

Letter of Recommendation

Date: July 30, 2025

From: Ford & Associates, Inc. ("Ford & Associates")

To: The City of Pembroke Pines, Florida (the "City")

Attn: Mr. Charles Dodge, City Manager
Mr. Jonathan Bonilla, Assistant City Manager
Ms. Lisa Chong, Assistant City Manager/Finance Director
Mr. Wilbert Santos, Deputy Finance Director
Ms. Yaibelys Rodriguez, Assistant Finance Director

Re: Economic Refunding of the City's General Obligation Bonds, Series 2015

Summary. After tracking the issue for more than a year, on June 25, 2025, Ford & Associates contacted the City of Pembroke Pines' finance staff to recommend an economic refinancing of the outstanding General Obligation Bonds, Series 2015 (the "2015 Bonds"). This letter outlines our refinancing recommendation and preferred method of sale.

Existing Debt. The 2015 Bonds were issued in June 2015 to refinance the then-outstanding General Obligation Bonds, Series 2005 and Series 2007; fund approximately \$10 million toward the construction of the Charles F. Dodge City Center; and cover costs associated with the financing.

The 2015 Bonds are backed by voter-approved ad valorem taxes, which the City is legally obligated to levy at a level sufficient to ensure timely payment of principal and interest.

As of the date of this letter, \$53.005 million of the 2015 Bonds remain outstanding, of which \$3.400 million is scheduled to mature on September 1, 2025. The remaining \$49.605 million is callable on or after September 1, 2025, at par plus accrued interest, and is structured to mature annually from 2026 through 2036. The City's annual debt service obligation on the 2015 Bonds is level at approximately \$5.895 million.

Refunding Economics. Based on market conditions as of July 30, 2025, Ford & Associates estimates that a refinancing of the 2015 Bonds could generate net present value savings of approximately \$3.5 million, or 7.1% of the refunded par amount. In nominal terms, we estimate the City's cash flow savings over the remaining life of the debt at approximately \$4.3 million, a debt service reduction of over 6.6%.

Ford & Associates will continue to monitor savings as market conditions fluctuate. It is possible that fewer than all of the outstanding 2015 Bonds will be included in the refinancing.

Method of Sale. Ford & Associates recommends that the City pursue a competitive public offering for the refunding bonds. City staff will coordinate with the financial advisor and legal counsels to prepare the Preliminary Official Statement, Notice of Sale, and related legal documents, and to manage the credit



rating process. At the designated time and date, underwriters will submit bids to purchase the bonds, with award based on the lowest true interest cost.

Several factors support this approach over a negotiated sale, which the City has used more frequently in the past. The unlimited tax General Obligation security is considered one of the strongest credits in U.S. public finance. We expect the refunding bonds to carry a high rating ('AA' or equivalent), thereby qualifying for broad market appeal. Furthermore, the 11-year amortization and favorable "block size" of individual maturities contribute to a straightforward structure that requires minimal explanation. We believe a negotiated sale would offer no meaningful advantage under current market conditions.

Ford & Associates serves as municipal advisor to the City of Pembroke Pines. If you have any questions about the proposed refunding or Ford & Associates' recommendation, please contact Jon Ford at (813) 874-6621.

Sincerely,

Jonathan W. Ford
Senior Vice President