

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL \_\_, 2021**

**NEW ISSUE – BOOK-ENTRY ONLY**

**RATINGS: See "Ratings" herein.**

*In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations and judicial decisions, the interest on the Series 2021B Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2021B Bonds.*

[insert City logo]	<b>CITY OF CORAL GABLES, FLORIDA</b> \$ _____ * <b>CAPITAL IMPROVEMENT REVENUE AND</b> <b>REFUNDING BONDS, SERIES 2021B</b>	[insert DAC logo]
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**Dated: Date of Delivery**

**Due: April 1, as shown on inside cover**

The \$ \_\_\_\_\_ \* City of Coral Gables, Florida Capital Improvement Revenue and Refunding Bonds, Series 2021B (the "Series 2021B Bonds") will be issued only as fully registered bonds, without coupons, and when initially issued will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Beneficial owners of the Series 2021B Bonds will not receive physical delivery of bond certificates. Interest on the Series 2021B Bonds is payable commencing on October 1, 2021 and on each April 1 and October 1 thereafter, until maturity or earlier redemption as more fully described herein. So long as DTC or its nominee is the registered owner of the Series 2021B Bonds, payment of the principal of and interest on such Series 2021B Bonds will be made directly to DTC. Disbursements of such payments to DTC participants are the responsibility of DTC and disbursements of such payments to the beneficial owners are the responsibility of DTC participants (see "THE SERIES 2021B BONDS – Book-Entry-Only System" herein). U.S. Bank National Association, Fort Lauderdale, Florida, is serving as Registrar and Paying Agent for the Series 2021B Bonds.

The Series 2021B Bonds are subject to redemption prior to maturity as set forth herein.

The Series 2021B Bonds are being issued pursuant to Resolution No. \_\_\_\_\_ of the City, adopted on March 23, 2021, as amended and supplemented (collectively, the "Resolution") to provide funds which will be sufficient to (i) finance certain capital improvements in and for the City, (ii) to refund certain outstanding obligations of the City, as more fully set forth herein, and (iii) pay related costs of issuance. The Series 2021B Bonds are secured solely by a covenant to budget and appropriate legally available Non-Ad Valorem Revenues of the City.

**SEE THE INSIDE COVER PAGE FOR MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIP NUMBERS.**

This cover page is **not** intended to be a summary of the terms or security provisions of the Series 2021B Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

THE SERIES 2021B BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF FLORIDA BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO BONDHOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY SUCH SERIES 2021B BONDS OR THE INTEREST THEREON, NOR SHALL ANY SERIES 2021B BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL OR INTEREST FROM ANY OTHER FUNDS OF THE CITY OTHER THAN AS PROVIDED IN THE RESOLUTION.

**Electronic bids for the Series 2021B Bonds will be received through IHS MARKIT'S Parity/BIDCOMP Electronic Bid Submission System as described in the Official Notice of Sale.**

*The Series 2021B Bonds are offered when, as, and if issued and received by the Underwriter, subject to the opinion on certain legal matters relating to their issuance by Bryant Miller Olive P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by Miriam Soler Ramos, Esquire, City Attorney, and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel. PFM Financial Advisors LLC, Orlando, Florida, is serving as financial advisor to the City. It is expected that the Series 2021B Bonds will be available for delivery through the facilities of DTC in New York, New York on or about May \_\_\_\_, 2021.*

The date of this Official Statement is May \_\_\_\_, 2021.

\$ \_\_\_\_\_ \*

**CITY OF CORAL GABLES, FLORIDA**  
**CAPITAL IMPROVEMENT REVENUE AND REFUNDING BONDS, SERIES 2021B**

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

Maturity (April 1)	Principal Amount	Interest Rate	Price	Yield	Initial CUSIP Numbers <sup>†</sup>
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**					
2048**					
2049**					
2050**					
2051**					

\* Preliminary, subject to change.

\*\* Subject to term bond option as described in the Official Notice of Sale.

† The City and the Underwriter are not responsible for the use of the CUSIP Numbers referenced herein nor is any representation made by the City or the Underwriter as to their correctness. The CUSIP Numbers provided herein are included solely for the convenience of the readers of this Official Statement.

**CITY OF CORAL GABLES, FLORIDA**

**City Offices**

405 Biltmore Way  
Coral Gables, Florida 33134

**City Commissioners**

Raul Valdes-Fauli, Mayor  
Vince Lago, Vice Mayor  
Jorge L. Fors, Jr.  
Patricia Keon  
Michael Mena

**City Clerk**

Billy Y. Urquia

**City Manager**

Peter Iglesias

**City Attorney**

Miriam Soler Ramos, Esq.

**Bond Counsel**

Bryant Miller Olive P.A.  
Miami, Florida

**Disclosure Counsel**

Nabors, Giblin & Nickerson, P.A.  
Tampa, Florida

**Financial Advisor**

PFM Financial Advisors LLC  
Orlando, Florida

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No broker, dealer, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representation with respect to the Series 2021B Bonds, 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 foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of the Series 2021B Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the City and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. 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 shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof or the earliest date as of which such information is given.

**THE SERIES 2021B BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2021B BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2021B BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CONNECTION WITH OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2021B BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE SECURITY FOR THE SERIES 2021B BONDS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Official Statement. The offering of the Series 2021B Bonds is made only by means of this entire Official Statement.

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan", "expect", "estimate", "project", "forecast", "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

**THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITER AND ANY ONE OR MORE HOLDERS OF THE SERIES 2021B BONDS.**

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY 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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APPENDIX E --	FORM OF CONTINUING DISCLOSURE CERTIFICATE



**OFFICIAL STATEMENT**

**CITY OF CORAL GABLES, FLORIDA**

\$ \_\_\_\_\_\*

**CAPITAL IMPROVEMENT REVENUE AND REFUNDING BONDS,  
SERIES 2021B**

**INTRODUCTION**

The purpose of this Official Statement, including the cover page, and all appendices, is to set forth certain information in connection with the sale by the City of Coral Gables, Florida (the "City") of its \$ \_\_\_\_\_\* aggregate principal amount of Capital Improvement Revenue and Refunding Bonds, Series 2021B (the "Series 2021B Bonds").

The Series 2021B Bonds are being issued pursuant to the Constitution and Laws of the State of Florida, including Chapter 166, Part II, Florida Statutes (the "Act"), and other applicable provisions of law, and pursuant and subject to the terms and conditions of Resolution No. \_\_\_\_\_, adopted on March 23, 2021, as amended and supplemented (collectively the "Resolution").

Capitalized terms used but not defined herein have the same meaning as when used in the Resolution unless the context clearly indicates otherwise. Complete descriptions of the terms and conditions of the Series 2021B Bonds are set forth in the Resolution, the form of which is attached to this Official Statement as Appendix C. The description of the Series 2021B Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not intended to be comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained from the City Clerk, 405 Biltmore Way, First Floor, Coral Gables, Florida 33134, telephone number (305) 460-5210.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any other statement which may have been made verbally or in writing in connection with the Series 2021B Bonds, other than the Resolution, is to be construed as a contract with the Owners of the Series 2021B Bonds.

**PURPOSE OF THE SERIES 2021B BONDS**

The Series 2021B Bonds are being issued to provide funds which will be sufficient to (i) finance certain costs related to capital improvements in and for the City, (ii) refund the City's obligations relating to the Sunshine State Government Financing Commission's Revenue

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\*Preliminary, subject to change.

Bonds, Series 2013A, Series 2014 and Series 2015B (collectively, the "Refunded Obligations"), and (iii) pay related costs of issuance. Such capital improvements include the construction, reconstruction and replacement of 6.5 miles of major sewer transmission lines between 18 and 36 inches in diameter and smaller ancillary discharge pipes located within the City (as the same may be modified from time to time, the "Project").

**PLAN OF REFUNDING**

The Refunded Obligations, outstanding in the principal amount of \$15,745,000 as of the date of issuance of the Series 2021B Bonds, will be called for redemption on \_\_\_\_\_ 1, 20\_\_, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, and without premium.

**ESTIMATED SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of the proceeds to be received from the sale of the Series 2021B Bonds:

**SOURCES:**

Principal Amount of Series 2021B Bonds	\$
[Net] Original Issue [Premium] [Discount]	_____
<b>TOTAL SOURCES</b>	<b>\$</b>

**USES:**

Deposit to Project Fund	\$
Payment of Refunded Obligations	
Cost of Issuance <sup>(1)</sup>	_____
<b>TOTAL USES</b>	<b>\$</b>

<sup>(1)</sup> Includes costs incurred by the City and other costs relating to the issuance of the Series 2021B Bonds, including Underwriter's discount.

**THE SERIES 2021B BONDS**

**General**

The Series 2021B Bonds are being issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The Series 2021B Bonds are dated their date of delivery and shall bear interest from that date as set forth on the inside cover page of this Official Statement.

The Series 2021B Bonds will be in book entry-only form and registered, on the date of issuance and delivery, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the Series 2021B Bonds. U.S. Bank National Association, Fort Lauderdale, Florida, will act as Registrar and Paying Agent for the Series 2021B Bonds.

The principal of and premium, if any, on the Series 2021B Bonds are payable, while in book entry-only form, in accordance with the provisions of DTC, when due, and the interest on the Series 2021B Bonds will be initially payable on October 1, 2021, and on each April 1 and October 1 thereafter until maturity or earlier redemption as more fully described herein.

### **Book-Entry Only System**

*The information provided immediately below concerning DTC and the Book-Entry Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter, the City or the Paying Agent.*

Unless the book-entry system described herein is terminated, DTC will act as securities depository for the Series 2021B Bonds. The Series 2021B 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 or more fully-registered bond certificates will be issued for the Series 2021B Bonds, and will be deposited with the Registrar on behalf of DTC. Individual purchases of beneficial interests in the Series 2021B Bonds will be made in increments of \$5,000 or integral multiples thereof.

DTC and its Participants. DTC, the world's largest securities 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, as amended. DTC holds and provides asset servicing for over 3.5 million 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"). DTC has a Standard & Poor's Rating of AA+. The DTC Rules applicable to its Direct and Indirect

Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com). The contents of such website do not constitute a part of this Official Statement.

Purchases. Purchases of the Series 2021B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021B Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021B 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 the Series 2021B Bonds, except in the event that use of the book-entry system for the Series 2021B Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2021B 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 the Series 2021B 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 Series 2021B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021B 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.

Notices. 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 the Series 2021B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021B Bond documents. For example, Beneficial Owners of Series 2021B Bonds may wish to ascertain that the nominee holding the Series 2021B 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 Series 2021B Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021B Bonds unless authorized by a Direct Participant in accordance with

DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer 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 Series 2021B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NEITHER THE CITY NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2021B BONDS. THE CITY CANNOT PROVIDE ANY ASSURANCE THAT DTC, DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021B BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR ANY NOTICES TO THE BENEFICIAL OWNERS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

Payments. Payments on the Series 2021B 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 Registrar on the relevant payable 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 Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar, 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.

Discontinuance of Book Entry-Only System. DTC may discontinue providing its services as depository with respect to the Series 2021B Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificated Series 2021B Bonds are required to be printed and delivered to the holders of record.

The City may decide to discontinue use of the system of book entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2021B Bonds. Under current industry practices, however, DTC would notify its Direct or Indirect Participants of the City's decision but will only withdraw beneficial interests from a Series 2021B Bond at the request of any Direct or Indirect Participant. In that event, certificates for the Series 2021B Bonds will be printed and delivered.

## **No Assurance Regarding DTC Practices**

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City, the Underwriter and the Registrar take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Series 2021B Bonds as nominee of DTC, references herein to the holders or registered owners of the Series 2021B Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Series 2021B Bonds.

Neither the City, the Registrar nor the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any Beneficial Owner to receive payment in the event of a partial redemption of the Series 2021B Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the Series 2021B Bonds.

## **Registration, Transfer and Exchange**

Subject to the provisions described above under "-- Book Entry-Only System" while the Series 2021B Bonds are held under a book entry system of registration, the City shall cause books for the registration and transfer of the Series 2021B Bonds, as provided in the Resolution, to be kept by the Registrar. Upon surrender for transfer of any Bond at the designated office of the Registrar, accompanied by an assignment duly executed by the registered Owner or his attorney-in-fact duly authorized in writing, the City shall execute and the Registrar shall authenticate and deliver in the name of the transferee or transferees a new Series 2021B Bond or Series 2021B Bonds for a like aggregate principal amount.

Series 2021B Bonds of the same type may be exchanged at the designated office of the Registrar for a like aggregate principal amount of Series 2021B Bonds of other authorized denominations. The City shall execute and the Registrar shall authenticate and deliver the Series 2021B Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding.

The Registrar shall not be required to transfer or exchange any Series 2021B Bonds during the 15 days next preceding an interest payment date on the Series 2021B Bonds, or in the case of any proposed redemption of Series 2021B Bonds, for the Bonds subject to redemption, during the 15 days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

For every such exchange or transfer of Series 2021B Bonds, the City or Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer.

**Redemption Provisions**

The Series 2021B Bonds are subject to redemption prior to maturity as follows:

Optional Redemption.

The Series 2021B Bonds maturing on and before April 1, 2031, are not redeemable prior to their stated dates of maturity. The Series 2021B Bonds or portions thereof maturing on April 1, 2032, and thereafter, are redeemable prior to their stated dates of maturity, at the option of the City, in whole or in part on April 1, 2031, and on any date thereafter, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Mandatory Redemption.

[The Term Series 2021B Bonds maturing on April 1, 20\_\_ are to be retired from amounts credited as mandatory Amortization Installments, which amounts are required to be sufficient to retire by April 1 of each year the principal amount of such Series 2021B Bonds set forth in the table below.]

**2021 Term Bonds**

<u>Year</u>	<u>Principal Amount</u>
	\$

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\*Maturity

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

## SCHEDULED DEBT SERVICE FOR THE SERIES 2021B BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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### SECURITY FOR THE SERIES 2021B BONDS

#### General

The principal of, premium, if any, and interest on the Series 2021B Bonds will be payable from and will be secured solely by a pledge of and lien on the Pledged Revenues under the Resolution. "Pledged Revenues" means the Non-Ad Valorem Revenues budgeted, appropriated and deposited in the Debt Service Fund established under the Resolution, any moneys and investment income therefrom held in the Debt Service Fund, and any proceeds of the Series 2021B Bonds on deposit in the Project Fund as provided in the Resolution. The Resolution contains a covenant to budget and appropriate Non-Ad Valorem Revenues as described below.

"Non-Ad Valorem Revenues" means all legally available revenues of the City from any source whatsoever, other than ad valorem taxation on real and personal property, which are legally available for payment of debt service by the City.

#### Limited Obligations

THE SERIES 2021B BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OF THE CITY WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF FLORIDA BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED REVENUES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION. NO BONDHOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY SUCH SERIES 2021B BONDS OR THE INTEREST THEREON, NOR SHALL ANY SERIES 2021B BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL OR INTEREST FROM ANY OTHER FUNDS OF THE CITY OTHER THAN AS PROVIDED IN THE RESOLUTION.



## **No Reserve Fund**

The Series 2021B Bonds are not secured by a reserve fund.

## **Non-Ad Valorem Revenues**

The Covenant to Budget and Appropriate. In the Resolution, the City covenants and agrees and has a positive and affirmative duty to appropriate (such covenant being referred to as the "Covenant to Budget and Appropriate") in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund created under the Resolution, amounts sufficient to pay principal of and interest on the Series 2021B Bonds not being paid from other amounts as the same become due. Such covenant and agreement on the part of the City to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated and actually paid. Notwithstanding the foregoing covenant of the City, the City does not covenant to maintain any services or programs, now provided or maintained by the City, which generate Non-Ad Valorem Revenues.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Series 2021B Bondholders a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). However, the covenant to budget and appropriate for the purposes and in the manner stated in the Resolution shall have the effect of making available for the payment of the Series 2021B Bonds, in the manner described in the Resolution, Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment, if necessary, amounts sufficient to meet its obligations under the Resolution; subject, however, in all respects to the payment of services and programs which are for essential governmental services of the City.

In Florida, the revenues received by Florida cities may be classified based upon whether such revenues are derived from ad valorem taxation. Ad valorem taxes are taxes levied by local governments upon taxable real and tangible personal property located within the geographic jurisdiction of the government. Ad valorem taxes are levied based upon the assessed value of taxable property, and are imposed at a uniform rate per thousand dollars of assessed value. This rate is referred to as the "millage rate," with one mill representing one dollar of ad valorem taxes per thousand dollars of assessed valuation. Exclusive of millage levied pursuant to the approval of the qualified electors of a municipality, Florida cities generally may not levy ad valorem taxes at a rate in excess of ten mills annually.

Revenues received by a city other than from ad valorem taxation are referred to as "non-ad valorem revenues." Florida cities collect non-ad valorem revenues from a variety of sources. Certain non-ad valorem revenues are not lawfully available to be used by cities to pay debt service on various obligations. The primary sources of non-ad valorem revenues generally consist of state revenue sharing monies, utility and communication tax revenues, franchise fees, license and permit fees.

Brief descriptions of certain of such legally available non-ad valorem revenue sources are set forth below. These sources do not purport to constitute all of the Non-Ad Valorem Revenues, but are included to provide additional information regarding some Non-Ad Valorem Revenue sources. See also "OTHER FINANCIAL INFORMATION – Impact of COVID-19" for discussion of the financial impacts of the Novel Corona Virus 2019 ("COVID-19") pandemic upon Non-Ad Valorem Revenue sources.

"Other Taxes" consist primarily of franchise fees imposed by the City on electric, telephone, gas, cable TV and solid waste service, and utility service taxes imposed on telephone, telecommunication, water, gas and fuel oil service.

"Licenses" consist of occupational license taxes and business contractor's license fees.

"Permits" consist of building, mechanical, electrical and plumbing permit receipts.

"Fines and forfeitures" consist of traffic fines and zoning infraction charges.

"Intergovernmental" consists primarily of state sales tax revenues received by the City, revenues derived from state revenue sharing, and grants received from county and state government.

"Charges for services" include internal service fees, collection fees, concurrency fees and public safety fees. "Revenue from property" consists of revenue derived from the rental of City property.

### **Additional Debt**

The City may incur additional debt secured by all or a portion of the Non-Ad Valorem Revenues only if the total amount of Non-Ad Valorem Revenues for the prior fiscal year was at least 2.00 times the maximum annual debt service of all debt (including all long-term financial obligations appearing on the City's most recent audited financial statements and the debt proposed to be incurred) to be paid from Non-Ad Valorem Revenues (collectively, "Debt"), including any Debt payable from one or several specific revenue sources.

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

- (1) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is less than or equal to 25% of the principal amount of all Debt (including the Debt proposed to be incurred), an interest rate equal to the higher of 12% per annum or The Bond Buyer 40 Index shall be assumed; or
- (2) if the principal amount of Variable Rate Debt (including any Variable Rate Debt proposed to be incurred) is more than 25% of the principal amount of all Debt (including the Debt proposed to be incurred), the maximum rate which could be borne by such Variable Rate Debt shall be assumed.

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

### Other Non-Ad Valorem Indebtedness

The City has other debt issues outstanding which are secured by a covenant to budget and appropriate legally available Non-Ad Valorem Revenues, which is the same source of security as for the Resolution. Such indebtedness, a portion of which was issued by the Sunshine State Governmental Financing Commission and the proceeds thereof loaned to the City by means of separate loan agreements, is summarized below:

Revenue Bonds <sup>(1)</sup>	Date of Origination	Original Loan Amount	Principal Balance <sup>(2)</sup>	Debt Type
Series 2013A <sup>(5)</sup>	February 28, 2013	\$16,795,000	\$9,940,000	TE <sup>(3)</sup> -Fixed
Series 2014 <sup>(5)</sup>	August 12, 2014	3,770,000	1,620,000	TE <sup>(3)</sup> -Fixed
Series 2015B <sup>(5)</sup>	December 19, 2014	6,500,000	14,940,000	TE <sup>(3)</sup> -Fixed
Series 2016A	April 28, 2016	16,975,000	3,770,000	TE <sup>(3)</sup> -Fixed
Series 2016B	April 28, 2016	4,460,000	46,915,000	TE <sup>(3)</sup> -Fixed
Series 2018A	May 16, 2018	48,015,000	25,490,000	TE <sup>(3)</sup> -Fixed
Series 2018B	May 16, 2018	32,620,000	25,490,000	TE <sup>(3)</sup> -Fixed
Series 2021A	March 30, 2021	[5,505,000]	[5,505,000]	TX <sup>(4)</sup> -Fixed
		\$[134,640,000]	\$[112,365,000]	

<sup>(1)</sup> Consisting of private placements except for the Capital Improvement Revenue Bonds, Series 2016A and 2016B, and Series 2018A and 2018B. Some principal amounts above are broken into several parts in the City's financial statements, based on use of the proceeds.

<sup>(2)</sup> As of April 1, 2021.

<sup>(3)</sup> Tax-Exempt.

<sup>(4)</sup> Taxable.

<sup>(5)</sup> To be refunded by issuance of the Series 2021B Bonds.

The Series 2013A Bond was issued on February 28, 2013 in the amount of \$16,795,000 to partially advance refund the City's Series 2004A Bonds. The Series 2013A Bond is a privately-placed, tax exempt bank loan at a fixed rate of 2.40% with a final maturity of October 1, 2028.

The Series 2014 Bond was issued on August 12, 2014 in the amount of \$3,770,000 for capital improvements related to the City's sewer system. The Series 2014 Bond is a privately-placed, tax exempt bank loan at a fixed rate of 2.42% (adjusted to 2.94% in 2018) with a final maturity of October 1, 2024.

The Series 2015B Bond was issued on December 19, 2014 in the amount of \$6,500,000 to acquire and improve the City's municipal communications system. The Series 2015B Bond is a privately-placed, tax exempt bank loan at a fixed rate of 2.503% with a final maturity of April 1, 2024.

The Series 2016A Bonds were issued in the amount of \$16,975,000 to finance certain streetscape and other improvements to the City's "Miracle Mile." The Series 2016A Bonds are publicly offered bonds at fixed rates ranging from 3.00% to 5.00%, with a final maturity of April 1, 2037. The Series 2016A Bonds are also secured by a pledge of special assessments on property benefitted by the Miracle Mile project.

The Series 2016B Bonds were issued in the amount of \$4,460,000 to finance certain streetscape and other improvements to Giralda Avenue within the City. The Series 2016B Bonds are publicly offered bonds at fixed rates ranging from 3.00% to 5.00%, with a final maturity of April 1, 2037. The Series 2016B Bonds are also secured by a pledge of special assessments on property benefitted by the Giralda Avenue project.

The Series 2018A Bonds were issued on May 16, 2018 in the amount of \$48,015,000, to finance certain capital improvements within the City. The Series 2018A Bonds were issued as publicly offered, tax-exempt bonds at a fixed rate of 5.00%, with a final maturity of April 1, 2048.

The Series 2018B Bonds were issued on May 16, 2018 in the amount of \$32,620,000, to refund the City's Series 2012 Bond. The Series 2018B Bonds were issued as publicly offered, tax-exempt bonds at a fixed rate of 5.00%, with a final maturity of October 1, 2031.

The Series 2021A Bond was issued on March 30, 2021 in the amount of \$[5,505,000], to refund the City's Series 2011C Bond and Series 2013B Bond. The Series 2021A Bond is a privately-placed, taxable bank loan at a fixed rate of 1.90%, with a final maturity of October 1, 2032.

Each of the bonds referenced above are secured by covenants to budget and appropriate Non-Ad Valorem Revenues on a substantially similar basis to that contained in the Resolution, some of which include the right to accelerate payment of such indebtedness upon the occurrence of a payment default thereunder. The City does not at this point have outstanding indebtedness secured by a specific pledge of any Non-Ad Valorem Revenues.

## Calculation of Anti-Dilution Test

The City has calculated its compliance with the test for additional debt secured by Non-Ad Valorem Revenues (as described above under the subheading "Additional Debt") for the fiscal years ended September 30, 2018, September 30, 2019 and September 30, 2020, as follows:

	For the Audited Period Ended September 30, 2018	For the Audited Period Ended September 30, 2019	For the Audited Period Ended September 30, 2020
Non Ad Valorem Revenues Available to satisfy amounts payable under Resolution or other debt service payable	\$87,425,443	\$84,826,059	\$
Maximum Annual Debt Service on all Non-Ad Valorem Debt Outstanding <sup>(1)(2)</sup>	11,466,931	11,418,595	
200% of Debt Service	22,933,862	22,837,190	
Excess of Non Ad Valorem Revenues over 200% of Debt Service	64,491,581	61,988,869	

(1) Information presented for the period ended is based on the information from the audited financial statements. If the Series 2021B Bonds are taken into account, the excess of Non-Ad Valorem Revenues over 200% of Debt Service for Fiscal Year 2020 would be \$\_\_\_\_\_ (based on maximum annual debt service calculated on a fiscal year basis).

(2) [The City has contingent liability for limited debt service payments from available Non-Ad Valorem Revenues and guarantees related to the Palace at Coral Gables Community Development District's Special Assessment Revenue Bonds, Series 2001. Such payments from Non-Ad Valorem Revenues have never been made by the City. \$700,000, the maximum annual debt service on such debt, has been included for purposes of this calculation.]

## OTHER FINANCIAL INFORMATION

### Non-Ad Valorem Revenues

The City generally receives two primary sources of revenue. These are ad valorem tax revenues and non-ad valorem revenues. Ad valorem tax revenues may not be pledged for the payment of debt obligations of the City without approval of the electorate of the City, and are not pledged to the payment of amounts owing under the Resolution.

The first table below, which has been prepared by the City, lists historical Non-Ad Valorem Revenues which are legally available to pay amounts due under the Resolution. Certain of such legally available Non-Ad Valorem Revenues may hereafter be specifically pledged to secure revenue bonds issued by the City. In such event, such bonds will be payable from such specific Non-Ad Valorem Revenue sources prior to payment of debt service on the Series 2021B Bonds. See "SECURITY AND SOURCES OF PAYMENT -- Other Non-Ad Valorem Indebtedness" for a listing of revenue bonds heretofore issued which are secured by the City's covenant to budget and appropriate legally available Non-Ad Valorem Revenues, which is the

same source of security as for the Resolution. Additionally, amounts in particular categories of legally available Non-Ad Valorem Revenues may increase or decrease in the future, or certain categories may cease to exist altogether, and new sources may occur from time to time.

The second table below, which has been prepared by the City, is being presented for informational purposes. It compares, on a historical basis, all financing sources of the City (including but not limited to, legally available Non-Ad Valorem Revenues and ad valorem taxing revenues), against all general governmental expenditures (by category) including debt service on existing Non-Ad Valorem Revenue-supported indebtedness.

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**CITY OF CORAL GABLES, FLORIDA  
HISTORICAL LEGALLY AVAILABLE NON-AD VALOREM REVENUES**

<b>Fund</b>	<b>Revenue Source</b>	<b>Audited 2016</b>	<b>Audited 2017</b>	<b>Audited 2018</b>	<b>Audited 2019</b>	<b>Audited 2020</b>
General	Other Taxes	\$18,283,356	\$18,414,022	18,706,453	18,542,920	
	Licenses	3,496,840	3,365,902	3,608,199	3,347,817	
	Permits	9,007,729	9,019,702	11,747,692	8,493,360	
	Fines & Forfeitures	2,552,563	2,329,161	2,747,967	2,497,086	
	Intergovernmental	5,329,086	5,424,046	5,827,452	6,441,622	
	Charges for Services	19,393,779	19,176,388	19,919,339	20,025,158	
	Recreation	4,575,172	4,520,645	4,643,202	4,672,551	
	Activity Fees					
	Rental Income	5,833,825	4,961,998	4,400,582	4,494,626	
	Interest Earned	443,236	748,546	1,504,125	2,900,427	
	Special Assessment	-	-	-	-	
	Contributions and Donations	70,500	78,750	2,856,000	89,268	
	Miscellaneous	390,552	266,609	352,216	291,313	
	Capital Projects	Other Taxes	2,941,042	3,201,429		
Intergovernmental		502,924	1,066,853			
Charges for Services <sup>(1)</sup>						
Rental Income		29,032	27,421			
Special Assessments		1,631,837	255,455			
Interest Earned		354,203	331,431			
Contributions and Donations		-	2,500			
Miscellaneous	-	1,300,000				
Special Revenue	Intergovernmental	-	-	-	-	
Debt Service	Special Assessment	33,719	15,837			
	Interest Earned	7,184	8,356			
	Miscellaneous	-	-	-	-	
<b>TOTAL:</b>		<b>\$74,876,579</b>	<b>\$74,515,051</b>	<b>\$87,425,443</b>	<b>\$84,826,059</b>	

Source: City of Coral Gables, Florida

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**CITY OF CORAL GABLES, FLORIDA  
HISTORICAL REVENUES AND EXPENDITURES<sup>(1)</sup>**

Sources of Revenues	Audited 2016	Audited 2017	Audited 2018	Audited 2019	Audited 2020
<b>Revenues:</b>					
Taxes	\$92,671,539	\$97,639,779	\$102,923,909	\$107,344,529	
Licenses	3,496,840	3,365,902	3,608,199	3,347,817	
Permits	9,007,729	9,019,702	11,747,692	8,493,360	
Fines and Forfeitures	2,552,563	2,329,161	2,747,967	2,497,086	
Intergovernmental	5,832,010	6,490,899	6,224,032	8,932,426	
Charges for Services	19,393,779	19,176,388	19,919,339	20,025,158	
Recreation Activity Fees	4,575,172	4,520,645	4,643,202	4,672,551	
Rental Income	5,862,857	4,989,419	4,426,311	4,512,306	
Special Assessments	1,665,556	271,292	6,133,702	4,246,396	
Investment Earnings	804,623	1,088,333	2,502,023	5,662,885	
Contributions and Donations	70,500	81,250	2,959,000	242,515	
Miscellaneous	390,552	1,566,609	352,216	315,194	
Total Revenues	<u>\$146,323,720</u>	<u>\$150,539,379</u>	<u>\$168,187,592</u>	<u>\$170,292,223</u>	
<b>Expenditures:</b>					
Current:					
General Government	21,719,236	22,063,409	24,214,402	24,590,453	
Public Safety	75,551,003	82,937,666	94,077,878	88,400,264	
Physical Environment	18,974,253	19,743,343	21,380,327	21,068,981	
Transportation	6,540,889	5,795,129	5,839,305	7,240,882	
Economic Environment	947,119	1,248,157	1,395,448	1,543,305	
Culture and Recreation	12,220,223	15,529,205	12,142,574	12,319,068	
Debt Service:					
Retirement and Principal	3,781,442	3,776,945	35,431,299	4,999,339	
Interest and Other Charges	1,803,435	2,179,370	2,986,907	4,334,138	
Bond Issuance Cost	-	-	1,164,882	-	
Capital Outlay	24,633,460	22,038,809	12,178,232	33,873,594	
Total Expenditures	<u>\$166,171,060</u>	<u>\$175,312,033</u>	<u>\$210,811,254</u>	<u>\$198,370,024</u>	
Excess (deficiency) of Revenues Over Expenditures)	(19,847,340)	(24,772,654)	(42,623,662)	(28,077,801)	
<b>Other Financing Sources (Uses):</b>					
Special Revenue Bond Issued	22,005,000	-	48,015,000	-	
Premium on Special Revenue Bonds	1,788,626	-	2,362,809	-	
Sale of Capital Assets	-	-	-	10,425,950	
Proceeds from Capital Leases	-	261,580	177,056	-	
Refunding Bonds Issued	-	-	28,486,030	-	
Premium on Refunding Bonds	-	-	2,781,073	-	
Payment to Bond Escrow Agent	-	-	-	-	
Transfers In	24,565,217	22,067,901	30,559,692	31,004,349	
Transfers Out	(16,666,592)	(11,715,220)	(18,832,370)	(19,058,521)	
Other Financing Sources (Uses)	<u>\$31,692,251</u>	<u>\$10,614,261</u>	<u>\$93,550,290</u>	<u>\$22,371,778</u>	
<b>Net Change in Fund Balance</b>	<b>\$11,844,911</b>	<b>\$(14,158,393)</b>	<b>\$50,926,628</b>	<b>\$(5,522,789)</b>	
<b>Fund Balance – Beginning</b>	<b>\$120,246,099</b>	<b>\$132,091,010</b>	<b>\$117,932,617</b>	<b>\$168,859,245</b>	
<b>Fund Balance – Ending</b>	<b>\$132,091,010</b>	<b>\$117,932,617</b>	<b>\$168,859,245</b>	<b>\$163,336,456</b>	

Source: City of Coral Gables, Florida

<sup>(1)</sup> Portions of the revenues shown herein represent ad valorem tax receipts and certain restricted revenues which are not included in Non Ad-Valorem Revenues and not subject to the City's covenant to budget and appropriate securing the obligations under the Resolution.



**While the tables above are not intended to represent revenues of the City which would necessarily be available to pay Loan Repayments under the Resolution, they are an indication of the relative amounts of legally available Non-Ad Valorem Revenues of the City which may be available for the payment of amounts due under the Resolution taking into account competing general governmental expenditures or other restrictions. The ability of the City to appropriate Non-Ad Valorem Revenues in sufficient amounts to pay amounts due under the Resolution is subject to a variety of factors, including the responsibility to provide essential governmental services, and the obligation of the City to have a balanced budget. No representation is being made by the City that any particular Non-Ad Valorem Revenue sources will be available in future years, or if available, will be budgeted to pay amounts due under the Resolution. For further information regarding Non-Ad Valorem Revenues of the City, reference is made to APPENDIX A and APPENDIX B attached hereto.**

### **Impact of COVID-19**

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, President Trump on March 13, 2020, declared a "national emergency," which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 25, 2020, President Trump declared the State of Florida a disaster area because of the spread of COVID-19. In addition, Governor DeSantis signed various executive orders that, among other effects, (i) closed all public and private schools serving pre-kindergarten through 12th grade students through the remainder of the spring semester, (ii) closed all bars and restaurants to dine-in customers through May 2020, and (iii) instructed residents to stay at home except for essential travel. The restrictions in (ii) and (iii) above were lifted in June 2020, although the limitation on bars selling alcohol for indoor consumption was reinstated effective June 25, 2020. The finances of City and Miami-Dade County residents have been and are likely to be adversely affected by the continued spread of COVID-19, the various governmental actions in response thereto and changes in the behavior of businesses and people, which all could affect the ability to pay their taxes and utility bills.

The City and other governmental entities have taken a number of steps locally with respect to COVID-19. The City of Coral Gables implemented limited activities supported by social distancing and mandated wearing of masks at all of its recreational facilities, and City Commission meetings were held digitally for several months and then converted to a hybrid format supported by limited in person attendance, social distancing, mandated mask wearing and Zoom participation for viewers/presenters/interested parties. Similar to all local governments, the City's finances are being impacted by the pandemic. Due to COVID-19's impacts beginning in mid-March, 2020 and the unknown length of the public health crisis, as well as the duration of measures to mitigate the pandemic, the City took concrete steps to reduce its Fiscal Year 2020 and Fiscal Year 2021 operating budgets as well as to identify additional Fiscal Year 2021

reductions if budgeted revenues do not perform as predicted. In Fiscal Year 2020, the City faced an \$8.2 million deficit. To address this shortfall, the City froze all full and part-time vacancies except for sworn police and fire, and communications operators. Additionally, all non-essential operating expenditures were restricted, and each department director reduced other operational spending down to a minimum. The City also deferred funding for certain capital projects.

For Fiscal Year 2021 the City identified further budget cuts totaling \$12.6 to balance expenses to projected revenues, and further identified \$7 million in soft reductions that included additional items but remain funded in a holding code until sufficient revenue activity is confirmed. The City continues to watch revenue activity very closely to make sure revenue projections perform as projected.

So far, the City's projections for Fiscal Year 2021 have been reasonably accurate. However, due to the unprecedented nature of the current downturn, the City has remained very conservative. While it instituted strict expenditure cutbacks, the City has continued to provide essential services to its residents and businesses without interruption. The City's unaudited numbers for September 30, 2020, show that the City had a net increase to its General Fund balance in the approximate amount of \$1 million. The City has current unrestricted reserves of approximately \$40,683,114.

A new wave of the virus could produce more negative impacts, and could adversely impact ratings on the Series 2021B Bonds. Please refer to "RATINGS," herein.

## **THE CITY**

### **General Information and Location**

Coral Gables prides itself as being among the most livable communities in the United States, providing residents and visitors first-rate municipal services in a culturally rich and diverse environment. The City was established in 1925 by George Merrick who drew from the Garden City and City Beautiful movements of the 19<sup>th</sup> and early 20<sup>th</sup> century to create one of the nation's first fully-planned communities.

In 1973, Coral Gables was one of the first cities in Florida to adopt a Historic Preservation Ordinance, creating a Historic Preservation Board and establishing a procedure for local landmark designations. Since then, the past has also been preserved in the form of buildings – significant either because of their architecture or because of the historic events or important figures associated with them.

Today, Coral Gables boasts one of only three National Landmarks in Miami-Dade County: The Biltmore Hotel, designated in 1996. There are also nine properties listed on the National Register of Historic Places, including Coral Gables Merrick House, Venetian Pool and Coral Gables City Hall, as well as more than 300 locally designated properties.

The City's employment base is primarily service-related, with substantial residential areas.

The City supports both the residential and business sectors with what it believes to be quality City services, and the City is one of only several cities nationwide to have a Class 1 Fire Department, a fully-accredited Police Department and the highest awarded Building and Zoning Department rating.

Coral Gables is located in southern Miami-Dade County, Florida, south of the City of Miami and adjacent to Biscayne Bay.

## **Government**

The City has a council/manager form of government. Current elected officials are listed below:

Mayor	Raul Valdes-Fauli
Vice Mayor	Vince Lago
Commissioner	Jorge L. Fors, Jr.
Commissioner	Patricia Keon
Commissioner	Michael Mena

The primary appointed City officials are:

City Manager	Peter Iglesias
City Attorney	Miriam Soler Ramos, Esq.
City Clerk	Billy Y. Urquia

## **Administration**

The administration of the City is conducted by the City Manager, who serves as the Chief Executive Officer. The City Manager, who is appointed by the Commission, provides leadership in administration of policies and objectives formulated by the Commission.

## **Budgetary Process**

The City is required by law to annually formulate a budget with respect to all departments of the City, and to hold public hearings thereon prior to the determination of the final budget. As part of the budget process of the City, each year, every department of the City prepares a preliminary estimate of its expenses and disbursements for the succeeding Fiscal Year.

On or before October 1 of each year, after conducting public hearings on the budget proposals submitted by the City Manager, at which time anyone has an opportunity to be heard, the City Commission adopts a final budget for the succeeding Fiscal Year. Under State law, appropriations for each Fiscal Year of the City cannot exceed the sum of the amount of expected revenues to be received by the City, plus carry-forward fund balances.

If a budget is not enacted by October 1, Florida Statutes provide for continued operation under the previous year's budget, subject to any amendments.

## **Management Discussion**

The Fiscal Year 2020-2021 Budget for the City was adopted by the Commission on \_\_\_\_\_, 2020 in the amount of \$ \_\_\_\_\_ and is comprised of the General Fund, Enterprise Fund and Governmental Funds. The General Fund Budget for Fiscal Year 2020-2021 represents an [increase][decrease] of \_\_\_\_\_% (\$ \_\_\_\_\_) from the Fiscal Year 2019-2020 adjusted General Fund Budget. See "OTHER FINANCIAL INFORMATION -- Impact of COVID-19" for the City's estimates and projections of the impact of the COVID-19 virus on its Fiscal Year 2020-21 budget.

## **Pension and Other Post-Employment Benefits**

The City of Coral Gables Retirement System (the "Plan") is a single employer defined benefit pension plan, covering substantially all regular full-time general, police, and fire department employees of the City that have met the conditions of eligibility. The Plan was established under the Code of Ordinances for the City, including amendments. The Plan is also governed by certain provisions of Florida Statutes, and the Internal Revenue Code.

The following is a brief description of the Plan provided for general information purposes only. Investors should refer to the Plan documents, which may be obtained from the City Clerk, for more complete information. GASB 68, which went into effect for Fiscal Year 2015, significantly changes the standards for accounting and financial reporting for the Plan. The City's last actuarial report regarding the Plan was as of \_\_\_\_\_, and a new one is expected in \_\_\_\_\_.

### *Pension Benefits*

#### *Normal Retirement Date*

Participants, other than firefighters and police officers, with more than 10 years of credit service at September 30, 2010 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b) age 65 or (c) when the participant's age plus years of credited service equals or exceeds 70 (Rule of 70). Participants, other than firefighters and police officers, with less than 10 years of credited service at September 30, 2010 may retire and receive normal benefits upon reaching the earliest of (a) age 62 and 10 years of credited service, (b) age 65 and 6 years of service or (c) when the participant's age plus years of credited service equals or exceeds 80 (Rule of 80).

Police officers with more than 10 years of credited service at September 30, 2012 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b) age 65 or (c) when the participant's age plus years of credited service equals or exceeds 70 (Rule of 70). Police officers with less than 10 years of credited service at

September 30, 2012, may retire and receive normal retirement benefits upon reaching the earliest of (a) age 55 and 10 years of credited service or (b) 25 years of credited service, regardless of age.

Firefighters with more than 10 years of credited service at September 30, 2013 may retire and receive normal retirement benefits upon reaching the earliest of (a) age 52 and 10 years of credited service, (b) age 65 or (c) when the participant's age plus years of credited service equals or exceeds 70 (Rule of 70). Effective October 1, 2019, firefighters with less than 10 years of credited service at September 30, 2013, may retire and receive normal retirement benefits upon reaching the earliest (a) age 51 and 25 years of credited service or (b) when your age plus full years of credited service equal 76 (Rule of 76).

### *Benefit Payment*

For credited service through and including September 30, 2013 and 2012, the monthly amount of normal retirement income payable to firefighters and police officers, respectively, shall equal 3% of the average final compensation multiplied by the total years of credited service as of such date, not to exceed 75% of the average financial compensation. For credited service after September 30, 2013 and 2012, the monthly amount of normal retirement income payable to firefighters and police officers, respectively, shall equal 3% of the average final compensation multiplied by the first 10 years of credited service, and 2.5% of average final compensation multiplied by the total years of credited service in excess of the first 10 years of credited service, with the combined normal retirement income not to exceed 75 percent of average final compensation.

Effective September 30, 2013, the term "average financial compensation" for firefighters means:

- For participants who retire between October 1, 2012 and September 30, 2013, the greater of (a) the highest three-year average total earnings as of the date of retirement or (b) the highest four-year average total earnings;
- For participants who retire between October 1, 2013 and September 30, 2014, the greater of (a) the highest four-year average total earnings as of the date of retirement or (b) the highest five-year average total earnings;
- For participants who retire on or after October 1, 2014, the highest five-year average earnings;

Effective September 30, 2012, the term "average financial compensation" for police officers means:

- For participants who retire before October 1, 2012, the highest three-year average total earnings.
- For participants who retire between October 1, 2012 and September 30, 2013, the greater of (a) the highest three-year average total earnings as of the date of retirement or (b) the highest four-year average total earnings;
- For participants who retire between October 1, 2013 and September 30, 2014, the greater of (a) the highest four-year average total earnings as of the date of retirement or (b) the highest five-year average total earnings;

- For participants who retire on or after October 1, 2014, the highest five-year average earnings;

Effective September 30, 2013 and 2012, retirement benefits for firefighters and police officers, respectively, shall be based on pensionable earnings and not total earnings. For both firefighters and police officers, pensionable earnings exclude certain compensation, such as unused annual leave, unused sick leave, special assignment pay, all overtime payments, and tuition reimbursement, amongst others.

Effective February 28, 2017, the monthly normal retirement benefit was changed to provide police officers an enhanced benefit for the 25th year of credited service. 10%, as opposed to 2.5% of average financial compensation, may be applied to the 25th year of credited service, such that the total normal retirement income does not exceed 75% of average final compensation.

Effective September 30, 2010, the monthly amount of normal retirement income payable for general and excluded employees who retire after that date shall equal the greater of the participant's five-year or three-year average earnings as of the date of retirement (or separation from employment) as of September 29, 2010, multiplied by total years of credited service and by a percentage, as applicable below:

General:

- (a) elected: 3% multiplier
- (b) other general: 2.25% multiplier

Excludable:

- (a) managerial employees: 3% multiplier for first 10 years; 2.25% thereafter;
- (b) professional/supervisory employees: 2.5% multiplier for first 10 years; 2.25% thereafter;
- (c) confidential employees: 2.25% multiplier
- (d) appointed officials: 3% multiplier

Effective March 13, 2018, the maximum retirement benefit in the normal annuity form for general and excluded employees with less than 10 years of credited service on March 13, 2018 shall not exceed the lesser of \$50,000 annually or 75% of final average compensation. For participants with 10 or more years of service on March 13, 2018, the maximum retirement benefit in the normal annuity form shall not exceed \$67,500 annually or 75% of final average compensation. In no event, shall a participant's benefit be less than the accrued benefit on March 13, 2018.

Notwithstanding the foregoing, the normal retirement income payable to participants, other than police officers and firefighters, who as of September 30, 2010 attained the normal retirement date in effect on September 29, 2010, shall be based on the highest three-year average.

As to all participants, with the exception of members of the bargaining units represented by the Fraternal Order of Police, Lodge No.7, and the International Association of Firefighters, Local 1210, who retire after completing 40 years or more of service on or after December 31, 1993, the benefit will be calculated using 80% of the highest two-year average annual earnings.

For bargaining unit members who are not eligible for normal retirement as of February 28, 2017 and whose accrued annual pension benefit as of February 28, 2017 does not exceed \$95,000 per year, the total pension benefit will be the lesser of 75% of average financial compensation or \$95,000. Effective September 30, 2019, the cap changes to the lesser of 75% of average financial compensation or \$96,900.

Effective March 13, 2018, for participants in the bargaining unit represented by Teamsters Local Union 769, the maximum retirement benefit in the normal annuity form shall not exceed the lesser of: \$50,000 annually or 75% of final average compensation for participants with less than 10 years of credited service on March 13, 2018; and \$67,500 annually or 75% of the final average compensation for participants with 10 or more years of credited service on March 13, 2018; provided in no event shall a participant's benefit be less than the accrued benefit on March 13, 2018.

Early retirement, disability, death and other benefits are also provided. For police officers and firefighters not eligible for normal retirement at September 30, 2012 and September 30, 2013, respectively, early retirement is eliminated.

*Deferred Retirement Option Plan* – Members who continue employment with the City and meet the earliest Deferred Retirement Option Plan (the "DROP") eligibility date may freeze their accrued benefit and enter the DROP. Maximum participation in the DROP shall be 5 years for general and police members and 8 years for firefighter members for members entering the drop prior to February 28, 2017. Effective February 28, 2017, the maximum participation in the DROP shall be 7 years for police members entering the DROP on or after February 28, 2017. Effective September 30, 2019, the maximum participation in the DROP shall be 5 years for police members entering the DROP on or after September 30, 2019.

For members electing participation in DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the member's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits.

DROP payments contributed to a member's DROP account earn interest at a rate equal to actual rate of return on the Plan's portfolio from a minimum of 3% to a maximum of the assumed rate of return.

Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them and they also begin to receive their monthly retirement benefit. The value of the DROP accounts of all participants at September 30, 2019 was \$33,835,492.

A participant, other than a firefighter or police officer, who enters the DROP on or after October 1, 2010, must submit a written election to participate in the DROP at least 30 days prior the DROP entry date. Such participant may delay entry into the DROP for up to 3 years past the earliest DROP eligibility date. If entry is delayed beyond 3 years, the participant must reduce the maximum DROP period by one month for each month of delayed DROP entry.

For firefighter and police officer participants, the election to enter the DROP must be made no later than six months after the later occurrence of events which constitute a DROP eligibility date. Police officers, however, can defer entry into the DROP for any length of time beyond their initial DROP eligibility date.

A summary of the changes in the DROP balance as of September 30, 2019 is as follows:

Beginning balance	\$37,317,243
Additions	7,222,970
Distribution	(18,227,172)
Interest earned	1,394,790
Ending balance	<u>\$27,707,831</u>

Cost of Living Adjustment – Effective January 1 of each year, participants who were receiving benefits for the full preceding year will receive a cost of living increase based on a formula as defined in the ordinance, if the market value rate of return is greater than or equal to 10%. Effective February 10, 2015, cost of living adjustments may be granted only if the Plan remains in a net positive experience position, determined on a cumulative basis from July 1, 1994.

On June 12, 2013, the plaintiffs filed a putative class action lawsuit against the City of Coral Gables seeking a cost of living adjustment (“COLA”) to their retirement benefits effective January 1, 2013. On September 18, 2017, the two plaintiffs, on behalf of themselves and all Class Members, and the City of Coral Gables executed a Class Action Settlement Agreement. On February 26, 2018, final judgement in the lawsuit was approved by the court.

The terms of the settlement agreement entitled the Class Members to receive a permanent COLA of 2.975%, retroactive to January 1, 2013 and/ or a permanent COLA of 0.25%, retroactive to January 1, 2014, depending on the date on which the Class Member began receiving retirement benefits. Class members who began receiving retirement benefits on or before January 1, 2012 will be entitled to both the 2.975% COLA and the 0.25% COLA. Class members who begin receiving retirement benefits after January 1, 2012 but on or before January 1, 2013 will only be entitled to the 0.25% COLA.

Termination – If a member terminates employment before retirement, their contributions are returned to them. The Plan also provides a special provision for vested benefits for employees who terminate after 10 years of service.

Member Contribution – Effective December 8, 2015, it is not mandatory for any new employee other than a police officer or firefighter to participate in the Plan. Such employee shall have the option of participation in the Plan or a defined contribution plan. The employee must exercise the option within thirty days following their date of hire.

Prior to September 30, 2013, police officer and firefighter participants are required to contribute 5% of their total earnings to the Plan. Effective September 30, 2013, firefighters are



required to contribute 8% of pensionable earnings to the Plan. Effective September 30, 2014, all police officer and firefighter participants are required to contribute 10% of their pensionable earnings to the Plan.

Effective September 30, 2010, all participants in the Teamsters Local Union 769 Bargaining Unit are required to contribute 10% of total earnings to the Plan. Effective October 1, 2017, it is not mandatory for a non-bargaining unit police officer or firefighter hired from outside the City on or after September 26, 2017 to participate in the Plan. Such employee shall have the option of participating in the Plan or in another retirement plan and must exercise that option within 30 days following their date of hire.

Effective October 1, 2011 general employees who were members of Local Union 769 and management employees shall have their contribution percentage increased based on increases in City contribution requirements since the October 1, 2009 actuarial provisions. For the fiscal year ended September 30, 2012, Union 769 employees' contribution was determined to be 14.27% and management employees 13.79%. Effective October 1, 2013, the contribution rate for management and union employees were 15.00% and 17.00%, respectively, of compensation. Effective October 1, 2014, Union 769 employees are required to contribute 15.00% of total earnings and excluded employees shall contribute in accordance with the cost-sharing provisions with the City.

For General excluded employees, effective October 1, 2014 through March 18, 2018, excluded employees shall contribute in accordance with the cost-sharing provisions of the City Ordinance. Effective March 19, 2018, excluded employees shall contribute at a rate equal to 0.5% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation. Effective the first pay period after October 1, 2018, excluded employees shall contribute at a rate equal to 1.0% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation. Effective the first pay period after October 1, 2019, excluded employees shall contribute at a rate equal to 1.5% less than the percent of compensation determined in accordance with the cost-sharing provisions of the City Ordinance, but in no event less than 10% of compensation.

The City entered into a collective bargaining agreement with the Teamsters, Local Union 769, for a three-year term (October 1, 2017 through September 30, 2020). The collective bargaining agreement contains certain changes to the Plan provisions for General employees that have been approved in March 2018, as described below.

Effective October 1, 2016, participants in the bargaining unit represented by Teamsters Local Union 769 shall contribute in accordance with the cost-sharing provisions of the City Ordinance, subject to a maximum cap of 15% of compensation through March 18, 2018; 14.5% of compensation from March 19, 2018, through the last full pay period before October 1, 2018; 14% of compensation from the first pay period after October 1, 2018 through the last full pay period before October 1, 2019; and 13.5% of compensation from the first pay period after October 1, 2019 through the last full pay period before September 30, 2020.

Net Pension Liability of the City – The components of the net pension liability of the City at September 30, 2018 and 2019 were as follows:

September 30,	<b>2019</b>	<b>2018</b>
Total pension liability	\$599,056,362	\$573,403,021
Plan fiduciary net position	(399,954,461)	(375,542,430)
City net pension liability	<u>\$199,101,901</u>	<u>\$197,860,591</u>
Plan fiduciary net position as a percentage of total pension liability	66.76%	65.49%

Actual Contributions – The actual City contributions for active employees and the Share Plan contributions for the year ended September 30, 2019 amounted to \$27,711,736 and were determined by the \_\_\_\_\_, 20\_\_ actuarial valuation. For the fiscal year ended September 30, 2019, the actual amount of covered payroll was approximately \$\_\_\_\_\_.

Actuarially Determined Contributions – The contributions required from the City of Coral Gables and the State for the fiscal year ended September 30, 2019, were actuarially determined by the \_\_\_\_\_, 20\_\_ valuation report to be \$25,240,192.

Funding requirements based on valuations prior to October 1, 2009, disclosed a specific dollar amount for the minimum required employer contribution which was based on the actuarially projected payroll. For the year ended September 30, 2011, at the request of the Division of Retirement, the City was required to contribute an amount based on the actuarially determined percentage of actual pensionable payroll ("percentage of payroll method").

***Net Pension Liability based on GASB 68***

The components of the net pension liability of the City at September 30, 2019 were as follows:

	<b>Amount</b>
Total pension liability	<u>\$599,056,362</u>
Plan fiduciary net position	<u>(399,954,461)</u>
Total net pension liability	<u>\$199,101,901</u>
Plan fiduciary net position as a percentage of the total pension liability	66.76%

## Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal, Level Percent of Pay
Inflation	2.50%
Salary Increases	3.25% - 7.25%, depending on age, including inflation.
Investment rate of return	7.65%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for active members and RP-2000 Healthy Annuitant Mortality Table for nondisabled inactive members, with mortality improvements projected to all future years using scale BB.

RP-2000 Combined Healthy Participant Mortality Table for active members and RP-2000 Healthy Annuitant Mortality Table for nondisabled inactive members, with mortality improvements projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males, the base mortality rates include a 50% white color adjustment / 50% blue collar adjustment for General Employees and a 10% white collar adjustment / 90% blue collar adjustment for Police Officers and Firefighters. These are the same mortality rates used in the July 1, 2016 actuarial valuation of the Florida Retirement System (FRS), as required under Florida Statutes Chapter 112.63.

The actuarial assumptions used in the October 1, 2017 valuation were based on the results of an actuarial experience study for the six-year period ending September 30, 2015.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target allocation as of the valuation date of September 30, 2018 are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return*
	Minimum	Maximum	
Domestic equities	35%	45%	7.5%
International equities	15%	25%	8.5%
Domestic bonds	10%	20%	2.5%
International bonds	0%	10%	3.5%
Real estate	5%	15%	4.5%
Alternative	0%	15%	6.24%

\*Real rate of return adjusted for annual inflation rate of 2.50%.

### Discount Rate

The discount rate used to measure the total pension liability was 7.65%. This single discount rate was based on the expected rate of return on pension plan investment of 7.65%. The projection of cash flows used to determine the discount rate assumed that plan employee contributions will be made at the current contribution rate and that contributions from the City will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the net pension liability to change in the discount rate

The following presents the net pension liability of the City calculated using the discount rate of percent of 7.65%, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 higher) than the current rate as of September 30, 2018 and rolled-forward to September 30, 2019:

	City's Net Pension Liability		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65% higher)
September 30, 2019	\$256,942,563	\$199,101,901	\$150,307,206

The City provides pension benefits for its Police Officers and Firefighters, as a supplement to the benefits provided under the Coral Gables Retirement defined benefit pension plan, through two defined contribution plans, the Police Officers' Pension Fund and Firefighters' Pension Fund. Benefits from these plans depend solely on amounts contributed to the plans, plus investment earnings. Employer contributions to both plans are the proceeds of a tax on certain insurance companies collected by the State of Florida and distributed to qualified municipalities

according to Florida Statutes, Chapter 185 for Police Officers and Chapter 175 for Firefighters. The plan is administered by the Police and Firefighters Pension Board. The Pension Board with approval of the City Commission has authority for amending the plan.

### *Police Officers*

The Police Officers' Retirement Trust Fund (the "Police Officers Plan") is a defined contribution pension plan covering all police officers employed by the City. The Police Officers Plan was created and is operated under the Code of the City of Coral Gables, Chapter 50, "Pension", Article III - "Retirement System for Police Officers" enacted in 1988.

Police Officers participate from the date of employment as a police officer. Contributions to the Police Officers Plan are distributed to participants based on the years of service for the individual participant as it relates to the total years of service for all participants. Each participant is credited one share for each year in the Police Officers Plan, up to a maximum of thirty (30) shares. Initial shares will be credited to eligible participants on April 1 of each year. At September 30, 2019, the Police Officers Plan membership consisted of 269 active members.

Employees are fully vested after 10 years of credited service in the Plan; no partial vesting is provided. Amounts forfeited by employees for any reason are redistributed to the remaining participants based on the relative amounts of shares held.

The City contributions for the fiscal year were \$581,065 representing 3.78% of total covered payroll of police officers participating in the Police Officers Plan of \$15,387,925.

The Police Officers Plan issues a publicly available financial report that includes the applicable financial statements and required supplementary information. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Retirement System Administrator, 3810 Inverrary Blvd., Lauderhill, Florida 33319.

*Basis of accounting* – The financial statements of the Police Officers Plan have been prepared on the accrual basis of accounting. State contributions are recognized as revenue pursuant to approval by the State of Florida. Distributions are recognized when due and payable pursuant to the terms of the Police Officers Plan. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

*Investments* – Reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statements of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

## ***Firefighters***

Plan Description – The Firefighters’ Pension Fund (the "Firefighters Plan") is a defined contribution pension plan covering all firefighters employed by the City. The Firefighters Plan was created and is operated under the Code of the City of Coral Gables, Chapter 50, "Pension", Article IV – "Firefighters’ Pension Trust Fund" enacted in 1988. Firefighters participate from the date of employment as a firefighter. Contributions to the Firefighters Plan are distributed to participants based on a formula of 5 shares for being a firefighter plus 1 additional share for every 5 years of service as a firefighter. Employees in service prior to August 25, 1987 are fully vested; the remaining employees become fully vested after 10 years of service; no partial vesting is provided. Amounts forfeited by non-vested employees who leave employment are redistributed to the remaining participants. As of September 30, 2019, there are 122 active and 34 inactive plan members with combined participating shares of 1,074 in the Firefighters Plan.

The City contributions for the fiscal year were \$854,226, representing 5.8% of total covered payroll of firefighters participating in the plan of \$14,529,617.

*Basis of accounting* – The financial statements of the Firefighters Plan have been prepared on the accrual basis of accounting. State contributions are recognized as revenue pursuant to approval by the State of Florida. Distributions are recognized when due and payable pursuant to the Firefighters Plan. Interest and dividend income are recorded as earned.

*Investments* – Reported at fair value which is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value. Securities that have no quoted market price are presented at estimated fair value as provided by custodial bank and investment counsel. The Firefighters Plan’s Guaranteed Investment Contract is considered a nonparticipating contract since its fair value is not significantly affected by the impairment of the credit standing of the issuer or other factors. In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the contract is reported at cost.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statements of changes in fiduciary net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

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The following is condensed financial information for the Firefighters' Pension Fund, which does not issue a stand-alone report.

CITY OF CORAL GABLES, FLORIDA  
CERTAIN STATEMENTS OF FIDUCIARY NET POSITION  
FIREFIGHTERS' PENSION FUND  
September 30, 2019

**ASSETS**

Cash and Cash Equivalents	\$110,410
Investments at Fair Value:	
Guaranteed Investment Contract	8,471,191
Mutual Funds	<u>5,514,706</u>
Total Assets	<u>\$14,096,307</u>

**LIABILITIES**

Due to Coral Gables Retirement Fund	<u>\$52,271</u>
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**NET POSITION**

Restricted for Employees' Retirement Systems	<u>\$14,044,036</u>
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CITY OF CORAL GABLES, FLORIDA  
 CERTAIN STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
 FIREFIGHTERS' PENSION FUND  
 For the Fiscal Year Ended September 30, 2019

**ADDITIONS**

**Contributions:**

Employer	\$854,226
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**Investment Income:**

Depreciation in the Fair Value of Investments	(69,589)
Investment Earnings	253,059
Total Investment Income	183,470
Less Investment Expense	(25,941)
Net Investment Income	157,529
Total	\$1,011,755

**DEDUCTIONS**

Employee Benefits	2,910,788
Change in Net Position	(1,922,366)
Net Position – Beginning	15,966,402
Net Position – Ending	\$14,044,036

**Other Post-Employment Benefits**

Plan Description – The City provides health insurance benefits to its retired employees through a single-employer plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees are required to pay 100% of the premium where premiums are determined based upon a blend of active employees and retirees. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The benefits provided under this defined benefit plan are provided for a retiree’s lifetime (or until such time at which retiree discontinues coverage under the City sponsored plan, if earlier).

Employees Covered by Benefit Terms – At September 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	158
Active employees	767
Total	925



Funding Policy – Currently, the City’s Retiree Health Care Plan is unfunded. The City is financing the other post-employment benefits (OPEB) on a pay-as-you go basis. There are no separate trust funds or equivalent arrangement into which the City contributes to advance-fund the OPEB liability, as it does for its retiree pension plans.

Total OPEB Liability – The City’s total OPEB liability was measured as of September 30, 2018 and was determined by an actuarial valuation as of September 30, 2017.

Actuarial Assumptions

The total OPEB liability in the September 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation 2.50%	Discount rate*	3.83%
Projected salary increases		3.25% - 7.25%
Healthcare cost trend rates		Based on the Getzen Model starting at 7.0% gradually decreasing to an ultimate rate of 4.3% in 2040
Retirees' share of benefit-related costs		100% of blended health insurance premium rates except by law of 0% for certain conditions for Police Officers and Firefighters death and disability benefits.

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\*Discount rate is based on the Fidelity 20-Year Municipal GO AA Index.

Mortality rates – healthy members based on various RP-2000 mortality tables with varying Collar adjustments and generational mortality improvements with Scale BB. Disabled employees based on RP2000 disabled mortality tables setback 4 years for males and set forward 2 years for females and no projected improvements.

The actuarial assumptions used in the September 30, 2017 actuarial valuation are based on results on experience studies conducted by the Florida Retirement System as of 2014 and the City as of 2014.

Discount Rate

A discount rate of 3.83% was used to measure the September 30, 2018 total OPEB Liability. The rate is based on the Fidelity 20-Year Municipal GO AA Index – daily rate closest or equal to but not later than the respective measurement date.

Changes in Total OPEB Liability

Beginning Total OPEB Liability	\$
Changes for the year: Service cost	1,190,160
Interest	955,093
Difference between actual and expected experience	-
Changes of assumptions	(1,211,078)
Benefit payments	(730,846)
Net changes	203,329
Ending Total OPEB Liability	\$26,663,820

Sensitivity of the Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the City calculated using the discount rate of 3.83%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (2.83 percent) or 1-percentage-point higher (4.83 percent) than the current rate:

City's Total OPEB Liability		
1% Decrease (2.83%)	Current Discount Rate	1% Increase (4.83%)
\$30,613,551	\$26,663,820	\$23,456,316

Sensitivity of the Total OPEB Liability to the Trend Rate Assumption

The following presents the total OPEB liability of the City calculated using a healthcare cost trend rate that is 1% point higher and 1% point lower than the assumed healthcare cost trend rate:

Sensitivity of the Total OPEB Liability to the Trend Rate			
	1% Decrease	Current Trend Rate	1% Increase
Trend Rates	6.0% to 3.3%	7.0% to 4.3%	8.0% to 5.3%
Total OPEB Liability	\$23,105,269	\$26,663,820	\$ 31,136,947

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$1,662,253 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	-	\$553,281
Changes in assumptions	-	1,957,135
Employer contributions made subsequent to the measurement date	\$784,629	-
<b>Total</b>	<b>\$784,629</b>	<b>\$2,510,416</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits that will be recognized in OPEB expense are as follows:

Year Ending September 30:	Net Deferred Inflow of Resources
2020	-
2021	496,158
2022	496,158
2023	496,158
2024	296,660
Thereafter	229,124
Total	\$2,510,416

The deferred outflow of resources of \$784,629 resulting from City contributions to OPEB Plan subsequent to the measurement date will be recognized as a reduction of the total OPEB liability/expense for the fiscal year ending September 30, 2020.

The Schedule of Changes in the Total OPEB Liability and Related Ratios and the Schedule of Contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provides additional information about the total OPEB liability and contributions for the City's OPEB plan.

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## INVESTMENT CONSIDERATIONS

The following are considerations for investors:

### Climate Change Issues

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels will continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the City could lose considerable tax revenues and many residents, businesses, and governmental operations could be displaced. However, the City is unable to predict whether sea level rise or other impacts of climate change or flooding from another major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City or its Non-Ad Valorem Revenues. [insert any City-specific climate change measures]

### Cybersecurity

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the City. City systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to department operations and the provision of citizen services. Increasingly, governmental entities are being targeted by cyberattacks (including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems) seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities and avenues that attackers/hackers can exploit in attempts to cause breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Additionally, the City's computer networks and systems routinely interface and rely on third party systems that are also subject to the risks previously described. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there.

[insert City-specific cybersecurity measures]

However, no assurances can be given that any cyberattacks, if successful, will not have a material adverse effect on the operations of the City.

## **COVID-19**

See "OTHER FINANCIAL INFORMATION – Impact of COVID-19" for a discussion of impacts of the COVID-19 pandemic.

## **LEGAL MATTERS**

Legal matters incident to the validity of the Series 2021B Bonds and the issuance thereof by the City are subject to the approval of Bryant Miller Olive P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by Miriam Soler Ramos, Esquire, City Attorney, and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel.

## **TAX MATTERS**

### **General**

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance of the Series 2021B Bonds in order that interest on the Series 2021B Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2021B Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2021B Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2021B Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Resolution to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2021B Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2021B Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2021B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2021B Bonds. Prospective purchasers of the Series 2021B Bonds should be aware that the ownership of Series 2021B Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2021B Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on the Series 2021B Bonds; (iii) the inclusion of interest on the Series 2021B Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on the Series 2021B Bonds in passive income subject to federal income taxation of certain Subchapter S corporations

with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on the Series 2021B Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2021B Bonds and of the property financed thereby), without undertaking to verify the same by independent investigation.

**PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2021B BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.**

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2021B Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2021B Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2021B Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2021B Bonds and proceeds from the sale of the Series 2021B Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2021B Bonds. This withholding generally applies if the owner of Series 2021B Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2021B Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2021B Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2021B Bonds. From time to time, legislative proposals are pending which could have an effect

on both the federal tax consequences resulting from ownership of the Series 2021B Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2021B Bonds.

Prospective purchasers of the Series 2021B Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2021B Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

### **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2021B Bonds maturing on \_\_\_\_\_ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

### **Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2021B Bonds maturing on \_\_\_\_\_ 1 of the years \_\_\_\_\_ through and including \_\_\_\_\_ (collectively, the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on the Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond

premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

### **FINANCIAL ADVISOR**

The City has retained PFM Financial Advisors LLC, Orlando, Florida (the "Financial Advisor"), in connection with the preparation and issuance of the Series 2021B Bonds. The Financial Advisor is not obligated to, and has not undertaken to, make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

### **UNDERWRITING**

The Series 2021B Bonds are being purchased by \_\_\_\_\_ (the "Underwriter"). The Underwriter has agreed to purchase the Series 2021B Bonds at an aggregate purchase price of \$\_\_\_\_\_ (which purchase price represents the \$\_\_\_\_\_ original principal amount of the Series 2021B Bonds, [net] original issue [premium] [discount] of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_). The Underwriter is obligated to purchase all of the Series 2021B Bonds if any are purchased.

The Underwriter may offer and sell the Series 2021B Bonds to certain dealers, banks and others at prices lower than the public offering prices set forth on the inside cover page hereof. The offering prices of the Series 2021B Bonds may be changed from time to time by the Underwriter.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing, and brokerage services. The Underwriter and its respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

### **LITIGATION**

The City will certify that there is no controversy or litigation now pending or, to the best of the City's knowledge, threatened, which seeks to restrain or enjoin the execution, issuance, sale or delivery of the Series 2021B Bonds or that in any way contests the validity of the Series



2021B Bonds or any proceedings of the City taken with respect to the authorization, sale or issuance of the Series 2021B Bonds, or the covenant to budget and appropriate Non-Ad Valorem Revenues or application of any moneys provided for the payment of or security for the Series 2021B Bonds.

### **RATINGS**

\_\_\_\_\_ has assigned a rating of "\_\_\_\_" (\_\_\_\_\_ outlook) to the Series 2021B Bonds. Such ratings reflect only the view of such organization at the time such rating was issued and an explanation of the significance of such rating may be obtained from the said rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings can be expected to have an adverse effect on the market price of the Series 2021B Bonds. An explanation of the significance of the ratings can be received from the respective rating agency.

### **FINANCIAL STATEMENTS**

The general purpose financial statements for the fiscal year ended September 30, 2020 appearing within the City's comprehensive annual financial report included as Appendix B have been audited by RSM US LLP, the City's independent certified public accountants and delivered to the City. The City did not seek the consent of RSM US LLP, and they did not participate in the offering of the Series 2021B Bonds. The general purpose financial statements are included as public documents.

### **DISCLOSURE REQUIRED BY FLORIDA BLUE SKY LAW**

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commissioner (the "FFSC"). Pursuant to administrative rulemaking, the FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond issued since December 31, 1975 that would be considered material by a reasonable investor.

The City has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The City does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2021B Bonds because the City would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued, and no funds of the City would have been pledged or used to pay such securities or the interest thereon.

## **CONTINUING DISCLOSURE**

The City has covenanted for the benefit of the Series 2021B Bondholders to provide certain financial information and operating data relating to the City and the Series 2021B Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The City has agreed to file annual financial information and operating data and its audited financial statements with each entity authorized and approved by the SEC to act as a repository (each a "Repository") for purposes of complying with Rule 15c2-12 adopted by the SEC (the "Rule"). Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The City has agreed to file notices of certain enumerated material events, when and if they occur, with the Repository.

The specific nature of the financial information, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E -- Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the City upon the issuance of the Series 2021B Bonds. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2021B Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. [In the past five years, the City has never failed to comply with any prior agreements to provide continuing disclosure information pursuant to the Rule.] The City currently utilizes Digital Assurance Certificate, as dissemination agent for continuing disclosure purposes.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Series 2021B Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the federal bankruptcy code, the Resolution, the Series 2021B Bonds and any policy of insurance referred to herein may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021B Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

## **MISCELLANEOUS**

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2021B Bonds, the security for payment of the Series 2021B Bonds and the rights and obligations

of the owners thereof. Copies of such documents may be obtained from the City at the office of the City Clerk, 405 Biltmore Way, First Floor, Coral Gables, Florida 33134, telephone number (305) 460-5210.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of this date, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Underwriter.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. 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 shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

#### **CERTIFICATE CONCERNING THE OFFICIAL STATEMENT**

Concurrently with the delivery of the Series 2021B Bonds, the City will furnish its certificate, executed by its Mayor and the City Manager, to the effect that, to the best of their knowledge, this Official Statement as of its date and as of the date of the delivery of the Series 2021B Bonds does not contain an untrue statement of a material fact and does not omit any material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

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**EXECUTION**

The execution and delivery of this Official Statement by the Mayor and City Manager of the City has been duly authorized by the City Commission.

**CITY OF CORAL GABLES,  
FLORIDA**

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
City Manager

## APPENDIX A

### GENERAL INFORMATION CONCERNING THE CITY OF CORAL GABLES

**THE FOLLOWING INFORMATION CONCERNING THE CITY IS INCLUDED ONLY FOR THE PURPOSE OF PROVIDING GENERAL BACKGROUND INFORMATION. THE INFORMATION HAS BEEN COMPILED ON BEHALF OF THE CITY, AND SUCH COMPILATION INVOLVED ORAL AND WRITTEN COMMUNICATION WITH VARIOUS SOURCES. THE INFORMATION INDICATED IS SUBJECT TO CHANGE, ALTHOUGH EFFORTS HAVE BEEN MADE TO UPDATE INFORMATION WHERE PRACTICABLE.**

#### **General Information and Location**

Coral Gables prides itself as being among the most livable communities in the United States, providing residents and visitors first-rate municipal services in a culturally rich and diverse environment. The City was established in 1925 by George Merrick who drew from the Garden City and City Beautiful movements of the 19<sup>th</sup> and early 20<sup>th</sup> century to create one of the nation's first fully-planned communities.

In 1973, Coral Gables was one of the first cities in Florida to adopt a Historic Preservation Ordinance, creating a Historic Preservation Board and establishing a procedure for local landmark designations. Since then, the past has also been preserved in the form of buildings – significant either because of their architecture or because of the historic events or important figures associated with them.

Today, Coral Gables boasts one of only three National Landmarks in Miami-Dade County: The Biltmore Hotel, designated in 1996. There are also nine properties listed on the National Register of Historic Places, including Coral Gables Merrick House, Venetian Pool and Coral Gables City Hall, as well as more than 300 locally designated properties.

The City's employment base is primarily service-related, with substantial residential areas.

The City supports both the residential and business sectors with what it believes to be quality City services, and the City is one of only several cities nationwide to have a Class 1 Fire Department, a fully-accredited Police Department and the highest awarded Building and Zoning Department rating.

Coral Gables is located in southern Miami-Dade County, Florida, south of the City of Miami and adjacent to Biscayne Bay.

## **Government**

The City has a council/manager form of government. Current elected officials are listed below:

Mayor	Raul Valdes-Fauli
Vice Mayor	Vince Lago
Commissioner	Jorge L. Fors, Jr.
Commissioner	Patricia Keon
Commissioner	Michael Mena

The primary appointed City officials are:

City Manager	Peter Iglesias
City Attorney	Miriam Soler Ramos, Esq.
City Clerk	Billy Y. Urquia

## **Administration**

The administration of the City is conducted by the City Manager, who serves as the Chief Executive Officer. The City Manager, who is appointed by the Commission, provides leadership in administration of policies and objectives formulated by the Commission.

## **City Employees**

The City currently has approximately \_\_\_\_\_ full-time employees in \_\_\_\_\_ operating departments.

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## Population

### CITY OF CORAL GABLES AND THE STATE OF FLORIDA Population Trends 2007-2019

Year	City of Coral Gables	Average Annual Percentage Increase	State of Florida	Average Annual Percentage Increase
2007	43,000	0.56	18,680,367	1.81%
2008	45,798	6.51	18,807,219	0.68
2009	45,501	(0.65)	18,750,483	(0.30)
2010	45,501	0.00	18,802,690	0.03
2011	46,780	2.81	19,082,262	1.49
2012	47,401	1.32	19,317,568	1.23
2013	49,411	4.24	19,552,860	1.22
2014	49,631	0.04	19,893,297	1.74
2015	51,227	3.22	20,271,272	1.90
2016	51,117	0.21	19,934,451	1.66
2017	50,815	0.59	20,984,400	5.26
2018	51,095	0.45	20,840,568	(0.69)
2019	50,815	(0.55)	21,208,589	2.64

Source: Estimates prepared by the Bureau of Economic and Business Research, University of Florida and reported by the Legislative Committee on Intergovernmental Relations in Local Government Financial Information Handbooks.

## Health Care

The City boasts 3 acute care hospitals with approximately 635 beds within its city limits, and one rehabilitation hospital with 223 beds.

## Transportation

The city is located four miles from Miami International Airport, six miles from the Port of Miami. Two metro-rail stations serve the City.

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## Recreation

The City boasts 11 hotels and motels, a public library, a museum, and 32 private art galleries. The City bills itself as the restaurant capital of South Florida, with more than 120 restaurants.

### City of Coral Gables Principal Taxpayers September 30, 2019

Taxpayer	Taxable Assessed Value	Rank	% of Total City Taxable Value \$14,389,132,612
Merrick Park LLC	\$159,205,329	1	0.99%
City of Coral Gables	137,563,884	2	0.86
Banyan ST GAP Douglas Ent Own LLC	89,304,231	3	0.56
LG Coral Gables LLC	87,489,793	4	0.55
Prisa Ponce de Leon, LLC	83,866,532	5	0.52
Coral Gables Associates	69,127,289	6	0.43
PRII 355 Alhambra Circle LLC	68,000,000	7	0.42
Ponte Gadea Gables LLC	66,000,000	8	0.41
396 Alhambra LLC	65,044,399	9	0.41
Miguel B Fernandez TRS	<u>60,458,136</u>	10	<u>0.38</u>
Totals	\$886,059,593		5.53%

Property assessed on January 1, 2018 for 2018-19 tax levy.

Source: City of Coral Gables Comprehensive Annual Financial Report for Fiscal year ending September 30, 2019.

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**Labor Force Summary  
Annual Average**

Year	Miami-Dade County				State of Florida			
	Labor Force	Employment	Unemployment	% Rate	Labor Force (000)	Employment (000)	Unemployment (000)	% Rate
2007	1,226,005	1,188,136	37,869	3.1	9,157	8,790	367	4.0
2008	1,228,554	1,169,367	59,187	4.8	9,216	8,637	578	6.3
2009	1,209,622	1,083,804	125,818	10.4	9,095	8,148	947	10.4
2010	1,225,397	1,089,226	136,171	11.1	9,212	8,194	101	11.1
2011	1,255,524	1,136,962	118,562	9.4	9,302	8,372	930	10.0
2012	1,285,446	1,178,137	107,309	8.3	9,395	8,595	800	8.5
2013	1,292,216	1,194,492	97,724	7.6	9,473	8,783	690	7.3
2014	1,320,447	1,230,641	89,806	6.8	9,638	9,034	603	6.3
2015	1,317,274	1,239,377	77,897	5.9	9,630	9,104	525	5.5
2016	1,333,801	1,262,998	70,803	5.3	9,846	9,373	473	4.8
2017	1,384,224	1,317,493	66,731	4.8	10,100	9,681	419	4.2
2018	1,362,691	1,315,474	47,217	3.5	10,147	9,809	365	3.6
2019	1,383,989	1,350,924	33,065	2.4	10,337	10,016	321	3.1

Source: Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, as reported at [www.freida.labormarketinfo.com](http://www.freida.labormarketinfo.com).

**Assessed Value and Property Tax Collections**

**CITY OF CORAL GABLES  
PROPERTY TAX LEVIES AND TAX COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Total Tax Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$72,300,304	\$69,328,037	95.89%	\$949,225	\$70,277,262	97.20%
2011	68,735,926	65,131,368	94.76	1,946,716	67,078,084	97.59
2012	66,647,377	64,648,342	97.00	1,729,247	66,377,589	99.60
2013	65,676,937	61,713,029	93.96	645,906	62,358,935	94.95
2014	66,561,720	65,257,324	98.04	-	65,257,324	98.04
2015	69,863,911	68,107,835	97.49	-	68,107,835	97.49
2016	74,646,549	71,447,141	95.71	-	71,447,141	95.71
2017	78,679,726	75,984,395	96.57	39,933	76,024,328	96.63
2018	83,422,054	80,562,008	96.57	200,142	80,762,149	96.81
2019	88,083,806	85,219,153	96.75	247,011	85,466,164	97.03

Source: City of Coral Gables Comprehensive Annual Financial Report for the Fiscal Year ending September 30, 2019.

**CITY OF CORAL GABLES  
ASSESSED VALUES OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Assessed Value		Total Assessed Value*	Total Direct Tax Rate
	Real Property	Personal Property		
2008	\$12,743,051,207	\$337,759,609	\$13,080,810,816	5.250
2009	11,875,112,539	312,425,424	12,187,537,963	5.250
2010	11,069,459,141	297,254,234	11,366,713,375	5.895
2011	11,150,104,798	273,567,777	11,423,672,575	6.072
2012	11,582,581,921	288,250,994	11,870,832,915	5.869
2013	11,752,319,227	273,243,675	12,025,562,902	5.669
2014	11,996,154,496	284,616,094	12,280,770,590	5.629
2015	12,563,996,934	291,419,796	12,855,416,730	5.589
2016	13,395,162,364	297,441,249	13,692,603,613	5.559
2017	14,091,791,819	297,340,793	14,389,132,612	5.559
2018	14,821,738,983	306,261,017	15,128,000,000	5.559
2019	15,669,652,415	353,724,881	16,023,377,296	5.559

Source: Miami-Dade County Property Appraiser.

\* Final tax roll values from the Department of Property Appraisal, except for 2012-2018 which are based on Certification of Taxable Value Form DR-420 for respective years.

**GENERAL GOVERNMENT TAX REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(\$ AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year Ended	General Property Taxes	Franchise Taxes	Utilities Services Taxes	Other Taxes	Total Taxes
2010	\$70,277	\$6,276	\$11,220	\$2,399	\$90,172
2011	67,078	6,336	10,954	2,552	86,920
2012	66,378	6,764	10,898	2,703	86,743
2013	62,359	6,393	11,316	2,784	82,852
2014	65,257	6,851	11,862	2,909	86,879
2015	68,108	6,908	11,986	3,078	90,080
2016	71,447	6,860	11,423	3,103	92,833
2017	76,024	7,013	11,401	3,201	97,639
2018	80,762	6,875	11,831	3,316	102,785
2019	85,466	7,200	11,343	3,335	107,344

**CITY OF CORAL GABLES  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended	City Tax Rates			County	School	Special Taxing	
	Operating Millage	Debt Service Millage	Total City Millage	Millage	Millage	District Millage	Total
2008	5.250	0.000	5.250	5.670	7.948	0.6590	19.5270
2009	5.250	0.000	5.250	5.926	7.797	0.6590	19.6320
2010	5.895	0.000	5.895	6.005	7.995	0.6590	20.5540
2011	6.072	0.000	6.072	6.656	8.249	0.6585	21.6360
2012	5.869	0.000	5.869	5.769	8.005	0.4708	20.1140
2013	5.669	0.000	5.669	5.161	7.998	0.4634	19.2914
2014	5.629	0.000	5.629	5.798	7.977	0.4455	19.8495
2015	5.589	0.000	5.589	5.900	7.974	0.4187	19.8826
2016	5.559	0.000	5.559	5.900	7.612	0.3896	19.4615
2017	5.559	0.000	5.559	5.3509	7.322	0.3627	18.5946
2018	5.559	0.000	5.559	5.8182	6.994	0.3420	18.7132
2019	5.559	0.000	5.559	5.8568	0.000	0.3256	18.4744

Florida law limits the city, school and county each to a maximum of \$10 per \$1,000 taxable value for operations. Millage tax rates are per \$1,000 taxable value.

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**APPENDIX C**  
**THE RESOLUTION**

**APPENDIX D**  
**FORM OF BOND COUNSEL OPINION**

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Coral Gables, Florida (the "Issuer") in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of Capital Improvement Revenue and Refunding Bonds, Series 2021B (the "Bonds"). The Bonds are being issued pursuant to Resolution No. \_\_\_\_\_, adopted by the City Commission of the City of Coral Gables, Florida on March 23, 2021, as amended and supplemented from time to time.

The Issuer covenants and agrees as follows:

**SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE.** This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Beneficial Owners of the Series 2021B Bonds and in order to assist the Participating Underwriter in complying with the continuing disclosure requirements of the Rule (as defined below).

**SECTION 2. DEFINITIONS.** In addition to the definitions set forth in the Indenture which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership, any Series 2021B Bonds (including persons holding Series 2021B Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2021B Bonds for federal income tax purposes.

"Dissemination and Disclosure Agent" shall mean Digital Assurance Certificate, LLC or other qualified entity or person appointed by the Issuer for purposes of complying with the provisions of Rule 15c2-12 of the Securities and Exchange Commission and the covenants of this Disclosure Certificate.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSIR" shall mean the MSRB and such other municipal securities information repository as may be designated by law or applicable legislation, from time to time.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other

arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" shall mean the Issuer's Official Statement for the Series 2021B Bonds dated May \_\_\_, 2021.

"Participating Underwriter" shall mean the original underwriters of the Series 2021B Bonds required to comply with the Rule in connection with offering of the Series 2021B Bonds.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### SECTION 3. PROVISIONS OF ANNUAL REPORTS.

(a) The Issuer or its Dissemination and Disclosure Agent shall, not later than May 1st of each year, commencing May 1, 2022, provide or cause to be provided for the benefit of the Beneficial Owners of the Series 2021B Bonds to the MSRB in an electronic format prescribed by the MSRB and to any other MSIR an Annual Report, which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date and unaudited financial statements are submitted. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If the Issuer is unable to cause an Annual Report to be provided to the Issuer and each MSIR, in the appropriate format by law or applicable regulation, by the date required in subsection (a), the Issuer shall send a notice to the Issuer in substantially the form attached as Exhibit A, and cause the same to be posted with the MSRB.

(c) The Issuer shall acknowledge the receipt of the Issuer's submission.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) An update of the tabular financial information included in the Official



Statement as referenced in Exhibit B attached hereto and made a part of this Disclosure Certificate.

The information provided under Section 4(b) may be included by specific reference to other documents, including the official statements of debt issues of the Issuer which have been submitted to the MSRB and each other MSIR. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

The information in Sections 4(a) and 4(b) will be made available, in addition to each MSIR, to each Beneficial Owner of the Series 2021B Bonds who requests such information in writing.

**SECTION 5. REPORTING OF SIGNIFICANT EVENTS.** Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, to each MSIR in the appropriate format required by law or applicable regulation, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events, with respect to the Series 2021B 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 facility 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 Loan, or other material events affecting the tax status of the Loan;
- (vii) modifications to rights of holders of the Series 2021B 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 Series 2021B Bonds, if material;
- (xi) rating changes;

- (xii) bankruptcy, insolvency, receivership or similar events of the Issuer (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer 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 Issuer, 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 Issuer).
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 paying agent or the change of name of the paying agent, if material;
- (xv) incurrence of a financial obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect holders of the Series 2021B Bonds, if material (for purposes of the foregoing and paragraph (xvi) below, "financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b));
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties; and
- (xv) in a timely manner, notice of failure to provide annual financial information before the date(s) specified in Section 3 hereof.

SECTION 6. TERMINATION OF REPORTING OBLIGATION; ADDITIONAL MATTERS. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2021B Bonds. If such termination occurs prior to the final maturity of the Series 2021B Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

(a) The Issuer reserves the right to terminate its obligations to provide the Annual Report and notices of the occurrence of the events specified in Section 5 above if and when the Issuer no longer remains an "obligated person" with respect to the Series 2021B Bonds within the meaning of the Rule.

(b) The Issuer agrees that its undertaking pursuant to the Rule set forth in this Disclosure Certificate is intended to be for the benefit of the Beneficial Owners and shall be enforceable by the Beneficial Owners if the Issuer fails to cure a breach within a reasonable time after receipt of written notice from a Beneficial Owner that a breach exists; provided, however, that any Beneficial Owner's right to enforce the provisions of this undertaking shall be on behalf of all Beneficial Owners and shall be limited to a right to obtain specific performance of the Issuer's obligation under this Disclosure Certificate in a federal or state court located within Miami-Dade County, and any failure by the Issuer to comply with the provisions of this undertaking shall not be a default with respect to the Series 2021B Bonds or the Loan.

(c) Notwithstanding the foregoing, each MSIR to which information shall be provided shall include each MSIR approved by the Securities and Exchange Commission prior to the issuance of the Series 2021B Bonds. In the event that the Securities and Exchange Commission approves any additional MSIRs after the date of issuance of the Series 2021B Bonds, the Issuer shall, if the Issuer is notified of such additional MSIRs, provide such information to the additional MSIRs. Failure to provide information to any new MSIR whose status as a MSIR is unknown to the Issuer, shall not constitute a breach of this covenant.

(d) The requirements of Section 4 above do not necessitate the preparation of any separate annual report addressing only the Series 2021B Bonds. The requirements of Section 4 may be met by the filing of an annual information statement or the Issuer's Comprehensive Annual Financial Report, provided such report includes all of the required Annual Information and is available by May 1 of each year for the preceding year.

(e) The Issuer 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 Issuer, provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule and Section 7 hereof.

**SECTION 7. AMENDMENT; WAIVER.** Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate with the consent of the Issuer, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3, 4, or 5, it 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 identity, nature or status of the Issuer, or the type of business conducted; and

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of disclosure counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2021B Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and does not materially impair the interests of the Beneficial Owners, as determined by disclosure counsel or other independent counsel knowledgeable in the area of federal securities laws and regulations.

This Disclosure Certificate may also be amended if all or any part of the Rule, as interpreted by the staff of the Securities and Exchange Commission at the date of the Series 2021B Bonds, ceases to be in effect for any reason, and the Issuer elects that the Disclosure Certificate shall be deemed amended accordingly.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment 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 financial information or operating data being presented by the Issuer. In addition, if the amendment 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 for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should 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 8. ADDITIONAL INFORMATION.** Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**SECTION 9. DEFAULT.** In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, the Issuer or the Beneficial Owners of the Series 2021B Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its

obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

SECTION 10. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter and the Beneficial Owners from time to time of the Series 2021B Bonds, and shall create no rights in any other person or entity; provided, however, that nothing contained herein shall prevent the Issuer from furnishing to the rating agencies, or other interested parties, a copy of each document, instrument and statement received by any MSIR from the Issuer pursuant to this Disclosure Certificate.

*[Signature Page to Continuing Disclosure Certificate]*

Date: \_\_\_\_\_, 2021

CITY OF CORAL GABLES

AUTHORIZED REPRESENTATIVE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A  
TO CONTINUING DISCLOSURE CERTIFICATE  
NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Coral Gables, Florida  
Name of Issue: Capital Improvement Revenue and Refunding Bonds, Series 2021B  
Date of Issuance: May \_\_, 2021

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Certificate dated May \_\_, 2021. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_

Dated:

CITY OF CORAL GABLES, FLORIDA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT B

### TO CONTINUING DISCLOSURE CERTIFICATE

- Historical Legally Available Non-Ad Valorem Revenues
- City of Coral Gables Historical Revenues and Expenditures
- Calculation of Anti-Dilution Test