

Memorandum

Date: May 21, 2026

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

To: Commissioners of the City of Pembroke Pines, Florida (the "City")
Mr. Charles Dodge, City Manager
Mr. Jonathan Bonilla, Assistant City Manager
Ms. Lisa Chong, Assistant City Manager/Finance Director

Re: Potential 2026 General Obligation Bond Referendum

Summary. The City Commission is considering a resolution that would submit to referendum in 2026 an authorization for the issuance of up to \$155 million of General Obligation Bonds. Proceeds from such bonds would fund construction of the proposed police and fire headquarters referred to as the Public Safety Complex.

Market Movement. Since the City's last G.O. Bond referendum on March 11, 2025, interest rates have risen materially. 10-Year and 30-Year U.S. Treasury yields have risen 0.29% and 0.50%, respectively. 10-year and 30-year tax-exempt AAA benchmark yields, which serve as better approximations for the type of financing contemplated by the City, have risen 0.18% and 0.50%, respectively.





These benchmark interest rate movements, combined with wider credit spreads today than in March 2025, lead us to estimate that the City’s total financing cost for a 30-year General Obligation bond issue has risen around 30 basis points – from around 4.30% to approximately 4.60%.

Alternate Financing Structures. While other common financing structures have broad market acceptance, General Obligation debt is widely accepted as the highest quality and lowest cost financing structure available to state and local governments. G.O. bonds benefit from strength, simplicity, and higher perceived liquidity compared to pledged revenue bonds or lease-purchase financings.

Should the City elect to implement a “Covenant to Budget and Appropriate” financing, it would rely on its legally available non-ad valorem governmental revenues, some of which are already subject to a direct pledge through prior financings (Electric Franchise Fees, Communications Services Taxes, Water Public Service Taxes, and Electric Public Service Taxes). If the City were to achieve the same credit rating on the CB&A financing as it would on a G.O. issue, we estimate a pricing differential of 5 basis points, which translates to an increase in annual debt service of about \$30,000 annually for 30 years. Furthermore, and in light of the existing leverage on the City’s non-ad valorem revenues, we believe a slightly lower credit rating is conceivable, which would increase the pricing differential by another 5-10 basis points.

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

Sincerely,

Jerry W. Ford
President

Jonathan W. Ford
Senior Vice President