

PUBLIC FINANCIAL MANAGEMENT, INC.

AGREEMENT FOR FINANCIAL ADVISORY SERVICES

This agreement, made and entered into this ___ day of November, 2015, by and between the City of Margate ("Client") and Public Financial Management, Inc., (hereinafter called the "Financial Advisor" or "PFM") sets forth the terms and conditions under which the Financial Advisor shall provide services.

WHEREAS, Client is desirous of obtaining the services of a financial advisor to develop and assist in implementing Client's strategies to meet its current and long-term operations and capital financing needs and render assistance in respect to debt transactions; and

WHEREAS, PFM is capable of providing the necessary financial advisory services.

NOW, THEREFORE, in consideration of the above mentioned premises and intending to be legally bound hereby, Client and PFM agree as follows:

I. SCOPE OF SERVICES

PFM shall provide, upon request of the Client's City Manager for services related to financial planning and policy development and services related to debt issuance, examples of which, not intended to be exclusive, are set forth in Exhibit A to this Agreement.

II. WORK SCHEDULE

The services of the Financial Advisor are to commence as soon as practicable after the execution of this Agreement and a written request by the Client's City Manager for such service.

Services which are not related to a particular transaction shall be completed as set forth in this Agreement or as otherwise agreed between the Client and the Financial Advisor.

III. FINANCIAL ADVISORY COMPENSATION

For the services described, PFM's professional fees and expenses shall be paid as follows:

1. For services related to financial planning, policy development and financial analysis but not debt transactions, PFM shall receive hourly rates as listed below. Fees for support staff are included in the hourly rates for professionals. Services will be billed monthly. In lieu of hourly rates for the above services, PFM will charge the CLIENT an annual retainer of \$12,000 (payable quarterly).

Experience Level Hourly Rate
Managing Director \$180
Senior Managing Consultant \$180
Analyst \$150

2. For all services related to the public offering or private sale of debt transactions, PFM proposes the following compensation schedule with a minimum fee of \$15,000 per completed bond or loan transaction. Negotiated, competitive, tax-exempt, new-money and refunding transactions are billed at the same rate. The fee for private bank placements and/or taxable transactions will be negotiated between the Client and PFM. Separate series of bonds (ex: A and B Series), will be treated separately to account for the incremental complexity of the transaction.

Bond Size (\$000)	Incremental Fee Per \$1,000
Up to 25,000	\$ 0.90
Next 25,000	\$ 0.70
Additional Amounts over 50,000	\$ 0.40

3. The financial advisory compensation proposed above does not apply to services related to preparation of RFPs for bond proceeds investments, investment management, or arbitrage rebate. Fees for these special services shall be negotiated as a function of the complexity of the proposed engagement and the specific scope of services outlined and may be paid by the provider if approved by the Client. PFM Asset Management LLC, registered investment advisor, is prepared to offer the City its full range of investment management and arbitrage rebate compliance services. This might include the procurement of structured investment products or other investment securities for a bond construction account or refunding escrow. If needed, these services would be performed by PFM Asset Management LLC pursuant to a separately negotiated letter agreement. PFM Asset Management LLC fully discloses all fees related to any transaction.

Swaps used as debt management tools would also be subject to a negotiated fee schedule depending on the size and complexity of the transaction and may be paid by the provider if approved by the Client.

All fees and compensation that require the approval of the Client as set forth above shall be evidenced by a written approval of the City Manager.

Reimbursable Expenses

In addition to fees for services, PFM will be reimbursed for necessary,

reasonable, and documented out-of-pocket expenses incurred, including travel, meals, lodging, telephone, mail, and other ordinary costs and any actual extraordinary costs for graphics and printing which are incurred by PFM. Appropriate documentation will be provided.

IV. TERMS AND TERMINATION

This Agreement's effective date shall commence on November 4, 2015, regardless of when executed.

This agreement shall remain in effect until September 30, 2016, with one option for an additional three (3) year term at the discretion of the City.

This Agreement may be canceled in writing by either party upon thirty (30) days written notice to the other party. While either party has the right of cancellation for convenience, unless approved by the Mayor or City Manager, any termination by PFM will not affect transactions in progress as of the notice date of termination.

V. NON-ASSIGNABILITY

PFM shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the Client.

VI. INFORMATION TO BE FURNISHED TO THE FINANCIAL ADVISOR

All information, data, reports, and records in the possession of the Client necessary for carrying out the work to be performed under this Agreement shall be furnished to the Financial Advisor and the Client shall cooperate with the Financial Advisor in all reasonable ways.

VII. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to-wit:

CITY OF MARGATE
5790 Margate Boulevard
Margate, FL 33063
Attention: Douglas E. Smith, City Manager

PUBLIC FINANCIAL MANAGEMENT, I NC.
255 Alhambra Circle
Suite 404
Coral Gables, FL 33146
Attention: David M. Moore, Managing Director

VIII. TITLE TRANSFER

All materials prepared by PFM pursuant exclusively to this Agreement shall be the property of the Client. Upon termination of this Agreement, Financial Advisor shall deliver to the Client copies of any and all material pertaining to this Agreement.

IX. FINANCIAL ADVISOR'S REPRESENTATIVES

1. Assignment of Named Individuals

The professional employees of PFM set forth below shall provide the services set forth in this Agreement. PFM shall, from time to time, amend team members with consent of the Client.

David M. Moore, Managing Director
Sergio Masvidal, Director
Marissa Wortman, Senior Managing Consultant
Nicklas Rocca, Senior Analyst
Pedro Varona, Analyst

2. Changes in Staff Requested by the Client

The Client has the right to request, for any reason, PFM to replace any member of the advisory staff. Should the Client make such a request, PFM shall promptly suggest a substitute for approval by the Client.

X. INSURANCE

PFM shall maintain insurance coverage with policy limits not less than as stated in Exhibit B.

XI. INDEPENDENT CONTRACTOR

The Financial Advisor, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of Client by virtue of this Agreement or any actions or services rendered under this Agreement.

XII. ETHICS PROVISIONS

The Financial Advisor warrants that no elected official, officer, or employee of the City has a financial interest directly or indirectly in this Agreement or the compensation to be paid under it, and further, that no City elected official, officer, or employee of the City of Margate, nor any spouse or child of such persons, is an officer, director, or employee of the Financial Advisor, and further, that no such City elected official, officer, or employee, or the spouse or child of any of them, alone or in combination, has a material interest in the Financial Advisor. Material interest means direct or indirect ownership of more than five (5) percent of the total assets or capital stock of the Financial Advisor.

The Financial Advisor warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Financial Advisor, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Financial Advisor any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the making of this Agreement.

The Broward County Office of Inspector General ("OIG") has the authority to review and investigate how governmental contracts are performed and how public contractors and vendors are paid. To this end, the Financial Advisor agrees to cooperate with the OIG in the event the Financial Advisor is contacted by the OIG. Such cooperation shall include, answering any questions that may be posed by the OIG, and allowing the OIG to review and copy any of Financial Advisor's written material, contract documentation, and financial records that may relate to the formulation, execution, and performance of this Agreement. The Financial Advisor acknowledges and agrees that whatever work or effort is expended by Financial Advisor in interfacing with the OIG is part of the administrative or overhead or base costs of the services provided by the Financial Advisor to the City, and shall never be a basis for claiming extra or additional compensation under this Agreement. Unless the Financial Advisor is instructed otherwise in a specific written and notarized Order signed by the Broward County Inspector General, Financial Advisor shall advise City Manager and Finance Director, in writing, of each instance, if ever, that the Financial Advisor is contacted by the OIG, and shall supply the City with information necessary to allow the City to ensure that the Financial Advisor is fully performing the requirements of this Paragraph.

XIII. INDEMNIFICATION

INDEMNIFICATION: Financial Advisor agrees to indemnify, defend, save, and hold harmless the City of Margate, their officers and employees, from or on account of all damages, losses, liabilities, including but not limited to reasonable attorney's fees, and costs to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the Financial Advisor and persons employed or utilized by the Financial Advisor in the performance of this agreement.

XIV. GOVERNING LAW AND VENUE

Venue: This agreement shall have been deemed to have been executed within the State of Florida. The validity, construction, and effect of this Agreement shall be governed by the laws of the State of Florida. Any claim, objection or dispute arising out of this Agreement shall be litigated in the Seventeenth Judicial Circuit in and for Broward County, Florida.

Waiver of Jury Trial: The parties to this agreement hereby knowingly, irrevocably, voluntarily and intentionally waive any right either may have to a trial by jury in respect to any action, proceeding, lawsuit or counterclaim based upon the contract, arising out of, under, or in connection with the matters to be accomplished in this Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or the actions or inactions of any party.

XV. ENTIRE AGREEMENT

This Agreement represents the entire agreement between Client and PFM and may not be amended or modified except in writing signed by both parties. Any modifications and amendments of this Agreement which are approved by the City shall be evidenced by a writing signed by the Mayor and City Manager.

IN WITNESS THEREOF, the Client and Financial Advisory have executed this Agreement as of the day and year herein above written.

CITY OF MARGATE

Joanne Simone, Mayor
____ day of _____, 2015

Douglas E. Smith, City Manager
____ day of _____, 2015

ATTEST:

APPROVED AS TO FORM:

Joseph J. Kavanagh, City Clerk
____ day of _____, 2015

Eugene M. Steinfeld, City Attorney
____ day of _____, 2015

ATTEST: PUBLIC FINANCIAL MANAGEMENT, INC.

BY: _____



Sergio D. Masvidal, Managing Director

DATE: 10/28/15

EXHIBIT A

1. Services related to the Financial Planning and Policy Development upon request of the Client:

- Assist the Client in the formulation of Financial and Debt Policies and Administrative Procedures.
- Initial review of current debt structure ("Debt Review"), identifying strengths and weaknesses of structure so that future debt issues can be designed to maximize ability to finance future capital needs. This will include, but not be limited to, reviewing existing debt for the possibility of refunding that debt to provide the Client with savings.
- Initial analysis of future debt capacity ("Debt Capacity Analysis") to determine the Client's ability to raise future debt capital.
- Assist the Client in the development of the Client's Capital Improvement program by identifying sources of capital funding for infrastructure needs.
- Initial assessment of capital needs ("Capital Needs Assessment"), identifying potential revenue sources, analyze financing alternatives such as pay-as-you-go, lease/purchasing, short-term vs. long-term financings, assessments, user fees, impact fees, developer contributions, public/private projects, and grants and provide analysis of each alternative as required as to the
- Attend meetings unrelated to debt transactions with Client's staff, consultants and other professionals and the Client.
- Undertake any and all other financial planning and policy development assignments made by the Client regarding bond and other financings, and financial policy including budget, tax, cash management issues and related fiscal policy and programs.
- Assist the Client in preparing financial presentations for public hearings and/or referendums.
- Provide special financial services as requested by the Client.

2. Services Related to Debt Transactions (Includes short term financings, notes, loans, letters of credit, line of credit and bonds). Upon the request of the Client:

- Update of Debt Review, Debt Capacity Analysis and Capital Needs Assessment as necessary for debt transactions.
- Review the reports of accountants, independent engineers and other project feasibility consultants to ensure that such studies adequately address technical, economic, and financial risk factors affecting the marketability of any proposed revenue debt issues; provide bond market assumptions necessary for financial projections included in these studies; attend all relevant working sessions regarding the preparations, review and completion of such independent studies; and provide written comments and recommendations regarding assumptions, analytic methods, and conclusions contained therein.
- Develop, manage and maintain computer models for long-term capital planning which provide for inputs regarding levels of ad valorem and non-ad valorem taxation, growth rates by operating revenue and expenditure item, timing, magnitude and cost of debt issuance, and project operating and capital balances, selected operating and debt ratios and other financial performance measures as may be determined by the Client.
- Provide debt services schedules reflecting varying interest rates, issue sizes, and maturity structures as these are needed for feasibility consultants or for related Client fiscal planning.
- Review underwriter's proposals and submit a written analysis of same to the Client.
- Analyze financial and economic factors to determine if the issuance of bonds is appropriate.
- Develop a financing plan in concert with Client's staff which would include recommendations as to the timing and number of series of bonds to be issued.
- Assist the Client by recommending the best method of sale, either as a negotiated sale, private placement or a public sale. In a public sale, make recommendation as to the determination of the best bid. In the event of a negotiated sale, assist in the solicitation, review and evaluation of any investment banking proposals, and provide advice and information necessary to aid in such selection.
- Advise as to the various financing alternatives available to the Client.
- Develop alternatives related to debt transaction including evaluation of revenues available, maturity schedule and cash flow requirements.
- Evaluate benefits of bond insurance and/or security insurance for debt reserve fund.

- If appropriate, develop credit rating presentation and coordinate with the Client the overall presentation to rating agencies.
- Assist the Client in the procurement of other services relating to debt issuance such as printing, paying agent, registrar, etc.
- Identify key bond covenant features and advise as to the financial consequences of provisions to be included in bond resolutions regarding security, creation of reserve funds, flow of funds, redemption provisions, additional parity debt tests, etc., review and comment on successive drafts of bond resolutions.
- Review the requirements and submit analysis to bond insurers, rating agencies and other professionals as they pertain to the Client's obligation.
- Review the terms, conditions and structure of any proposed debt offering undertaken by the Client and provide suggestions, modifications and enhancements where appropriate and necessary to reflect the constraints or current financial policy and fiscal capability.
- Coordinate with Client's staff and other advisors as respects the furnishing of data for offering documents, it being specifically understood that Financial Advisor is not responsible for the inclusion or omission of any material in published offering documents.
- Provide regular updates of tax-exempt bond market conditions and advise the Client as to the most advantageous timing for issuing its debt.
- Advise the Client on the condition of the bond market at the time of sale, including volume, timing considerations, competing offerings, and general economic considerations.
- Assist and advise the Client in negotiations with investment banking groups regarding fees, pricing of the bonds and final terms of any security offering, and make in writing definitive recommendations regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions.
- Arrange for the closing of the transaction including, but not limited, to bond printing, signing and final delivery of the bonds.
- Analysis of bids in connection with bond proceeds GICs and any swap proposals.

EXHIBIT B

Insurance Requirements

The Financial Advisor shall, at its own expense, procure and maintain throughout the term of this Agreement, with insurers acceptable to the CLIENT, the types and amounts of insurance set forth below. The Financial Advisor shall not commence services until the required insurance is in force and evidence of insurance acceptable to the CLIENT has been provided to, and approved by, the CLIENT. An appropriate Certification of Insurance shall be satisfactory evidence of insurance. Until such insurance is no longer required by this Agreement, the Financial Advisor shall provide the CLIENT with renewal or replacement evidence of insurance at least thirty (30) days prior to the expiration or termination of such insurance.

Comprehensive General Liability: Not less than \$1,000,000.00 Combined Single Limit per each occurrence and \$2,000,000 aggregate, with bodily injury limits.

Automobile Liability: Not less than \$1,000,000.00 for injuries per person in any one accident or occurrence and \$1,000,000.00 in the aggregate for injuries per occurrence or accident, with \$100,000.00 for property damage in any one accident or occurrence, or \$300,000.00 Combined Single Limit, covering each motor vehicle.

Worker's Compensation: Worker's Compensation and Employer's Liability Insurance with limits of Employer's Liability Insurance not less than \$500,000 "each accident," \$500,000 "disease policy limit," and \$500,000 "disease each employee."

The insurance provided by the Financial Advisor shall apply on a primary basis. Any insurance, or self-insurance, maintained by the CLIENT shall be excess of, and shall not contribute with, the insurance provided by the Financial Advisor. Except as otherwise specified, no deductible or self-insured retention is permitted.

Compliance with these insurance requirements shall not limit the liability of the Financial Advisor. Any remedy provided to the CLIENT by the insurance provided by the CLIENT shall be in addition to and not in lieu of any other remedy (including, but not limited to, as an indemnity of the Financial Advisor available to the CLIENT under this Agreement or otherwise.

Neither approval nor failure to disapprove insurance furnished by the Financial Advisor shall relieve the Financial Advisor from responsibility to provide insurance as required by this Agreement.

The Financial Advisor's failures to obtain, pay for, or maintain any required insurance shall constitute a material breach upon which the CLIENT may immediately terminate or suspend this Agreement. In the event of any termination or suspension, the CLIENT may use the services of another consultant or contractor without the CLIENT incurring any liability to the Financial Advisor.