when incorporated into the Initial Maturity Schedule, shall become part of a revised maturity schedule (the "Revised Maturity Schedule"). The Revised Maturity Schedule shall be deemed the principal amounts and maturities for the bid submitted via Parity®. If no such change is announced, then the Initial Maturity Schedule will be deemed the principal amounts and maturities for the bid submitted via Parity®.

In addition, if after the final computation of the bids the Town determines, in its sole discretion and without the consent of the successful bidder, that the principal amount of any of the maturities in the Initial Maturity Schedule or the Revised Maturity Schedule needs to be adjusted, the Town reserves the right: (i) either to increase or decrease the aggregate principal amount by no more than fifteen percent (15%) of the aggregate principal amount stated in the Initial Maturity Schedule or the Revised Maturity Schedule at the time of the Bid of the Bonds, and (ii) either to increase or decrease the principal amount by no more than fifteen percent (15%) within a given maturity of the Bonds (to be rounded to the nearest \$5,000). In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified in the proposal of the successful bidder. With the consent of the successful bidder, the principal amount of any maturity of the Bonds may be increased or decreased to an amount exceeding fifteen percent (15%) of the principal amount of such maturity as stated in the Initial Maturity Schedule or the Revised Maturity Schedule at the time of the Bid of the Bonds.

Optional Redemption Provisions - The Bonds maturing on or prior to July 1, 2030 are not subject to optional redemption. The Bonds maturing on or after July 1, 2031 are subject to redemption prior to maturity, at the option of the Town, in whole or in part on any date on or after July 1, 2030, and if in part, in such order of maturities and in such amounts as the Town shall select and by lot within a maturity, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, and without premium.

AUTHORIZATION

The Town will issue the Bonds under the authority of, and in full compliance with the Constitution and laws of the State of Florida, including particularly, Chapter 166 of the Florida Statutes, as amended, the Charter of the Town of Palm Beach, Florida, as amended, and other applicable provisions of law, a bond referendum approved on March 15, 2016 and Resolution No. ____-2021 adopted by the Town Council of the Town (the "Council") on February 11, 2021 (the "Resolution").

PURPOSE

The Bonds are being issued: (1) to finance or refinance a portion of the cost of the Town's Underground Utility Project and (2) to pay costs of issuance.

SECURITY FOR BONDS

The Bonds are general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The Bonds shall be payable first from non-ad valorem special assessments imposed in connection with the Underground Utility Project (as defined in the Resolution) pursuant to Chapter 90, Town Code of Ordinances, and, to the extent such non-ad valorem special assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on such Bonds as the same become due and payable.

For further information, see "SECURITY FOR THE BONDS" in the Preliminary Official Statement.

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings have assigned municipal bond ratings to the Bonds of "_____" (____ outlook), and "_____" (____ outlook), respectively. The rating reports of such rating agencies will be made available upon request to the Director of Finance, Town Hall, 360 South County Road, Palm Beach, Florida 33480, (561) 838-5444 or to the Town's Financial Advisor, PFM Financial Advisors, LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, (407) 406-5760, Attention: Jay Glover, Managing Director, (the "Financial Advisor").

Such ratings reflect the views of the respective rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies. There is no assurance that such ratings will be in effect for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect upon the market price of the Bonds.

CONTINUING DISCLOSURE

In the Resolution, the Town has committed to provide certain annual information and notices of material events, as required by Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission ("SEC") and as described in the Preliminary Official Statement under the caption "CONTINUING DISCLOSURE."

The obligation of the successful bidder to purchase the Bonds shall be conditioned upon it receiving, at or prior to the delivery of the Bonds a copy of the Resolution setting forth the continuing disclosure undertaking described above, which shall constitute a written agreement for the benefit of the registered owners and Beneficial Owners of the Bonds, as required by the Rule.

PURCHASER'S CERTIFICATION REGARDING INITIAL OFFERING PRICE

At the time the Town delivers the Bonds, the successful bidder shall furnish to the Town a certificate acceptable to Bond Counsel verifying information as to the bona fide initial offering price to the public and sale of each maturity of the Bonds. Such certificate shall be substantially in the form of Exhibit A to this Official Notice of Sale.

LEGAL OPINIONS

The opinion of Bond Counsel will approve the legality of the Bonds and state other matters relating to the treatment of interest on the Bonds for federal income tax purposes. For a further discussion of certain federal income tax matters relating to the Bonds, see the information under the caption "TAX MATTERS" in the Preliminary Official Statement. Bond Counsel will furnish to the successful bidder, without charge, a reliance letter with respect to its opinion to be delivered to the Town, together with the closing documents customarily delivered by the Town for the issuance of bonds.

Greenspoon Marder LLP, Disclosure Counsel to the Town ("Disclosure Counsel"), has advised the Town on certain matters relating to disclosure for the issuance of the Bonds and in connection with the preparation of the Preliminary Official Statement and the Official Statement. Disclosure Counsel will furnish to the successful bidder, without charge, a reliance letter with respect to its opinion to be delivered to the Town.

The proposed text of the legal opinion of Bond Counsel is set forth in Appendix D to the Preliminary Official Statement. The actual legal opinion to be delivered may vary from the text of Appendix D, if necessary, to reflect facts and law on the date of delivery of the Bonds. The opinion will speak only as of its date and Bond Counsel will assume any duty to update or supplement its opinion to reflect any change in facts or circumstances, including changes in law that may thereafter occur or become effective.

GOOD FAITH DEPOSIT

The successful bidder is required to provide by wire transfer to the Town prior to the award of the Bonds a good faith deposit in the amount of [\$320,000], representing approximately two percent (2%) of the principal amount of the Bonds (the "Good Faith Deposit"). Please see "BIDDING DETAILS" and "TERMS AND BASIS OF AWARD" for further details.

The proceeds of the Good Faith Deposit of the successful bidder shall be held as security for the performance of the successful bidder's obligation to comply with the terms of its bid. At the time of the delivery of and payment for the Bonds, the amount of the Good Faith Deposit shall be credited against the purchase price due from the successful bidder for the Bonds. In the event the successful bidder should fail to comply with the terms of its bid, the proceeds of the Good Faith Deposit shall be retained by the Town. The retention of such proceeds by the Town will constitute full liquidated damages and the successful bidder shall have no further liability. If the Bonds are not issued for any reason other than the successful bidder failing to comply with its bid, the Town shall promptly deliver the proceeds of the Good Faith Deposit to the successful bidder, in immediately available funds, and the Town shall have no further liability to the successful bidder. No interest shall be paid or credited to the successful bidder on the proceeds of the Good Faith Deposit.

BIDDING DETAILS

All bids must be unconditional and submitted electronically via Parity®. **No telephone, facsimile, mail, courier delivery or personal delivery bids will be accepted.** To participate, bidders must be a contracted customer of the System. If the prospective bidder does not have a contract with the System, call (212) 849-5021 to become a customer and to obtain a list of the bidding rules and procedures. To the extent any instructions or directions set forth on Parity® conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control.

Each bidder will be solely responsible for making the necessary arrangements to access the System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. IHS Markit will not have any duty or obligation to provide or assure such access to any bidder, and neither the Town nor IHS Markit will be responsible for the proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, the System. The Town is authorizing the use of PARITY® as a communications mechanism to conduct the electronic bidding for the Bonds; the owners of such service are not agents of the Town. The Town is not bound by any advice and determination of IHS Markit to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the specifications set forth in this Official Notice of Sale, including under "TERMS OF BID AND BASIS OF AWARD" below. All costs and expenses incurred by bidders in connection with their registration and submission of bids via Parity® are the sole responsibility of such bidders.

TERMS OF BID AND BASIS OF AWARD

Bids must be unconditional and for the purchase of all, but not less than all, of the Bonds. **THE PURCHASE PRICE FOR THE BONDS SHALL BE NO LESS THAN 100% OF THE PAR AMOUNT OF THE BONDS.**

BIDDERS MAY BID TO PURCHASE THE BONDS AT A PREMIUM, AND NO BONDS OF ANY MATURITY MAY BE REOFFERED AT A PRICE LESS THAN 100%

OF THE PRINCIPAL AMOUNT OF ANY SUCH BONDS. The Town reserves the right to reject any and all bids and to waive informalities in any or all bids.

Bidders must specify the rate or rates of interest the Bonds shall bear according to the following restrictions: (1) no interest rate shall exceed five percent (5.00%); (2) all Bonds having the same maturity must bear the same rate of interest throughout their life; and (3) each interest rate specified must be a multiple of one-eighth (1/8) or one-one hundredth (1/100) of one percent (1%).

The Bonds will be awarded to the responsible bidder whose bid results in the lowest **TRUE INTEREST COST ("TIC")** to the Town. The TIC will be the nominal interest rate which, when compounded semiannually and used to discount all debt service payments on the Bonds (computed at the interest rates specified in the bid and on the basis of a 360-day year comprised of twelve 30-day months) to the expected issuance date of the Bonds, results in an amount equal to the price bid for the Bonds. If two or more bids provide for the same lowest TIC, the Town shall determine which bid shall be accepted, and such determination shall be final and conclusive. **NO BID THAT RESULTS IN A TIC GREATER THAN 4.00% WILL BE ACCEPTED.**

Award or rejection of bids will be made by the Town prior to 4:00 p.m., Palm Beach, Florida Time on the date of receipt of bids. **ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M., PALM BEACH, FLORIDA TIME, ON THE DATE OF RECEIPT OF BIDS. Award is subject to the timely receipt of the Good Faith Deposit as mentioned above.**

In the event of any adjustment of the maturity schedule for the Bonds as described under "Adjustment of Maturity Schedule" herein, no rebidding or recalculation of the proposals submitted will be required or permitted. The total purchase price of the Bonds will be increased or decreased to reflect any such adjustments so as to hold constant the successful proponent's proposed underwriter's spread on a per bond basis. The Bonds of each maturity, as adjusted, will bear interest at the same rate as is specified by the successful proponent for the Bonds of that maturity. Nevertheless, the award of the Bonds will be made to the proponent whose proposal produces the lowest TIC, calculated as specified above, solely on the basis of the Bonds as offered herein, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph.

EACH BIDDER MUST SPECIFY IN ITS BID THE INTEREST RATE FOR THE BONDS OF EACH MATURITY AND ALL BONDS MATURING ON THE SAME DATE MUST BEAR INTEREST AT THE SAME RATE. NO BIDS FOR LESS THAN ALL OF THE BONDS OFFERED WILL BE ENTERTAINED. THE TOWN RESERVES THE RIGHT TO REJECT ALL BIDS OR ANY BID NOT CONFORMING TO THIS OFFICIAL NOTICE OF SALE. THE TOWN ALSO RESERVES THE RIGHT TO WAIVE, IF PERMITTED BY LAW, ANY IRREGULARITY OR INFORMALITY IN ANY PROPOSAL. THE TOWN SHALL NOT REJECT ANY CONFORMING BID UNLESS ALL CONFORMING BIDS ARE REJECTED. BY 2:00 P.M. EASTERN TIME, BIDDERS

MUST SUBMIT A LIST OF SYNDICATE MEMBERS TO THE TOWN DIRECTOR OF FINANCE BY FACSIMILE AT (561) 838-5417.

COMPLIANCE WITH SEC AND MSRB RULES

The successful bidder agrees to take any and all other actions necessary to comply with applicable SEC and Municipal Securities Rulemaking Board (the "MSRB") rules governing the offering, sale and delivery of the Bonds, including, without limitation, the payment of any fees or charges required to be paid by the MSRB or the Securities Industry and Financial Markets Association in connection with the purchase or sale of the Bonds.

SETTLEMENT OF BONDS

It is expected that closing for the Bonds will occur in Palm Beach, Florida on or about [March 18, 2021] (the "Closing Date"), or such other date as shall be appropriate to ensure compliance with the Rule. On the Closing Date, the Bonds will be delivered to DTC, as securities depository, and registered in the name of Cede & Co., as nominee of DTC. The successful bidder shall timely obtain CUSIP identification numbers and pay CUSIP Service Bureau charges for assignment of the numbers. **The successful bidder shall advise the Town within two (2) business days after notice of award of the CUSIP identification numbers for the Bonds.** The successful bidder shall also advise the underwriting department of DTC, not less than four (4) business days prior to the Closing Date, of the interest rates borne by the Bonds, the CUSIP identification numbers and the Closing Date. Any delay, error or omission with respect to the CUSIP numbers shall not constitute a cause for failure or refusal by the successful bidder to accept delivery of, and pay for, the Bonds in accordance with the terms of this Official Notice of Sale.

FULL PAYMENT OF THE PURCHASE PRICE (MINUS THE AMOUNT OF THE GOOD FAITH DEPOSIT) MUST BE MADE TO THE TOWN BY 11:00 A.M. EASTERN TIME ON THE CLOSING DATE BY THE SUCCESSFUL BIDDER IN FEDERAL RESERVE FUNDS OR IMMEDIATELY AVAILABLE FUNDS, WITHOUT COST TO THE TOWN.

BLUE SKY LAWS

The successful bidder will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under the securities or "Blue Sky" laws of the several states and the preparation of any surveys or memoranda in connection with such sale. The Town shall have no responsibility for such clearance, exemption or preparation.

CLOSING DOCUMENTS

In addition to the opinions of Bond Counsel and Disclosure Counsel referred to above, at the time of payment for and delivery of the Bonds, the Town will furnish the successful bidder with the following documents, all to be dated as of the date of delivery:

1. ***No Litigation Opinion*** - An opinion of the Town Attorney to the effect that, except as described in the Official Statement, there is no litigation pending or, to its knowledge, threatened which, if determined adversely, would materially adversely affect the validity of the Bonds.
2. ***General Certificate*** - A certificate or certificates of the appropriate officers of the Town to the effect that (1) to the best of such officer's knowledge and belief, and after reasonable investigation, (a) neither the Official Statement nor any amendment or supplement to it contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (b) since the date of the Official Statement, no materially adverse change has occurred in the financial position or results of operation of the Town, except as set forth in or contemplated by the Official Statement; and (2) the Bonds have been executed by the manual or facsimile signature of the appropriate Town officials who were duly authorized to execute the same.
3. ***Director of Finance Receipt*** - The receipt of the Director of Finance showing that the purchase price of the Bonds has been received and deposited in the appropriate funds and accounts.

The successful bidder will also be required to execute certain closing documents required by Florida law or by Bond Counsel in connection with the delivery of the Bonds or the delivery of the opinions of Bond Counsel described in this Official Notice of Sale.

PRELIMINARY OFFICIAL STATEMENT; FINAL OFFICIAL STATEMENT

The Town has authorized the distribution of the Preliminary Official Statement, which it deemed final (except for permitted omissions) for purposes of the Rule. The Preliminary Official Statement describes the Bonds and contains information with respect to the Town. The Preliminary Official Statement may be obtained electronically from www.i-Dealprospectus.com or from the Town and the Town's financial advisor as provided under "ADDITIONAL INFORMATION" below.

This Official Notice of Sale is not intended to be a disclosure document. All bidders must review the Preliminary Official Statement and will be required to certify that they have done so prior to participating in the bidding. In the event of any conflict between the statements contained in the Preliminary Official Statement and in this Official Notice of Sale, the statements contained in the Preliminary Official Statement shall prevail.

Upon the sale of the Bonds, the Town will deliver a final Official Statement substantially in the same form as the Preliminary Official Statement, subject to such amendments as are necessary, to the successful bidder within the earlier of seven (7) business days following the sale of the Bonds or to accompany the successful bidder's confirmation that requests payment for the Bonds. Up to five hundred (500) copies of the Official Statement (and any supplement to the Official Statement) will be made available to the successful bidder at the expense of the Town. Additional copies may be obtained at the expense of the successful bidder.

MANDATORY STATE FILING

Section 218.38(1)(b)1, Florida Statutes, as amended, requires that the Town file, within one hundred twenty (120) days after the delivery of the Bonds, an information statement with the Division of Bond Finance of the Board of Administration of the State of Florida (the "Division of Bond Finance") containing the following information: (a) the name and address of the managing underwriter, if any, connected with the bond issue; (b) the name and address of any attorney or financial consultant who advised the Town with respect to the bond issue; (c) any fee, bonus, or gratuity paid by any underwriter or financial consultant, in connection with the bond issue, to any person not regularly employed or engaged by such underwriter or consultant; and (d) any other fee paid by the Town with respect to the bond issue, including any fee paid to attorneys or financial consultants. The successful bidder shall provide to the Town the information mentioned in (a) and (c) above when the Bonds are delivered. Such information provided pursuant to the cited Statute shall be maintained by the Division of Bond Finance and by the Town as a public record.

TRUTH-IN-BONDING STATEMENT

Each bidder will be required to complete and sign the Truth-in-Bonding Statement set forth in Exhibit B to this Official Notice of Sale and submit such statement to the Town's Director of Finance (which submission may be by facsimile transmission at (561) 838-5417) on the date bids are due and prior to award of the Bonds by the Town.

PUBLIC ENTITY CRIMES

Section 287.133, Florida Statutes, provides, among other things, that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO (currently \$25,000) for a period of thirty-six (36) months following the date of being placed on the convicted vendor list.

ADDITIONAL INFORMATION

The Preliminary Official Statement and this Official Notice of Sale may be obtained electronically from www.munios.com . In addition, copies of the Preliminary Official Statement and this Official Notice of Sale will be furnished, in limited quantities, upon request to PFM Financial Advisors, LLC, 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801, (407) 406-5760, Attention: Jay Glover, Managing Director.

TOWN OF PALM BEACH, FLORIDA

Jane Le Clainche
Director of Finance

Dated: February 12, 2021

EXHIBIT A

ISSUE PRICE CERTIFICATE

\$18,000,000*

**TOWN OF PALM BEACH, FLORIDA
General Obligation Bonds
(Underground Utility Project)
Series 2021**

The undersigned, on behalf of [NAME OF UNDERWRITER] (the “[Successful Bidder][Representative]”), on behalf of itself and [NAMES OF OTHER UNDERWRITERS]] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

Reasonably Expected Initial Offering Prices.

As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the [Successful Bidder][Representative] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the [Successful Bidder][Representative] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the [Successful Bidder][Representative] to purchase the Bonds.

The [Successful Bidder][Representative] was not given the opportunity to review other bids prior to submitting its bid.

The bid submitted by the [Successful Bidder][Representative] constituted a firm offer to purchase the Bonds.

Defined Terms.

Issuer means Town of Palm Beach, Florida.

Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

* Preliminary, subject to change.

Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 23, 2021.

Underwriter means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder][Representative] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The [Successful Bidder][Representative] hereby acknowledges receipt from the [Issuer] of the Bonds and further acknowledges receipt of all certificates, opinions and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of the Bonds, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

Dated: _____, 20__

[SUCCESSFUL BIDDER] [REPRESENTATIVE]

By: _____

Name:

Title:

Schedule A
Expected Offering Prices

Schedule B
Copy of Bid

EXHIBIT B

TRUTH-IN-BONDING STATEMENT

In compliance with Section 218.385, Florida Statutes, as amended, the undersigned bidder submits the following Truth-In-Bonding Statement with respect to the Town of Palm Beach, Florida General Obligation Bonds (Underground Utility Project), Series 2021 (the "Bonds") (NOTE: For information purposes only and not a part of the bid):

The Town of Palm Beach, Florida (the "Town") is proposing to issue \$_____ of Bonds: (1) to finance or refinance a portion of the cost of the Town's Underground Utility Project and (2) to pay costs of issuance. The Bonds are expected to be repaid over a period of approximately _____ (____) years. At a forecasted interest rate of _____%, total interest paid over the life of the Bonds will be \$_____.

The Bonds are general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The Bonds shall be payable first from non-ad valorem special assessments imposed in connection with the Underground Utility Project (as defined in the Resolution) pursuant to Chapter 90, Town Code of Ordinances, and, to the extent such non-ad valorem special assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on such Bonds as the same become due and payable. Authorizing the debt or obligation will result in an average annual debt service payment of approximately \$_____ of the Town's monies not otherwise available to finance the other services of the Town each year for approximately ____ years.

(BIDDER'S NAME)

By:_____

Name:

Title:

Date:_____

SUMMARY NOTICE OF SALE

\$18,000,000*
TOWN OF PALM BEACH COUNTY, FLORIDA
General Obligation Bonds
(Underground Utility Project)
Series 2021

NOTICE IS HEREBY GIVEN that all-or-none bids will be received by Town of Palm Beach, Florida (the "Town") for the purchase of \$18,000,000* Town of Palm Beach County, Florida General Obligation Bonds (Underground Utility Project), Series 2021 (the "Bonds").

In accordance with the Official Notice of Sale all bids for the Bonds must be submitted electronically via Parity® by 10:30 a.m., Eastern Time on February 23, 2021.

To bid, bidders must be a contracted customer of the IHS Markit's PARITY/BiDCOMP Competitive Bidding System (the "System" or "Parity®"). Prospective bidders that do not have a contract with the System should call (212) 849-5021 to become a customer and to obtain a list of the bidding rules and procedures. For further information about Parity®, potential bidders may contact IHS Markit at 450 West 33rd Street, 5th Floor, New York, NY 10001, telephone (212) 849-5021. The use of Parity® shall be at the bidder's risk and expense, and the Town shall have no liability with respect thereto. Only bids submitted through Parity® will be considered. The Town reserves the right to cancel or postpone the date and time established for the receipt of bids and to change the principal amount or amortization of the Bonds by notice communicated through Thomson Municipal Market Monitor no less than twenty-four (24) hours prior to the date and time established for receipt of bids.

As described in the Official Notice of Sale, the Bonds are being issued: (1) to finance or refinance a portion of the cost of the Town's Underground Utility Project and (2) to pay costs of issuance.

The Bonds will be issued in fully registered book-entry-only form through the facilities of The Depository Trust Company, New York, New York, as the securities depository. Beneficial interests in the Bonds may be sold in denominations of \$5,000 or integral multiples of \$5,000. Settlement for the Bonds is expected to occur on or about [March 18, 2021.]

The Preliminary Official Statement and the Official Notice of Sale for the Bonds may be obtained electronically from www.munios.com. Copies of the Preliminary Official Statement and the Official Notice of Sale relating to the Bonds will also be available upon request from the Town's Financial Advisor, PFM Financial Advisors, LLC, 300 South Orange Avenue, Suite 1170, Florida 32801, telephone: (407) 406-5760, email: gloverj@pfm.com, Attention: Jay Glover, Managing Director.

TOWN OF PALM BEACH, FLORIDA
Jane Le Clainche
Director of Finance

Dated this February 12, 2021

* Preliminary, subject to change.

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. The Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The Town has deemed this Preliminary Official Statement “Final” except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission.

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY __, 2021

NEW ISSUE-BOOK-ENTRY ONLY

RATINGS: Moody's: [] / []

S&P: [] / []

(See "RATINGS" herein)

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. Under existing law, Bond Counsel is also of the opinion that the Bonds and the interest thereon are exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

TOWN OF PALM BEACH, FLORIDA

[\$18,000,000]*

**General Obligation Bonds (Underground Utility Project),
Series 2021 (the "Bonds")**

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The Town of Palm Beach, Florida (the "Town") is issuing its General Obligation Bonds (Underground Utility Project), Series 2021 (the "Bonds") as fully registered bonds initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. The Bonds will be available to purchasers in principal denominations of \$5,000 and integral multiples thereof under the book-entry system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive physical delivery of the Bonds. Beneficial Owners of Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. The Bank of New York Mellon Trust Company, N.A., will serve as the initial Paying Agent and Registrar for the Bonds.

Interest on the Bonds is payable on each January 1 and July 1, commencing July 1, 2021, until maturity or earlier redemption. The Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE BONDS—Redemption Provisions."

* Preliminary, subject to change.

The Bonds are being issued by the Town pursuant to Resolution No. ____-2021, adopted on February 11, 2021 (the “Resolution”). The Bonds are being issued for the purposes of (i) financing or refinancing a portion of the cost of acquiring, constructing, reconstructing and equipping of the Town’s Underground Utility Project, and (ii) paying the costs of issuance with respect to the Bonds. See “PURPOSE OF THE BONDS,” “DESCRIPTION OF THE UNDERGROUND UTILITY PROJECT” and “ESTIMATED SOURCES AND USES OF PROCEEDS OF THE BONDS.”

The Bonds are general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The Town previously issued its \$56,040,000 General Obligation Bonds (Underground Utility Project), Series 2018 (the “Series 2018 Bonds”), of which \$54,360,000 remain outstanding. The Bonds and the Series 2018 Bonds shall be payable first from the Underground Utility Project Special Assessments (herein described) and, to the extent the Underground Utility Project Special Assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on the Bonds as the same become due and payable. The issuance of general obligation bonds of the Town in an aggregate principal amount of not exceeding \$90,000,000 was approved by the voters in a bond referendum held on March 15, 2016. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

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

The Bonds are offered when, as and if issued and received by the Purchaser, subject to approval of legality by Locke Lord LLP, West Palm Beach, Florida, Bond Counsel. Certain legal matters will be passed on for the Town by its counsel, Jones, Foster, Johnston & Stubbs, P.A., West Palm Beach, Florida and by its disclosure counsel, Greenspoon Marder LLP, West Palm Beach, Florida. PFM Financial Advisors LLC, Orlando, Florida is serving as Municipal Advisor to the Town with respect to the Bonds. The Bonds are expected to be delivered through the facilities of DTC in New York, New York on or about March __, 2021.

BIDS FOR THE BONDS WILL BE RECEIVED USING IHS MARKIT’S PARITY/BIDCOMP COMPETITIVE BIDDING SYSTEM, AS SPECIFIED IN THE OFFICIAL NOTICE OF SALE.

The date of this Official Statement is February __, 2021.

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

\$18,000,000*

General Obligation Bonds (Underground Utility Project), Series 2021

<u>Maturity (July 1)</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Initial CUSIP No.</u> ¹
2022	\$			
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031**				
2032**				
2033**				
2034**				
2035**				
2036**				
2037**				
2038**				
2039**				
2040**				
2041**				
2042**				
2043**				
2044**				
2045**				
2046**				
2047**				

* Preliminary, subject to change.

** Subject to Term Bond Option as more fully described in the Official Notice of Sale.

¹ The Town is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are included solely for the convenience of the readers of this Official Statement.

TOWN OF PALM BEACH, FLORIDA

360 South County Road
Palm Beach, FL 33480
(561) 838-5444

TOWN COUNCIL

GAIL CONIGLIO Mayor
MARGARET ZEIDMAN..... Town Council President
BOBBIE LINDSAY Town Council President Pro-Tem
JULIE ARASKOG..... Town Council Member
LEW CRAMPTON..... Town Council Member
DANIELLE H. MOORE Town Council Member

Town Manager

KIRK BLOUIN

Town Attorney

JOHN C. RANDOLPH
JONES, FOSTER, JOHNSTON & STUBBS, P.A.

Town Clerk

QUEENESTER NIEVES

Town Director of Finance

JANE LE CLAINCHE

Municipal Advisor

PFM FINANCIAL ADVISORS LLC

Bond Counsel

LOCKE LORD LLP

Disclosure Counsel

GREENSPOON MARDER LLP

NO DEALER, BROKER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE TOWN OF PALM BEACH, FLORIDA (THE "TOWN") OR THE PURCHASER SET FORTH ON THE COVER PAGE OF THIS OFFICIAL STATEMENT. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE HEREIN DESCRIBED BONDS, NOR MAY THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER WILL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE TOWN SINCE THE DATE HEREOF.

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TOWN AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER GOVERNMENTAL ENTITY OR AGENCY (OTHER THAN THE TOWN) WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE WEBSITE www.MuniOS.com. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE TOWN FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1)

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OFFICIAL STATEMENT

TOWN OF PALM BEACH, FLORIDA

\$[18,000,000]*

General Obligation Bonds (Underground Utility Project), Series 2021 (the “Bonds”)

INTRODUCTION

The purpose of this Official Statement is to set forth certain information relating to the Town of Palm Beach, Florida (the “Town”) and the issuance by the Town of \$18,000,000* principal amount of its General Obligation Bonds (Underground Utility Project), Series 2021 (the “Bonds”). The Bonds are being issued pursuant to the Constitution of the State of Florida, Chapter 166, Florida Statutes, the Charter of the Town and other applicable provisions of law (collectively, the “Act”) and a bond referendum held on March 15, 2016 (the “Bond Referendum”), and pursuant to Resolution No. ____-2021 of the Town adopted on February 11, 2021 (the “Resolution”).

The Bonds are being issued for the purposes of (i) financing or refinancing a portion of the cost of acquiring, constructing, reconstructing and equipping of the Underground Utility Project (described herein), and (ii) paying the costs of issuance with respect to the Bonds. See “PURPOSE OF THE BONDS,” “DESCRIPTION OF THE UNDERGROUND UTILITY PROJECT” and “ESTIMATED SOURCES AND USES OF PROCEEDS OF THE BONDS.”

The Bonds are general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The Resolution provides that the Bonds shall be payable first from the Underground Utility Project Special Assessments (herein described) and, to the extent the Underground Utility Project Special Assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on the Bonds as the same become due and payable.

The issuance of general obligation bonds of the Town in an aggregate principal amount of not exceeding \$90,000,000 was approved by the voters in a bond referendum held on March 15, 2016. The Town previously issued its \$56,040,000 General Obligation Bonds (Underground Utility Project), Series 2018 (the “Series 2018 Bonds”), of which \$54,360,000 remain outstanding. The Series 2018 Bonds and any additional general obligation bonds (up to the aggregate principal amount of \$90,000,000) shall also be payable from the Underground Utility Project Special Assessments and, if necessary, ad valorem taxes levied and collected in the Town, in the same manner as the Bonds.

See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

* Preliminary, subject to change.

Capitalized terms not otherwise defined in this Official Statement will have the same meanings assigned to such terms in the Resolution. See “APPENDIX A—Town of Palm Beach Resolution No. ____-2021.” This Official Statement also includes summaries of, and references to, the Bonds, the Resolution, statutes, and various documents and instruments. The summaries of, and references to, the Bonds, the Resolution, statutes and various documents and instruments herein do not purport to be complete, comprehensive or definitive and each such summary and reference is qualified in its entirety by reference to the Bonds, the Resolution and the applicable document, statute, or instrument.

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

PURPOSE OF THE BONDS

The Bonds are being issued for the purposes of (i) financing or refinancing a portion of the cost of acquiring, constructing, reconstructing and equipping of the Underground Utility Project, and (ii) paying the costs of issuance with respect to the Bonds.

DESCRIPTION OF THE UNDERGROUND UTILITY PROJECT

The Underground Utility Project consists of capital improvements for the conversion of the Town’s overhead utility lines and related facilities to underground utilities including, but not limited to, removal of overhead utility lines and facilities, landscaping removal and restoration, and other utility and utility related improvements. The Underground Utility Project includes the acquisition, design, construction, installation, reconstruction, renewal or replacement (including demolition, environmental mitigation and relocation) of facilities necessary or desirable for the Underground Utility Project, the costs of machinery, equipment and supplies, engineering, architectural, financing costs, project management expenses, legal fees and expenses and such other expenses as may be necessary for, or incidental to, the completion of the Underground Utility Project.

The Underground Utility Project consists of eight phases with each phase duration spanning approximately 18 months. Phase 1 construction began in July of 2017 and the final Phase 8 planned to begin in 2024.

Design has been awarded and is underway for all phases of the Underground Utility Project. Construction has been completed on Phase 1 North and South and Phase 2 North. Construction is underway in Phase 2 South, Phase 3 North and South, and Phase 4 North. The Town has been awarded an \$8,500,000 FEMA grant to offset the costs of construction of Phase 5.

ESTIMATED SOURCES AND USES OF PROCEEDS OF THE BONDS

The table below sets forth the expected sources and uses of proceeds of the Bonds.

Sources

Par Amount of Bonds [Plus Original Issue Premium]	\$
Total Sources	<u>\$</u>

Uses

Deposit to Project Account Cost of Issuance, including Purchaser's Discount ⁽¹⁾	\$
Total Uses	<u>\$</u>

(1) Includes fees of Bond Counsel, Disclosure Counsel, Municipal Advisor and other costs of issuing the Bonds.

DESCRIPTION OF THE BONDS

General Description

The Bonds will be issued as fully registered bonds, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only, and purchasers will not receive physical delivery of the Bonds or any certificate representing their beneficial ownership interest in the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are available to purchasers in principal denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of the date of their initial issuance and will bear interest from that date at the rates (calculated based upon a year of 360 days consisting of twelve thirty-day months) and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable on January 1 and July 1, commencing on July 1, 2021. The Bank of New York Mellon Trust Company, N.A., will act as initial Paying Agent and Registrar for the Bonds.

Registration, Transfer and Exchange

The Registrar will keep books for the registration of transfers and exchanges of the Bonds. The Town, the Registrar and the Paying Agent shall may treat and consider the registered owner of any Bond as the absolute owner of such Bond for the purpose of payment of

principal, interest or redemption premium, if any, with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. In the event the book-entry only system of registration of the Bonds, described below under “BOOK-ENTRY ONLY SYSTEM.” is discontinued, the Bonds will be subject to transfer and exchange as more fully described in the Resolution. See “APPENDIX A—Town of Palm Beach Resolution No. ____-2021.”

Redemption Provisions

The Bonds are subject to redemption prior to maturity as described below:

Optional Redemption. The Bonds maturing on or before July 1, 2030 will not be subject to optional redemption prior to maturity. The Bonds maturing on or after July 1, 2031 are subject to redemption prior to maturity at the option of the Town, in whole or in part, at any time on or after July 1, 2030, and if in part, in maturities determined by the Town and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

Mandatory Redemption.

The Bonds maturing on July 1, ____ (the “Term Bonds”) are subject to mandatory sinking fund redemption in part prior to maturity by lot, at redemption prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date in the following principal amounts and on the following dates:

Term Bonds

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

*

*Final maturity, not a redemption.

Notice of Redemption of the Bonds. To the extent the Bonds are subject to redemption, notice of such redemption shall be given by the Paying Agent, at least thirty (30) days prior to the redemption date, be filed with the Bond Registrar and mailed, first class mail, postage prepaid, to all Holders of the Bonds to be redeemed at their addresses as they appear on the registration books of the Town, but failure to mail such notice to one or more Holders of the Bonds shall not affect the validity of the proceedings with respect to Holders of the Bonds to which notice was duly mailed. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds of one maturity are to be called, the

distinctive numbers of such Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed..

In addition to the foregoing notice, further notice of redemption shall be given by the Town as set out in the Resolution, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given in the manner prescribed above. See “APPENDIX A—Town of Palm Beach Resolution No. ____-2021.”

In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys with the Paying Agent or with an escrow agent under an escrow deposit agreement, in amounts necessary to effect the redemption, no later than the redemption date or (2) the Town retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a “Conditional Redemption”), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption shall be captioned “Conditional Notice of Redemption.” Any Conditional Redemption may be rescinded at any time prior to the redemption date if the Town delivers a written direction to the Paying Agent directing the Paying Agent to rescind the redemption notice. The Paying Agent shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded, or such moneys not so deposited, shall remain Outstanding, and neither the rescission nor the failure by the Town to make such moneys available shall constitute an event of default hereunder. The Town shall give notice as may be required by the MSRB and to one or more national information services that disseminate notices, and to the affected Bondholders, that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

So long as the Bonds are registered in book-entry form, notices of redemption will be given by the Paying Agent only to DTC. See “BOOK-ENTRY ONLY SYSTEM.”

Any Bonds which have been duly selected for redemption and for which funds have been set aside with the Paying Agent will cease to bear interest on the specified redemption date.

BOOK-ENTRY ONLY SYSTEM

The following contains a description of the procedures and operations of DTC and is based upon information provided by DTC. Neither the Town nor the Purchaser have independently investigated or verified such procedures and operations and take no responsibility for the accuracy or completeness of the description thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds, as set forth on the

inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts

such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to documents securing the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are

required to be printed and delivered. Subject to the policies and procedures of DTC (or any successor securities depository), the Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Resolution. See “APPENDIX A—Town of Palm Beach Resolution No. ____-2021.”

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDER OF THE BONDS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The Town can make no assurances that DTC will distribute payments of principal of, redemption price, if any, or interest on the Bonds to the Direct Participants, or that DTC Participants will distribute payments of principal of, redemption price, if any, or interest on the Bonds or redemption notices to the Beneficial Owners of such Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Official Statement. The Town is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any DTC Participant to give any notice or make any payment to a Beneficial Owner in respect to the Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the Bonds and the manner of transferring or pledging those interests are subject to applicable state law. Holders of beneficial interests in the Bonds may want to discuss with their legal advisors the manner of transferring or pledging their interest in the Bonds.

NEITHER THE TOWN NOR THE PAYING AGENT SHALL HAVE ANY OBLIGATION WITH RESPECT TO ANY DTC PARTICIPANT OR BENEFICIAL OWNER OF THE BONDS DURING SUCH TIME AS THE BONDS ARE REGISTERED IN THE NAME OF A SECURITIES DEPOSITORY PURSUANT TO A BOOK-ENTRY SYSTEM.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

The Bonds are general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The Resolution provides that the Bonds shall be payable first from the Underground Utility Project Special Assessments (herein described) and, to the extent the Underground Utility Project Special Assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town (without limitation as to rate or amount) on all taxable property in the Town sufficient to pay principal of and interest on such Bonds as the same become due and payable.

The issuance of general obligation bonds of the Town in an aggregate principal amount of not exceeding \$90,000,000 was approved by the voters in a bond referendum held on March 15, 2016. The Town previously issued the Series 2018 Bonds. The Series 2018 Bonds and any additional general obligation bonds (up to the aggregate principal amount of \$90,000,000) shall also be payable from the Underground Utility Project Special Assessments and, if necessary, ad valorem taxes levied and collected in the Town, in the same manner as the Bonds.

The proceeds of such non-ad valorem special assessments and/or other tax, as the case may be, applied to the payment of the Bonds will be deposited into a Sinking Fund, created under the Resolution, to be held by the depository for the Town and administered by the Town solely for the purpose of paying the principal of and interest on the Bonds as they become due. Pending its use, money on deposit in the Sinking Fund may be invested in Sinking Fund Investments (as defined in the Resolution).

Underground Utility Project Special Assessments

The Bonds and the Series 2018 Bonds are payable first from the proceeds of non-ad valorem special assessments imposed by the Town in connection with the Underground Utility Project pursuant to Chapter 90, Town Code of Ordinances, Resolution No. 090-2017 adopted by the Town on June 13, 2017 and Resolution No. 100-2017 adopted by the Town on July 12, 2017 (the “Underground Utility Project Special Assessments”). The Underground Utility Project Special Assessments are being imposed on properties in the “Underground Utility Assessment Area” (all of the area of the Town except certain excluded parcels as described in Resolution No. 090-2017) to provide beautification, improved utility reliability, and to enhance safety and access to property, as well as to preserve and/or enhance the value of all property in the Underground Utility Assessment Area through the Underground Utility Project.

In 2015, the Town engaged the services of Raftelis Financial Consultants to prepare a special assessment methodology report to determine the special benefit that the Underground Utility Project would provide to each parcel in the Underground Utility Assessment Area. The amount of the Underground Utility Project Special Assessment for each property was determined by allocating a safety benefit, a reliability benefit and an aesthetic benefit to each property in the Underground Utility Assessment Area. The Underground Utility Project Special Assessments are set to cover capital costs of \$90,000,000, plus interest on debt, costs of collection and the statutory discount of up to four percent (4%). With the adoption of Resolution No. 090-2017 and No. 100-2017, the Town imposed the Underground Utility Project Special Assessments for a period of 30 years, commencing with the ad valorem tax bills sent out in November of 2017. Annually the Town approves an assessment roll for collection of the annual assessments pursuant to Section 197.3632, Florida Statutes. For the Town’s fiscal year beginning October 1, 2020, the annual installment of the Underground Utility Project Special Assessments on individual properties ranges from \$49.57 to \$41,632.61.

Since the imposition of the Underground Utility Project Special Assessments, the Town has levied and collected the following amounts:

Special Assessment Collection History

	<u>YTD FY21*</u>	<u>FY20</u>	<u>FY19</u>	<u>FY18</u>
Prepayments	\$ 22,670.24	\$ 273,657.41	\$ 147,809.25	\$11,581,599.00
Annual Assessments	3,426,182.39	4,257,287.59	4,190,241.16	4,253,992.83
Administrative Fees		234,593.55	350,408.10	343,398.00
Non Ad Valorem Interest		5,151.41	5,340.17	4,389.22

* As of January 14, 2021

Source: Town of Palm Beach

The Underground Utility Project Special Assessments are being collected, and payment enforced, in the same manner that ad valorem property taxes are collected, as authorized by Sections 197.3632 and 197.3635, Florida Statutes. Chapter 197, Florida Statutes, governs the procedure for the collection of ad valorem taxes and non-ad valorem assessments that are collected in the same manner as ad valorem taxes. See “AD VALOREM TAXATION – General Matters Relating to Collection and Enforcement.”

Additional Bonds

The issuance of general obligation bonds of the Town in an aggregate principal amount not exceeding \$90,000,000 was approved by the Bond Referendum. Under this authorization, the Town will issue the Bonds and the Town previously issued the Series 2018 Bonds. After the issuance of the Bonds, the Town will be authorized to issue additional general obligation bonds for the Underground Utility Project, which would be payable in the same manner as the Bonds. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

Before any additional bonds may be issued, the Town Council will be required to adopt a resolution authorizing their issuance, and fixing (or providing for the fixing of) the amount and the details thereof.

No Reserve Account

No reserve account has been established or will be funded for the Bonds.

AD VALOREM TAXATION

General Matters Relating to Town Taxation and Voted Millage

Ad valorem taxes levied and collected by the Town (exclusive of ad valorem taxes levied to pay debt service on the Town’s general obligation bonds, as described below) are allocated among the Town’s General Fund and other governmental funds of the Town and support the Town’s budget. Once the Town determines the amount of dollars needed to support its budget, it considers two primary factors in determining the levy of ad valorem taxes. The first factor is the millage rate that, when applied to the Town’s tax roll (hereinafter described), generates the

necessary tax dollars. State law places a 10 mill cap on local governments (excluding payment of voter-approved bonds). The Town levied a millage for its fiscal year beginning October 1, 2020, of 2.9962 mills for general operations. The Town could impose an additional millage to pay for the debt service on the Bonds, but it intends not to do so; rather, the Town intends to pay the debt service on the Bonds from non-ad valorem special assessments imposed in connection with the Underground Utility Project, and to only pay the debt service on the Bonds from ad valorem taxes to the extent such non-ad valorem special assessments are insufficient to pay debt service or are not assessed. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

The Town has the authority to impose a millage levy for debt supported by unlimited ad valorem taxes, such as that evidenced by the Bonds, and the limitations, exemptions or adjustments described herein and any others provided in State law do not affect the ability of the Town to levy and collect ad valorem taxes in amounts sufficient to pay principal of and interest on the Bonds.

General Matters Relating to Property Assessment Procedure

The laws of the State provide for a uniform procedure to be followed by all counties, municipalities, school districts and special districts for the levy and collection of ad valorem taxes on real and personal property. Pursuant to such laws, the County’s property appraiser (the “Property Appraiser”) prepares an annual assessment roll for all taxing units within the County, including the Town, and levies such millage, subject to constitutional limitations, as determined by each taxing unit, and the County Tax Collector (the “Tax Collector”) collects the ad valorem property taxes for all taxing units within the County, including the Town. Since the ad valorem property taxes of all taxing units within a County are billed together by the Tax Collector, each property owner is required to pay all such taxes and assessments without preference.

Real property used for the following purposes is generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary, and governmental. In addition, there are special exemptions for widows, hospitals, homesteads, and homes for the aged and disabled veterans. Agricultural land, non-commercial recreational land, inventory, and livestock are assessed at less than 100% of fair market value.

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser’s office. The Property Appraiser is required to physically inspect the real property every three (3) years. State law requires with certain exceptions, that property be assessed at fair market value; however, \$25,000 of the assessed valuation of a homestead is exempt from taxation for a residence occupied by the owner on a permanent basis where such owner has filed for and received a homestead exemption. Annual increases in the assessed valuation of homestead property are limited to the change in the consumer price index, not to exceed 3%, except in the event of a sale of such property during the prior year and except as to improvements to such property during the prior year. In addition to the homestead exemption, persons 65 years or older whose combined household adjusted gross income does not exceed certain levels are allowed an additional \$25,000 exemption, in addition to other exemptions. See “ – Legislative Developments and Exemptions” below.

The Property Appraiser's office prepares the assessment roll and gives notice by mail to each property owner of the proposed property taxes and the assessed property value for the current year, and the dates, times and places at which budget hearings are scheduled to be held. The property owner then has the right to file an appeal with the value adjustment board, which considers petitions relating to assessments and exemptions. The value adjustment board may make adjustments to the assessment roll to reflect any reduction in the assessed value of property upon the completion of the appeals. The value adjustment board certifies the assessment roll upon completion of the hearing of appeals to it. Millage rates are then computed by the various taxing authorities and certified to the Property Appraiser, who applies the millage rates to the assessment roll. This procedure creates the tax roll, which is then certified and turned over to the Tax Collector.

Section 194.104, Florida Statutes requires that taxpayers appealing the assessed value or assigned classification of their property must make a required partial payment of taxes on properties that will have a petition pending on or after the delinquency date (normally April 1). The statute further provides that a taxpayer's failure to make the required partial payment before the delinquency date (normally April 1) will result in the denial of the taxpayer's petition.

State law provides that tax liens are superior to all other liens, except prior United States Internal Revenue Service liens.

General Matters Relating to Collection and Enforcement

The procedures described in the following section apply both to the collection of ad valorem taxes and the collection of special assessments imposed by the Town, such as the Underground Utility Project Special Assessments.

A notice is mailed to each property owner on the tax roll for the taxes levied by cities, counties, school boards, and other taxing authorities. All real and tangible personal property taxes become payable on November 1 of each year, or as soon thereafter as the tax roll is certified and delivered to the Tax Collector. The Tax Collector mails a notice to each property owner on the tax roll for the taxes levied by the County, the School District of Palm Beach County, Florida (the "School District"), municipalities within the County, including the Town, and other taxing authorities. Taxes may be paid upon receipt of such notice, with discounts at the rate of 4% if paid in the month of November; 3% if paid in the month of December; 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid in the month of March are without discount. All unpaid taxes on real and personal property become delinquent on April 1 of the year following the year in which taxes were levied. All taxes and special assessments collected are distributed by the Tax Collector to the applicable taxing units, including the Town.

It is the Tax Collector's duty on or before June 1 of each year to advertise and sell tax certificates on real property tax delinquencies extending from the previous April 1. Delinquent taxes may be paid by the property owner prior to the sale of tax certificates upon payment of all costs, delinquent taxes and interest at the rate of not more than 18% per annum. The tax certificates must be for an amount not less than the taxes due, plus interest from April 1 to the date of sale at not more than 18% per annum, together with the cost of advertising and expense

of the sale. Each tax certificate is awarded to the bidder paying the above amounts who accepts the lowest interest to be borne by the tax certificate after its sale. If there are no bidders, the Tax Collector must hold, but not pay for, such tax certificates. Thereafter, the Tax Collector may sell such tax certificates to the public at any time at the principal amount thereof plus interest at not more than 18% per annum and a fee. With respect to personal property tax delinquencies, such delinquent taxes must be advertised within 45 days after delinquency and, after May 1, the property is subject to warrant, levy, seizure and sale. The proceeds of the sale of the tax certificates are distributed to the respective taxing units, including the Town.

Tax certificates held by persons other than the Tax Collector may be redeemed and cancelled by any person prior to the time a tax deed is issued upon payment of the face amount of the tax certificate plus interest, costs and other charges. Holders of tax certificates, other than the Tax Collector, which have not been redeemed may, at any time after two years but prior to seven years from date of issuance, file an application for a tax deed with the Tax Collector upon payment of all other outstanding tax certificates on such property plus interest, any omitted taxes plus interest, and delinquent taxes plus interest covering the real property. Thereafter, the property is advertised for public sale at auction to the highest bidder, subject to certain minimum bids. If there are no other bidders, the holder of the tax certificate receives title to the land. If the tax certificate is held by the Tax Collector and the Tax Collector has not succeeded in selling it within two years, the Town may apply for a tax deed upon payment of all applicable costs and fees but not any amount to redeem the tax certificate. Such property is then also advertised for public sale to the highest bidder, subject to certain minimum bids. If there are no other bidders, the Town may purchase the land for the minimum bid. In the case of unsold lands, after seven years the Town will take title to such lands.

Legislative Developments and Exemptions

Several Constitutional and Legislative amendments affecting ad valorem taxes have been approved by voters in the past as further described below. As described below many of the changes affect the amount (value) of property that is subject to ad valorem taxation. Nevertheless, since the Bonds are general obligations of the Town, the Town has irrevocably pledged its full faith, credit and taxing power to the payment thereof.

Save Our Homes Amendment

By voter referendum held on November 3, 1992, Article VII, Section 4 of the State Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) 3% of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967 = 100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (1) no assessment shall exceed just value, (2) after any change of ownership of homestead property or upon termination of homestead status, such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (3) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (4) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and

thereafter as provided in the amendment. This amendment is known as the "Save Our Homes Amendment." The effective date of the amendment was January 5, 1993 and, pursuant to a ruling by the Florida Supreme Court, it began to affect homestead property valuations commencing January 1, 1995, with 1994 assessed values being the base year for determining compliance.

In the November 7, 2006 general election, the voters of the State approved amendments to the State Constitution which provide for an increase in the homestead exemption to \$50,000 from \$25,000 for certain low-income seniors, effective January 1, 2007, and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans, effective December 7, 2006.

Millage Rollback Legislation. In 2007, the State Legislature adopted Chapter 2007-321, Laws of Florida (2007) (the "Rollback Law"), a property tax plan which significantly impacted ad valorem tax collections for State local governments. One component of the adopted legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 Fiscal Year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by zero percent to nine percent (0% to 9%). In addition, the legislation limited how much the aggregate amount of ad valorem tax revenues may increase in future Fiscal Years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

It should be noted that the Rollback Law does not apply to ad valorem tax revenues pledged to repay general obligation debt. The Town's ability to levy ad valorem taxes in order to repay the Bonds is not adversely affected by the Rollback Law.

January 2008 Amendments

In the January 29, 2008 special election, the voters of the State approved amendments to the State Constitution that exempt certain portions of a property's assessed value from taxation, and in certain cases limit increases in assessed value of non-homestead property. These amendments became effective for the 2008 tax year (2008-2009 fiscal year for local governments). The following is a brief summary of certain important provisions contained in such amendments:

1. Provides for an additional \$25,000 exemption for the assessed value of homestead property to increase the homestead exemption to \$50,000 (for property owners using the standard homestead exemption, thus doubling the existing homestead exemption for property with an assessed value equal to \$50,000 or greater) and \$75,000 (for property owners eligible to use one of the special homestead exemptions and having property with an assessed value equal to or greater than \$75,000). This exemption does not apply to school district taxes.

2. Permits owners of homestead property to transfer their "Save Our Homes Amendment" benefit (up to \$500,000) to a new homestead property purchased within two years

of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their “Save Our Homes Amendment” benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead. This exemption applies to all taxes.

3. Exempts from ad valorem taxation \$25,000 of the assessed value of property subject to tangible personal property tax. This limitation applies to all taxes.

4. Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases is in effect for a 10 year period, subject to extension by an affirmative vote of electors. This limitation does not apply to school district taxes. See, however, November 2018 Amendments below for a discussion of the repeal of the 10-year limitation.

From time to time over the last few years, the “Save Our Homes Amendment” assessment cap and portability provision described above have been subject to legal challenge. The plaintiffs in such cases have generally argued that the “Save Our Homes Amendment” assessment cap constitutes an unlawful residency requirement for tax benefits on substantially similar property, in violation of the State Constitution’s Equal Protection provisions and the Privileges and Immunities Clause of the Fourteenth Amendment to the United States Constitution and that the portability provision simply extends the unconstitutionality of the tax shelters granted to long-term homeowners by the “Save Our Homes Amendment.” The courts, in each case, have rejected such constitutional arguments and upheld the constitutionality of such provisions. However, there is no assurance that any future challenges to such provisions will not be successful. Any potential impact on the Town or its finances as a result of such challenges cannot be ascertained at this time.

November 2008 Amendments

In addition to the legislative activity described above, the constitutionally mandated Florida Taxation and Budget Reform Commission (required to be convened every 20 years) (the “TBRC”) completed its meetings on April 25, 2008 and placed several constitutional amendments on the November 4, 2008 General Election ballot. Three of such amendments were approved by the voters of the State, which, among other things, do the following: (a) allow the State Legislature, by general law, to exempt from assessed value of residential homes, improvements made to protect property from wind damage and installation of a new renewable energy source device; (b) assess specified working waterfront properties based on current use rather than highest and best use; (c) provide a property tax exemption for real property that is perpetually used for conservation (began in 2010); and, (d) for land not perpetually encumbered, require the State Legislature to provide classification and assessment of land use for conservation purposes solely on the basis of character or use.

November 2010 Amendment

In the November 2, 2010 general election, the voters of the State approved an amendment to Article VII, Section 4 of the State Constitution which provides an additional homestead exemption to members of the military deployed on active duty outside the United States during the preceding year equal to the portion of the year that they were so deployed. This constitutional amendment took effect on January 1, 2011.

November 2012 Amendments.

1. In the November 2012 general election, the voters of the State approved an amendment to the Florida constitution allowing the State Legislature to provide ad valorem tax relief to the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property.

2. The voters also approved an amendment to the Florida constitution allowing the State Legislature by general law to permit counties and municipalities, by ordinance, to grant an additional homestead tax exemption equal to the assessed value of homestead property to certain low income seniors. To be eligible for the additional homestead exemption the county or municipality must have granted the exemption by ordinance; the property must have a just value of less than \$250,000; the owner must have title to the property and maintained his or her permanent residence thereon for at least 25 years; the owner must be age 65 years or older; and the owner's annual household income must be less than \$27,300. This additional homestead tax exemption would not apply to school property taxes. As of the date hereof the Town has not enacted an ordinance granting this additional homestead exemption.

November 2016 Amendments.

1. In the November 2016 general election, the voters of the State approved an amendment to the Florida constitution granting a full or partial property tax exemption on homestead property to first responders who are totally and permanently disabled as a result of an injury or injuries sustained in the line of duty.

2. The voters also approved an amendment to the Florida constitution changing the current law allowing counties and municipalities to grant a full exemption from property taxes to any person who has the legal or equitable title to real estate with a just value less than \$250,000, and who has attained age 65, and whose household income does not exceed \$20,000. The amendment allows such person to continue receiving the exemption if their homestead's just value rises above \$250,000, either due to changes in the market or because of additions or improvements made to the property. In addition, the amendment operates retroactively to January 1, 2013 to allow individuals who were granted the exemption in prior years, but became ineligible for the exemption because the individual's homestead value rose above \$250,000, to regain the exemption if they are otherwise still qualified.

August 2016 Amendments

There was one amendment to the Florida Constitution that was approved by voters in August of 2016. The amendment authorized the State Legislature, by general law, to exempt from ad valorem taxation the assessed value of solar or renewable energy source devices subject to tangible personal property tax, and to authorize the State Legislature, by general law, to prohibit consideration of such devices in assessing the value of real property for ad valorem tax purposes. During the State Legislature's 2017 regular legislative session, the State Legislature passed Senate Bill 90 ("SB 90") implementing this amendment. This amendment expires on December 31, 2037.

November 2018 Amendments.

There was one amendment to the Florida Constitution that was approved by voters in November of 2018. The amendment removed the scheduled January 1, 2019 repeal of the limitation prohibiting the increase in the assessed value of non-homestead property to 10% per year. The limitation does not apply to property taxes levied by school districts.

November 2020 Amendments.

There were two amendments to the Florida constitution that were approved by voters on the November 3, 2020 ballot relating to property tax exemptions. The first extends the amount of time homeowners may transfer their "Save Our Homes" tax benefits from a prior home to a new home. Currently, the State Constitution gives a homeowner two years to transfer such tax benefits over to their new "homestead." This amendment extends that period from two years to three years. The second transfers homestead property tax discounts for veterans with permanent combat-related disabilities to their surviving spouse. The discount will remain in effect until the spouse remarries, dies or sells or disposes of the property. Currently, that discount expires upon the veteran's death. Both amendments have an effective date of January 1, 2021

At present, the impact of these amendments on the Town's finances has been, and is expected to be, minimal.

Legislative Proposals and Proposed Constitutional Amendments Relating to Ad Valorem Taxation

During recent years, various other legislative proposals and proposed constitutional amendments relating to ad valorem taxation have been introduced in the State Legislature. Many of these proposals provide for new or increased exemptions to ad valorem taxation, limit increases in assessed valuation of certain types of property or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at historical levels.

There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon, the Town or its finances.

Administrative Action Relating to Due Dates. On Monday, March 16, 2020, the Governor directed the Department of Revenue to provide flexibility on tax due dates to assist those adversely affected by COVID-19. On March 26, 2020, the Department of Revenue's Executive Director issued an emergency order to extend the final due date for property tax payments for the 2019 tax year. Such order applied to all 67 counties within the State, including Palm Beach County. Property taxes, as described above, are normally due by March 31 however, as a result of the executive order, the Department of Revenue waived the due date so that payments remitted by April 15, 2020, for the 2019 tax year were considered timely paid.

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SELECTED FINANCIAL INFORMATION

The following table presents the rates of ad valorem property taxation for the Town for the last ten Fiscal Years. The millage rates below are those that were levied for the operating levy of the Town. The Town currently has no general obligation debt. These millage rates are set annually by the Town Council.

TOWN OF PALM BEACH, FLORIDA AD VALOREM PROPERTY TAX RATES

Town of Palm Beach, Florida

*Direct and Overlapping Property Tax Millage Rates
Last Ten Fiscal Years*

Fiscal Year	Town Direct Millage Rates*			Overlapping Millage Rates*			Total All
	General Fund	Debt Service	Total Direct	School District	Palm Beach County	Special Taxing Districts	
2012	3.2512	0.0000	3.2512	8.1800	4.9925	2.3433	18.7670
2013	3.2512	0.0000	3.2512	7.7780	4.9902	2.3154	18.3348
2014	3.2468	0.0000	3.2468	7.5860	4.9852	2.2280	18.0460
2015	3.4058	0.0000	3.4058	7.5940	4.9729	2.1732	18.1459
2016	3.3779	0.0000	3.3779	7.5120	4.9277	2.0974	17.9150
2017	3.2706	0.0000	3.2706	7.0700	4.9142	1.9453	17.2001
2018	3.2037	0.0000	3.2037	6.7690	4.8989	1.7818	16.6568
2019	3.1350	0.0000	3.1350	6.5720	4.8980	1.6920	16.2970
2020	3.0681	0.0000	3.0681	7.1640	4.8580	1.6873	16.7774
2021	2.9962	0.0000	2.9962	7.0100	4.8124	1.6753	16.4939

Source: Town of Palm Beach, Florida

* 1Mill = \$1 in property tax levied per every \$1,000 of a property's assessed valuation.

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The following table sets forth the principal property taxpayers in the Town as of September 30, 2020.

**TOWN OF PALM BEACH, FLORIDA
LARGEST PROPERTY TAXPAYERS**

<u>Property Owner</u>	<u>Taxable Assessed Valuation</u>	<u>Taxes Paid</u>	<u>Percent of Town Taxable Assessed Value</u>
The Breakers	\$399,045,089	\$1,224,310	2.08%
Blossom Way Holdings LLC	196,000,000	601,348	1.02
Nelson Peltz	136,582,686	419,049	0.71
JV Associates PB LLC	100,381,408	307,980	0.52
Wilson 150 Worth LLC	86,023,817	263,930	0.45
700 North Lake LLC	81,107,265	248,845	0.42
Leo Vecillio Jr.	78,804,421	241,780	0.41
Providencia Partners LLC	70,548,765	216,451	0.37
Paul Tudor Jones II	61,248,884	187,918	0.32
Kenneth G. Tropin	<u>59,181,046</u>	<u>181,573</u>	<u>0.31</u>
Totals	\$1,268,923,381	\$3,893,184	6.62%

Source: Palm Beach County Property Appraiser

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The following table sets forth the Town's direct and overlapping governmental activities debt as of September 30, 2020.

Town of Palm Beach, Florida

Direct and Overlapping Governmental Activities Debt

September 30, 2020

	Total Outstanding	Percentage Applicable to Town of Palm Beach*	Amount Applicable to Town of Palm Beach
Direct:			
Town of Palm Beach	\$ 175,041,366	100.00%	\$175,041,366
Overlapping:			
Palm Beach County	\$ 838,936,617	10.14	85,072,368
Palm Beach County School District	1,474,433,000	10.14	149,514,879
Total overlapping debt	2,313,369,617		234,587,247
Total direct and overlapping debt Payable from ad valorem taxes	\$2,488,410,983		\$409,628,613
Estimated population			8,321
Total direct and overlapping Debt per capita			\$ 49,228

* Based on 2020 ratio of assessed taxable values.

Sources: Finance Department, Town of Palm Beach, Florida
Palm Beach County Property Appraiser
School Board of Palm Beach County

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Town's taxable assessed value that is within the County's boundaries and multiplying it by the County and School Board General Obligation Debt outstanding.

The following table sets forth the Changes in Fund Balances in Governmental Funds for the Town for the last ten (10) Fiscal Years.

Town of Palm Beach, Florida *Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years Modified Accrual Basis of Accounting*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 49,629,856	\$ 44,728,989	\$ 44,647,327	\$ 45,573,756	\$ 47,759,734	\$ 52,608,628	\$ 56,667,194	\$ 59,263,377	\$ 61,446,017	\$ 64,183,088
Fees and permits	4,102,878	5,749,007	5,880,327	6,959,778	7,401,315	10,020,118	9,422,858	7,024,524	9,339,708	11,126,361
Intergovernmental	1,852,267	1,900,329	1,967,946	986,853	1,056,503	1,074,234	1,106,768	1,352,991	1,603,835	1,709,861
Charges for services	3,194,361	3,461,768	4,081,261	3,576,155	3,741,185	3,957,603	4,131,754	3,681,925	3,763,590	5,152,779
Fines and forfeitures	620,978	1,309,725	1,106,676	1,530,917	1,924,183	1,115,240	1,185,547	799,768	1,068,792	916,035
Contributions	795,161	222,646	459,050	71,066	421,366	736,770	1,946,658	3,294,902	565,675	4,339,616
Investment earnings	1,814,395	737,696	704,692	212,594	626,295	1,184,939	857,219	738,997	4,296,845	6,969,546
Grant revenue	83,306	3,678,245	771,909	362,568	358,805	490,367	3,120,771	69,735	7,491,989	6,295,845
Special Assessments	564,419	989,814	1,068,133	1,015,907	1,183,221	1,538,098	1,257,358	1,227,990	14,368,109	2,784,534
Miscellaneous	302,124	852,864	1,011,340	692,198	663,967	177,606	291,461	506,948	783,431	1,263,621
Total revenues	62,959,745	63,631,083	61,698,661	60,981,792	65,136,574	72,903,603	79,987,588	77,961,157	104,727,991	104,741,286
Expenditures										
General government	10,716,676	9,466,491	9,328,868	9,611,179	9,482,734	10,349,294	10,672,235	11,144,220	10,979,679	10,029,283
Public safety	30,556,992	30,511,290	25,095,341	24,045,416	25,803,242	26,328,383	28,298,011	29,168,148	29,049,008	30,058,951
Physical environment	11,576,185	17,281,410	11,676,641	12,580,551	12,848,052	16,836,864	14,953,923	18,042,161	24,718,387	22,244,428
Transportation	909,308	1,311,456	1,099,438	1,528,094	1,282,851	1,084,764	1,081,675	1,128,328	1,192,357	1,070,521
Economic Environment	0	2,369,146	331,806	189,158	196,888	232,490	248,223	307,619	287,730	296,528
Culture and recreation	1,640,889	1,642,083	1,508,402	1,649,498	1,870,601	1,931,194	1,938,661	2,186,244	2,251,619	3,073,134
Non-departmental	1,902,388	1,905,398	1,804,439	1,922,643	1,880,251	1,925,555	1,967,485	4,708,491	6,609,398	11,434,745
Capital outlay	23,045,739	4,662,208	16,389,104	11,161,869	11,573,533	34,409,565	35,114,632	10,032,899	10,897,086	16,579,026
Debt service										
Principal	4,020,000	1,372,838	2,885,619	1,290,000	1,320,000	2,260,000	2,340,000	2,445,000	2,550,000	3,360,000
Interest and other fiscal charges	1,336,179	3,260,692	3,190,196	3,111,294	4,524,027	5,727,107	5,642,453	4,674,144	5,315,481	6,745,700
Bond issue costs	701,133	27,341	0	0	330,638	0	403,895	0	0	0
Payment to refunded bond escrow	0	0	0	0	0	0	622,861	0	0	0
Total expenditures	86,405,489	73,810,353	73,309,854	67,089,702	71,112,817	101,085,216	103,284,054	83,837,254	93,850,745	104,892,316
Revenues over (under) expenditures	(23,445,744)	(10,179,270)	(11,611,193)	(6,107,910)	(5,976,243)	(28,181,613)	(23,296,466)	(5,876,097)	10,877,246	(151,030)
Other financing sources (uses)										
Transfers in	10,758,475	11,309,406	11,774,938	11,257,899	32,693,862	23,861,850	19,884,368	18,484,704	20,779,956	31,148,637
Transfers out	(10,208,475)	(10,554,963)	(10,973,009)	(10,244,899)	(28,042,649)	(22,774,650)	(18,895,268)	(17,613,737)	(19,996,693)	(17,740,294)
Proceeds from sale of capital assets	1,047,156	0	0	0	0	0	0	0	0	0
Insurance recoveries	0	0	494,502	0	0	0	0	0	0	0
Bonds/Notes proceeds	74,578,567	0	0	0	58,494,720	0	58,432,064	0	0	60,499,897
Retirement of bonds/notes	(10,589,028)	0	0	0	0	0	0	0	0	0
Payment to refunded bond escrow	(5,835,971)	0	0	0	0	0	(58,007,630)	0	0	0
Total other financing sources (uses)	59,750,724	754,443	1,296,431	1,013,000	63,145,933	1,087,200	1,413,534	870,967	783,263	73,908,240
Net change in fund balances	\$ 36,304,980	\$ (9,424,827)	\$ (10,314,762)	\$ (5,094,910)	\$ 57,169,690	\$ (27,094,413)	\$ (21,882,932)	\$ (5,005,130)	\$ 11,660,509	\$ 73,757,210
Debt service as a percentage of non-capital expenditures	9.39%	6.77%	10.67%	7.86%	10.39%	11.94%	12.24%	9.57%	9.40%	11.42%

Outstanding Town Indebtedness

The Town has the following bond issues outstanding (not including bonds that have been defeased):

<u>Bond Issue</u>	<u>Maturity Date</u>	<u>Principal Amount Outstanding as of September 30 , 2020</u>
General Obligation Bonds (Underground Utility Project), Series 2018	January 1, 2047	\$54,360,000
Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019 (Capital Improvement and Coastal Management Program)	January 1, 2043	48,730,000
Public Improvement Revenue and Refunding Bond, Series 2019	January 1, 2040	4,660,000
Public Improvement Revenue Bonds, Series 2013 (Capital Improvement and Coastal Management Program)	January 1, 2043	6,670,000
Public Improvement Revenue Refunding Bonds, Series 2016A (Capital Improvement Program)	January 1, 2040	39,320,000
Public Improvement Revenue Refunding Bonds, Series 2016B (Worth Avenue Commercial District Project)	January 1, 2040	10,255,000
Public Improvement Revenue Bond, Series 2020	January 1, 2040	<u>31,000,000</u>
TOTAL		\$194,995,000

THE TOWN

The Town is a municipal corporation organized and existing under the laws of the State of Florida. The Town, an island, is located on the east coast of Florida in the eastern portion of Palm Beach County. The land area of the Town is approximately 3.77 square miles with 12.1 miles of coastline on the Atlantic Ocean. The Town is a unique, internationally famous residential/estate community known for its distinctive architecture and landscaping, gracious estate homes and condominiums, golf courses and clubs, attractive stores and restaurants. The Town is bound on the west by the intracoastal waterway (Lake Worth), the north by the Palm Beach Inlet, the east by the Atlantic Ocean and on the south by the Town of South Palm Beach.

Town Government

The Town, incorporated in 1911, is governed by an elected mayor and a five member council. The Mayor's term is for two years. The five members of the Town Council are elected at large and serve overlapping two year terms. The Town Council is presently composed of the following:

<u>NAME</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Gail Coniglio*	Mayor	April, 2021
Margaret A. Ziedman	Town Council President	April, 2022
Bobbie Lindsay	Town Council President Pro-Tem	April, 2022
Julie Araskog*	Town Council Member	April, 2021
Lew Crampton	Town Council Member	April, 2022
Danielle H. Moore*	Town Council Member	April, 2021

The Town Council meets in regular session once a month for purposes of setting policy and carrying out the legislative matters of the Town. The administrative day to day responsibilities are carried out through the Town Manager who is appointed by the Town Council. The Town Manager is Kirk Blouin, who has served as the Town Manager since February of 2018, and who had previously been the Town's Director of Public Safety since 2011. Mr. Blouin has been a Town employee since 1989, when he joined the Town's Police Department as a Patrolman. All of the Town departments and staff report to the Town Manager. The Town has approximately 345 full time equivalent employees. There is one labor union representing the Town's rank and file fire rescue personnel.

* The election for Mayor and Town Council is scheduled for March 9, 2021. Mayor Coniglio is not running for re-election. Ms. Moore is the only candidate for Mayor. There are two candidates for the Town Council seat being vacated by Ms. Moore – Edwin Austin Cooney and Candace A. Rojas. Ms. Araskog is running for re-election and is unopposed. The new Mayor and Council members are scheduled to be sworn in on April 13, 2021.

Services Provided by the Town

The Town provides various services such as street and sidewalk maintenance, police, fire and emergency medical services, beach rescue services, garbage and yard trash collection, storm and sanitary sewer collection services and recreational programs. Town residents pay for garbage and yard trash collection, sanitary sewage and stormwater utility services by means of their ad valorem property taxes.

Population

The following table sets forth the estimated permanent population of the Town between 1960 and 2019. The decrease in population estimates between 2000 and 2010 was due primarily to a change in the way residents were categorized as permanent as opposed to seasonal.

<i>Town of Palm Beach</i> <i>ESTIMATED POPULATION</i>	
<u>Year</u>	<u>Population</u>
1960	6,055
1970	9,086
1980	9,729
1990	9,814
2000	9,676
2010	8,161
2011	8,348
2012	8,358
2013	8,168
2014	8,170
2015	8,040
2016	8,040
2017	8,291
2018	8,295
2019	8,321

Sources: U.S. Bureau of the Census: 1960, 1970, 1980, 1990, 2000 and 2010; University of Florida, Bureau of Economic Business Administration: 2011 through 2019.

The Town's population will grow during that time of the year traditionally known as the "Season" which is generally from November 15 to April 1. The Town estimates the seasonal population peak to be 25,000.

Economy

The Town is a long-established residential community. Commercial activities are restricted primarily to the services rendered by banks, retail shops, hotels, and restaurants for the

Town's permanent and seasonal residents and visitors. There is no industrial development within the Town.

Land Use

The following table sets forth the assessed value and number of parcels of property in the Town, according to the categories assigned to each parcel by the Palm Beach County Property Appraiser.

Town of Palm Beach
VALUE OF PARCELS BY CATEGORY

<u>Category</u>	<u>Assessed Value (\$)</u>
Residential	\$18,299,202,243
Commercial	1,728,238,411
Industrial	0
Other	429,586,006
Less: Tax-Exempt Property	<u>(533,844,335)</u>
TOTAL	\$19,923,183,325

Source: Palm Beach County Property Appraiser as of October 8, 2020.

Assessed Valuation

The following table shows the assessed value of the property in the Town for the past ten (10) years. The First Certified Total Taxable Value for 2021, based on information provided by the Palm Beach County Property Appraiser, is \$20,066,173,906.

Town of Palm Beach, Florida; Assessed Value of Taxable Property; Last 10 Years

<u>Year</u>	<u>Total Assessed Value</u>	<u>Total Taxable Value</u>
2012	\$ 12,013,987,648	\$ 11,510,190,357
2013	12,288,707,603	11,805,832,888
2014	12,862,947,349	12,371,740,345
2015	13,728,091,553	13,261,088,247
2016	14,987,210,512	14,509,420,467
2017	16,289,617,765	15,795,201,224
2018	17,291,500,785	16,788,865,638
2019	18,708,993,925	18,150,321,468
2020	19,716,808,115	19,175,353,217
2021	20,629,604,689	20,066,173,906

Assessed value is an annual determination of the just or fair market value of the property, or the value of the homestead property as limited pursuant to State law. Taxable value is the assessed value of property minus the amount of any applicable exemption provided under state law. Property in Palm Beach County is reassessed every three years on average.

Source: Palm Beach County Property Appraiser.

Property Tax Levies and Collections

The following table sets forth the property tax levy and collection in the Town for the past ten (10) fiscal years:

Town of Palm Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Net Tax Levy*	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Collections as a Percent of Current Levy
2011	\$38,073,972	\$36,634,834	96.23%	\$ 509	\$36,635,343	96.22%
2012	37,421,931	36,636,311	97.90	26,605	36,662,916	97.97
2013	38,449,282	37,376,601	97.21	96,506	37,473,107	97.46
2014	40,168,565	39,067,303	97.26	43,623	39,110,926	97.37
2015	45,709,498	43,979,362	96.21	9,128	43,988,490	96.23
2016	49,611,524	47,733,340	96.21	193,117	47,926,457	96.60
2017	52,099,146	50,080,658	96.13	115,323	50,195,981	96.35
2018	54,179,433	52,170,789	96.29	146,687	52,317,476	96.56
2019	57,064,172	54,847,083	96.11	36,664	54,883,747	96.18
2020	58,925,725	56,740,735	96.29	76,962	56,817,697	96.42

Note: All property taxes are assessed and collected by the Palm Beach County Tax Collector without charge to the Town. Collections are distributed in full as collected.

* Tax levy, net of allowance for discounts.

Additional statistics and financial information about the Town can be found in the Statistical Section of the Town's Comprehensive Annual Fiscal Report for the Fiscal Year Ended September 30, 2019, attached as APPENDIX B.

Cybersecurity

The Town, like many other governmental entities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the Town will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. The Town maintains regular audits of its information technology, including penetration testing and mandatory cybersecurity training for its employees to mitigate such threats.

Climate Change and Natural Disasters

The State of Florida, and the barrier islands in southeast Florida such as the Town in particular, is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts and hurricanes, which could result in negative economic impacts on the Town. Such effects can be exacerbated by a longer term shift in the climate over several

decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events has previously and could in the future damage local infrastructure. The economic impacts resulting from such extreme weather events could damage facilities that provide essential services to the Town, including a loss of revenue, interruption of service, and escalated recovery costs. The Town has undertaken a Coastal Flood Vulnerability Assessment to provide guidance to the Town for prioritizing and planning future flood mitigation projects and adaptations to improve coastal resilience now and into the future.

COVID-19

The Town's financial results could be harmed by a national or localized outbreak of a highly contagious, epidemic or pandemic disease. Specifically, there can be no assurances that the spread of the novel strain of coronavirus called COVID-19, or other highly contagious or epidemic or pandemic diseases, will not adversely impact any of the Town's finances and/or its financial position, including pension funding and property tax valuations. The impact of COVID-19 has had a negative financial impact on local, state and national economies, the severity of which is not fully known at this time, in a manner that could adversely affect the amount of certain revenue sources received by the Town as well as the amount of property taxes received by the Town.

The outbreak of COVID-19, a respiratory virus which was first reported in China, has since spread to other countries, including the United States, and is considered a Public Health Emergency of International Concern by the World Health Organization. The United States State Department and the Center for Disease Control, as well as other governmental authorities, nations and airlines have issued travel restrictions and warnings for a number of countries in Asia and Europe. The spread of COVID-19 has led to quarantine and other "social distancing" measures throughout the United States. These measures have included recommendations and warnings to limit non-essential travel and promote telecommuting. The State and local governments within the State, including the Town, are heavily reliant upon tourism, which may be negatively impacted by travel restrictions and the spread of COVID-19. As a result of the spread of COVID-19, the United States, the State, Palm Beach County and the Town have all imposed certain health and public safety restrictions in response to COVID-19. The Town cannot predict the duration of these restrictions or whether additional or new actions may be taken by government authorities including the State and/or Palm Beach County, to contain or otherwise address the impact of the COVID-19 or similar outbreak.

While the effects of COVID-19 may be temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies. The continued spread of COVID-19, and measures taken to prevent or reduce it, have and are anticipated to continue to have adverse impacts on state, national and global economic activities and, accordingly, adverse impacts on the financial condition and performance of the State and the Town, and the extent of that impact could be material. Stock markets in the U.S. and globally saw significant declines initially with a recovery and continuing volatility that were attributed, at least in part, to the COVID-19 concerns. While the long-term impact on the Town is uncertain at this time, the Town is monitoring the impact of COVID-19 and will address such impacts, as

necessary. Due to the unprecedented nature of the spread of COVID-19, the duration and extent of the negative impact of COVID-19 on the Town's revenues, expenses and cash flow or ratings are uncertain and cannot be quantified at this time. However, notwithstanding any negative impacts as a result of COVID-19, the Town is required to levy sufficient ad valorem taxes in each year to pay debt service on the Bonds.

The Town temporarily closed its administrative offices and recreational facilities in the spring of 2020 during the lockdown. Those offices and facilities reopened over the summer, and the Town continues to operate its recreational facilities, but at a much lower capacity. As a result, the Town reduced its revenue estimates for FY2020-2021 by a total of approximately \$1,507,384 in the areas of Intergovernmental (state sales tax and revenue sharing), Local Option gas taxes, charges for services (recreation, parking meters and investment earnings). The Town does not expect any major impacts that would change its revenue projections for FY2020-2021. In fact, actual revenues for FY2020-2021 to date in most categories have exceeded the budgeted revenue estimates.

The Town has incurred approximately \$240,461 in expenditures due to COVID-19 through November 30, 2020. The Town expects any future expenditures to be minor. The Town has applied for \$240,462 from Palm Beach County (the "County") from the County's Coronavirus Aid, Relief, and Economic Security Act ("CARES") Act proceeds. The Town also received an unsolicited \$14,856.32 in CARES Act funding based on prior EMS volume.

If revenue increases are necessary, the Town has capacity to raise millage rates. See "AD VALOREM TAXATION" above for information relating to collecting ad valorem taxes, and "APPENDIX B – Town's Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2019" attached hereto.

PENSION AND OTHER POST EMPLOYMENT BENEFITS

Town of Palm Beach Retirement Plan

The Town's employee pension plan (the "Town Retirement Plan") was created in 1947. The Town Retirement Plan is overseen by a nine member Town of Palm Beach Retirement System Board of Trustees (the "Board of Trustees"). Even though there is a single Plan, there are separate portions of the Plan for general employees and lifeguards, police officers and fire rescue, respectively, all overseen by the Board of Trustees. An outside pension consultant serves as investment advisor to the Board of Trustees, and the Board of Trustees has also contracted out a portion of the plan administration services.

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A Summary of Disclosures and Statement of Changes in Fiduciary Net Position for each portion of the Plan as of September 30, 2020, is set forth below:

SUMMARY OF DISCLOSURES

Actuarial Valuation Date	September 30, 2019		
Measurement Date of the Net Pension Liability	September 30, 2020		
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2020		
	<u>General Employees and Ocean Rescue</u>	<u>Police Officers</u>	<u>Firefighters</u>
Membership as of Actuarial Valuation Date			
Number of			
- Retirees and Beneficiaries	224	102	107
- Inactive, Nonretired Members	38	25	30
- Active Members	<u>156</u>	<u>58</u>	<u>58</u>
- Total	418	185	195
Covered Employee Payroll	\$ 10,109,445	\$ 4,232,212	\$ 4,446,646
Net Pension Liability			
Total Pension Liability	\$125,976,148	\$ 106,851,448	\$ 113,077,512
Plan Fiduciary Net Position	<u>90,279,966</u>	<u>77,244,710</u>	<u>73,383,262</u>
Net Pension Liability (UAAL)	\$ 35,696,182	\$ 29,606,738	\$ 39,694,250
Plan Fiduciary Net Position as a Percentage of total Pension Liability	71.66%	72.29%	64.90%
Net Pension Liability as a Percentage of Covered Employee Payroll	353.10%	699.56%	892.68%
Development of the Single Discount Rate			
Single Discount Rate	6.80%	6.80%	6.80%
Long-Term Expected Rate of Return	6.80	6.80	6.80
Long-Term Municipal Bond Rate	2.41	2.41	2.21
Last Year ending September 30 in the 2021 to 2120 projection period for which projected benefits payments are fully funded	2120	2120	2120
Total Pension Expense	\$ 5,658,187	\$ 3,149,552	\$ 5,180,041

Source: Town of Palm Beach Retirement System GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pension – September 30, 2020.

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STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>General Employees and Ocean Rescue</u>	<u>Police Officers</u>	<u>Firefighters</u>
Additions			
Contributions			
Employer	\$ 5,240,710	\$ 4,884,745	\$ 6,086,196
Employee	359,848	360,556	449,699
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total Contributions	\$ 5,600,558	\$ 5,245,301	\$ 6,535,895
Investment Income			
Net Appreciation in Fair Value of Investments	\$ 3,650,041	\$ 3,095,776	\$ 2,910,377
Interest and Dividends	1,590,825	1,349,256	1,268,452
Less Investment Expense	(217,734)	(184,670)	(173,611)
Other	<u>533</u>	<u>453</u>	<u>425</u>
Net Investment Income	\$ <u>5,023,665</u>	\$ <u>4,260,815</u>	<u>\$ 4,005,643</u>
Total Additions	\$10,624,223	\$ 9,506,116	\$ 10,541,538
Deductions			
Benefit Payments	\$ 6,848,827	\$ 5,810,785	\$ 5,963,257
DROP Plan Payments to ICMA	0	0	0
Share Distributions	0	0	0
DROP Withdrawal	320,833	100,017	202,840
Refund of Participants Contributions	71,470	30,276	25,160
Administrative Expenses	<u>145,095</u>	<u>123,062</u>	<u>115,693</u>
Total Deductions	\$ 7,386,225	\$ 6,064,140	\$ 6,549,911
Net Increase in Net Position	\$ 3,237,998	\$ 3,441,976	\$ 3,991,627
Net Position Restricted for Pensions			
Beginning of Year	\$ 87,041,968	\$ 73,802,734	\$ 69,391,635
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>
End of Year	\$ 90,279,966	\$ 77,244,710	\$ 73,383,262

Source: Town of Palm Beach Retirement System GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pension – September 30, 2020.

For additional information relating to the Town Retirement Plan, including but not limited to a summarized plan description, plan provisions, actuarial methods and assumptions used to determine annual required contributions for the Town Retirement Plan, see “APPENDIX B – Town’s Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2019” and, in particular, Notes J, K, L and M in the Notes to the Financial Statements.

The Town has taken several steps to reduce its UAAL, such as extra Town contributions toward the UAAL, including planned annual \$5.42 million extra Town contributions starting in

2017 until the Town Retirement Plan becomes 100% funded, strengthening the actuarial assumptions, reductions in the current and future UAAL amortization periods to 15 or 20 years, reductions in the payroll growth rate assumption and scheduled future reductions in the investment return rate assumption. Some of these changes will initially reduce the funded ratio, but they are expected to significantly strengthen the funded status of the Town Retirement Plan over the next 10 to 15 years. If all actuarial assumptions are fully realized and there are no future experience gains or losses, the Town Retirement Plan is expected to reach full funding by FY 2030 under the current Town Retirement Plan and Town funding policies. The Town did contribute the additional \$5.42 million in the 2017, 2018, 2019 and 2020 fiscal years, and the approved budget for the Town's fiscal year beginning October 1, 2021 includes the additional \$5.42 million extra contribution as well.

Other Post-Employment Benefits

General

The Town's Other Post-Employment Benefits Plan (the "OPEB Plan") is a single-employer, defined benefit postemployment healthcare plan that is administered by the Town and covers retired employees of the Town and their dependents. The OPEB Plan provides for the payment of a portion of the health insurance premiums for eligible retired employees. The OPEB Plan had 305 active participants and 228 retirees and surviving spouses receiving benefits for a total of 533 active participants as of September 30, 2020. The number of covered retirees includes 88 retirees with life insurance only (no health coverage).

OPEB Plan members receiving benefits contribute a percentage of their monthly insurance premium. Retiree contributions vary from a minimum of 50% of the actuarial premium to the maximum amount allowed under Section 112.08, Florida Statutes (see below).

According to Section 112.08, Florida Statutes, the Town is required to permit eligible retirees and their eligible dependents to participate in the Town's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available to active employees. The premiums charged by the insurance company are based on the blending of the experience among active employees and older retired employees. Since the older retirees actually have higher costs, this means that the Town is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees, which is referred to as the "implicit rate subsidy" by GASB. The Town has elected to contribute to the OPEB Plan at a rate that is based on an actuarial valuation prepared using the blended rate premium that is actually charged the OPEB Plan. See "APPENDIX B – Town's Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2019 – Note N on page 103."

Funded Status and Funding Progress

The Statement of Changes in Net OPEB Liability and Related Ratios Measurement for the Town's OPEB Plan for the Measurement Year ended September 30, 2020 is set forth in the following table:

Town of Palm Beach, Florida
Statement of Changes in Net OPEB Liability and Related Ratios Measurement
for the Town's OPEB Plan for the Measurement Year ended September 30, 2020

Total OPEB Liability	
Service Cost	\$ 921,211
Interest on the Total OPEB Liability	1,964,318
Changes in Benefit Terms	599,947
Difference between Expected and Actual Experience	(4,124,393)
Assumption Changes	(8,219,478)
Benefit Payments	<u>(421,650)</u>
Net Change in Total OPEB Liability	(9,280,045)
Total OPEB Liability -Beginning	<u>32,028,243</u>
Total OPEB Liability -Ending (a)	\$22,748,198
 Plan Fiduciary Net Position	
Employer Contributions	\$ 423,014
OPEB Plan Net Investment Income	2,056,309
Benefit Payments	(421,650)
OPEB Plan Administrative Expense	<u>(142,315)</u>
Net Change in Plan Fiduciary Net Position	1,915,358
Plan Fiduciary Net Position – Beginning	<u>32,812,877</u>
Plan Fiduciary Net Position – Ending (b) \$	<u>34,728,235</u>
Net OPEB Liability (Asset) – Ending – (a) - (b)	(11,980,037)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	152.66%
Covered –Employee Payroll	\$23,970,337
Net OPEB Liability as a Percentage of Covered-Employee Payroll	(49.98%)

Source: Town of Palm Beach GASB Statement Nos. 74 and 75 Accounting and Financial Reporting for Other Postemployment Benefits Other Than Pensions for the Fiscal Year ending September 30, 2020.

For additional information relating to the OPEB Plan, including but not limited to a summarized plan description, plan provisions, actuarial methods and assumptions used to determine annual contributions to the OPEB Plan, see “APPENDIX B – Town’s Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2019” and, in particular, Note N in the Notes to the Financial Statements.

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements on the Bonds and the Series 2018 Bonds:

<u>Series 2021</u>				<u>Series 2018</u>	<u>Total</u>
<u>Period</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt</u>	<u>Bonds Debt</u>	<u>Debt</u>
<u>Ending</u>			<u>Service</u>	<u>Service</u>	<u>Service</u>
7/1/2021				\$3,398,850.00	
7/1/2022				3,401,850.00	
7/1/2023				3,402,100.00	
7/1/2024				3,399,600.00	
7/1/2025				3,399,350.00	
7/1/2026				3,401,100.00	
7/1/2027				3,399,600.00	
7/1/2028				3,399,850.00	
7/1/2029				3,401,600.00	
7/1/2030				3,399,600.00	
7/1/2031				3,398,850.00	
7/1/2032				3,399,100.00	
7/1/2033				3,400,100.00	
7/1/2034				3,401,600.00	
7/1/2035				3,398,000.00	
7/1/2036				3,401,400.00	
7/1/2037				3,401,400.00	
7/1/2038				3,398,000.00	
7/1/2039				3,401,200.00	
7/1/2040				3,400,600.00	
7/1/2041				3,401,200.00	
7/1/2042				3,397,800.00	
7/1/2043				3,400,400.00	
7/1/2044				3,398,600.00	
7/1/2045				3,397,400.00	
7/1/2046				3,401,600.00	
7/1/2047				3,400,800.00	
				<u>\$91,801,550.00</u>	

LITIGATION

The Town is involved in various lawsuits arising in the ordinary course of operations. Although the outcome of these matters is not presently determinable, it is the opinion of management of the Town based upon consultation with legal counsel, the outcome of these matters will not materially affect the financial position of the Town.

However, there are two cases of note relating to the imposition of the special assessments for the Project.

In the first case, *PBT Real Estate, LLC ("PBT") v. the Town of Palm Beach*, filed August 1, 2017 in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida (Case No. 50-2017-CA-008581-XXXX-MB AD), Plaintiff PBT sought to determine that the special assessments imposed by the Town for the Underground Utility Project were unconstitutional, illegal and void under Florida law and the U. S. Constitution. On November 15, 2017, the Town removed the case to the U.S. District Court for the Southern District of Florida (*PBT Real Estate, LLC v Town of Palm Beach* CASE NO.: 17-cv-81254-DMM). After numerous Motions to Dismiss the various amended complaints, on June 19, 2018, the District Court granted a Motion for Summary Judgment on Substantive Due Process and Equal Protection clauses under the U.S. Constitution and dismissed the remaining counts. In so doing, with regard to substantive due process, the Court upheld the constitutionality of the assessments stating that the Town had a legitimate interest in burying its overhead utilities and dividing the costs of the Underground Utility Project among benefitted parcels; and that the assessment resolutions, which impose a system of special assessment benefits commensurate with the benefits a parcel receives, is rationally related to the Town's legitimate interest in paying for the Underground Utility Project. On July 17, 2018, Plaintiff filed a Motion for Reconsideration, which was denied by the Court on August 17, 2018. On September 13, 2018 Plaintiff filed a Notice of Appeal to the U. S. Court of Appeals for the Eleventh Circuit appealing the District Court's Order on Motion for Summary Judgment, and Motion to Dismiss dated June 19, 2018, Final Judgment dated June 21, 2018, and the Order Denying Motion for Reconsideration, dated August 20, 2018. That appeal is still pending. Briefs have been filed and oral argument was held. Both Counsel for the Town and special counsel, Nabors Giblin & Nickerson, PA, are of the opinion that the Town will prevail on the appeal.

In the second case, on August 28, 2017, plaintiffs Kosberg and Scharf, individually and on behalf of a putative class of all assessed property owners, filed an amended complaint in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County (*Carol Kosberg, as trustee U/T/D 2-23-90, and Michael Scharf v. Town of Palm Beach, etc., et al.* (Case No.: 50-2017-CA-008420-XXXX-MB AO) seeking a declaratory judgment that the special assessments and the liens imposed for the Undergrounding Utility Project are null, void and unenforceable, and that the Town refund in full any special assessments collected with interest and award attorneys' fees. Kosberg and Scharf also seek injunctive relief to enjoin the Town from implementing the special assessments, cease and desist collection, and release and discharge all liens. Both Counsel for the Town and Bond Counsel are of the opinion that the Town has good defenses and will prevail. The methodology that the Town selected for allocating the special assessments is very similar to the methodologies used by other local governments in other undergrounding projects that have

withstood similar challenges in the Florida courts. The Court will accord deference to the Town's determinations as to the use and implementation of the special assessments, their special benefit, methodology and allocation, and will not invalidate the Town Council's determinations unless arbitrary. The result if the Court were to find the Town Council's determinations to be arbitrary, would be, in any event, that the Town Council could revise the special assessments to address the Court's concerns, if any, in accordance with the Town Ordinance, or, in the alternative, pay for the costs of the undergrounding project through the general revenues of the Town by taxation instead of special assessments.

On November 26, 2019, the trial court denied plaintiffs' attempt to certify a putative class action, finding Kosberg and Scharf were not adequate representatives of the class they sought to certify. That ruling was appealed to and was affirmed by the Fourth District Court of Appeal on January 28, 2021. The plaintiffs have 15 days to either move for entry of a written order or request a rehearing.

Further, Town Counsel and Bond Counsel are of the opinion that the issuance of the Bonds may proceed, due to the holdings in *Goldmacher v. Town of Beach* (Case No. 50-2016 CA 003683 XXXX MB, 15th Judicial Circuit, in and for Palm Beach County, Florida), to the effect that the Town is permitted to issue bonds as approved pursuant to the ballot referendum, and the fact that the special assessment may be redone if necessary, and that the Bonds are general obligations of the Town to which the full faith and credit and taxing power of the Town have been pledged. In accordance with the bond resolution and bond referendum approved by voters and the courts, the ad valorem taxing power will be called upon to pay the Bonds to the extent special assessments are insufficient or not assessed.

TAX MATTERS

In the opinion of Locke Lord LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds will not be included in computing the alternative minimum taxable income of Bondholders who are individuals. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Bonds.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The Town has covenanted to comply with such requirements to ensure that interest on the Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that the Bonds and the interest thereon are exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein. Bond Counsel has not opined as to the taxability of the Bonds or the income therefrom under the laws of any state other than Florida. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C hereto.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds ("Premium Bonds"), will be treated as having amortizable bond premium for federal income tax purposes. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder's basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder's other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Florida legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal income tax rates, changes in the structure of federal income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal income tax purposes for all or certain taxpayers. Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such

events, the market value of the Bonds may be affected and the ability of Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

Investors should consult their own financial and tax advisors to analyze the importance of these risks.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds by the Town are subject to the approving opinion of Locke Lord LLP, West Palm Beach, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the Bonds. Certain other legal matters will be passed on for the Town by its counsel, Jones, Foster, Johnston & Stubbs, P.A., West Palm Beach, Florida, and by its Disclosure Counsel, Greenspoon Marder LLP, West Palm Beach, Florida.

The proposed text of the approving legal opinion of Bond Counsel to be delivered concurrently with the delivery of the Bonds is set forth as APPENDIX C to this Official Statement. The actual legal opinion to be delivered may vary from the text of APPENDIX , if necessary, to reflect facts and law on the date of delivery of the Bonds.

The legal opinions to be delivered by Bond Counsel, Counsel to the Town and disclosure Counsel concurrently with the delivery of the Bonds are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made as of the date thereof. The attorneys rendering legal opinions concurrently with the delivery of the Bonds assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective. In addition, such legal opinions express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed in such opinions. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The fees of Bond Counsel and Disclosure Counsel are contingent upon the issuance of the Bonds.

GENERAL PURPOSE FINANCIAL STATEMENTS

APPENDIX B includes the audited general purpose financial statements of the Town for the Fiscal Year ended September 30, 2019. Such audited general purpose financial statements, including the auditor's report, have been included in this Official Statement as public documents and consent from the auditor was not requested. The auditor has not performed any services relating to, and is therefore not associated with, the issuance of the Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Orlando, Florida, is serving as Municipal Advisor to the Town with respect to the Bonds. The Municipal Advisor has assisted the Town in the preparation of this Official Statement and in other matters relating to the planning, structure and issuance of the Bonds. However, the Municipal Advisor has not been engaged to undertake, and has not undertaken, independent verification of the accuracy or completeness of the information contained in this Official Statement.

The Municipal Advisor is a registered municipal advisory firm. The Municipal Advisor is not engaged in the business of underwriting, marketing or trading of municipal securities. Investors should not base any investment decision on the fact that the Municipal Advisor has advised the Town on the Bonds. The fee of the Municipal Advisor is contingent upon the issuance of the Bonds.

COMPETITIVE SALE

The Bonds are being purchased at competitive sale by _____ (the “Purchaser”) at an aggregate purchase price of \$_____ (representing the par amount of the Bonds, [plus an original issue premium of \$_____ and] minus a Purchaser’s discount of \$_____). The Purchaser’s obligations are subject to certain conditions precedent described in the Official Notice of Sale, and the Purchaser will be obligated to purchase all of the Bonds if any are purchased. The yields shown on the inside cover page were furnished by the Purchaser.

CONTINUING DISCLOSURE

In order to assist the Purchaser in complying with the requirements of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), the Town has agreed in the Resolution to provide certain financial information and operating data relating to the Town and the Bonds in each year, and to provide notices of the occurrence of certain enumerated events, if material. See “APPENDIX A— Town of Palm Beach Resolution No. ____-2021.” The Town has engaged Digital Assurance Certification (“DAC”) to file and disseminate information provided by the Town to DAC in connection with the Bonds. The Town has entered into other continuing disclosure undertakings for purposes of the Rule in connection with bonds previously issued by the Town. The Town represents, except as set forth in the following paragraph, that during the last five (5) years, to its knowledge, after due inquiry, it has complied in all material respects with its previous continuing disclosure undertakings pursuant to the Rule.

The Town incurred a financial obligation in the form of a loan from CenterState Bank, on March 11, 2020, relating to the issuance by the Town of its Public Improvement Revenue Bond, Series 2020. In accordance with the undertaking entered into by the Town with respect to its Public Improvement Revenue Refunding Bonds, Federally Taxable Series 2019 (Capital Improvement and Coastal Management Program), the Town was obligated to provide notice to the MSRB within ten (10) days of said occurrence. Due to an oversight by the Town, this notice was not filed until October 23, 2020.

RATINGS

Moody's Investors Service, Inc. and S&P Global Ratings, a division of S&P Global Inc. have assigned long-term ratings of "____" (____ outlook) and "____" (____ outlook) respectively, to the Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, New York, NY 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the Town to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). Florida law further provides, however, that if the Town in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The Town is not and not been in default as to principal and interest on bonds or other debt obligations which it has issued as the principal obligor or guarantor.

AUTHORIZATION AND APPROVAL

The delivery of this Official Statement by the Town has been duly authorized and approved by the Town Council of the Town.

TOWN OF PALM BEACH, FLORIDA

By: _____
Mayor

By: _____
Town Manager

APPENDIX A

TOWN OF PALM BEACH RESOLUTION NO. ____-2021 (without exhibits)

APPENDIX B

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE TOWN FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION