

RESOLUTION NO. 2024-3308

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING THE ENGAGEMENT OF “FINANCIAL ADVISORS” FOR THE UNDERGROUNDING PROJECT; PROVIDING FOR AUTHORIZATION; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside (“Town”) Commission wishes to engage the firm of PFM Financial Advisors, LLC (“PFM”) to act as Financial Advisors to the Town. PFM will provide upon request of the Town, services related to financial planning, budget and strategic advice and planning, policy development, and services related to debt issuance, as applicable; and

WHEREAS, PFM has provided the Town with its services back in 2011 for the last Bond issue by the Town and now seeks to assist the Town with its new Bond issue for the undergrounding of utilities Town-wide (e.g., Electric, Phone and Cable) as set forth in the proposed Engagement Agreement Letter attached hereto as Exhibit “A” (the “Agreement”); and

WHEREAS, the Town Commission seeks approval of the Agreement with PFM in substantially the form attached hereto as Exhibit “A”; and

WHEREAS, the Town Commission finds that this Resolution is in the best interest of the health, safety, and welfare of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals. The above-stated recitals are true and correct and are incorporated herein by this reference.

Section 2. Approval. The Town Commission approves the Agreement in substantially the form attached hereto as Exhibit “A,” together with such changes as may be acceptable to the Town Manager and Town Attorney.

Section 3. Authorization. The Town Manager is hereby authorized to execute the Agreement, subject to approval by the Town Attorney as to form, content, and legal sufficiency.

Section 4. Implementation. The Town Manager and/or designee are authorized to expend budgeted funds and take all action necessary to implement the purposes of this Resolution and the Agreement.

Section 5. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED this 13th day of August, 2024.

Motion By: Commissioner Velasquez

Second By: Commissioner Coto

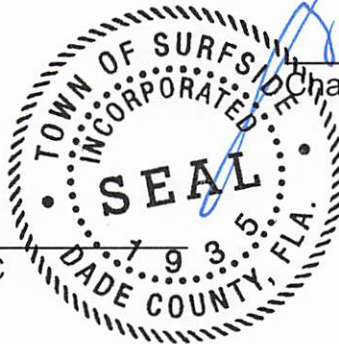
FINAL VOTE ON ADOPTION:


Commissioner Ruben A. Coto	<u>Yes</u>
Commissioner Nelly Velasquez	<u>Yes</u>
Commissioner Gerardo Vildostegui	<u>Yes</u>
Vice Mayor Tina Paul	<u>Yes</u>
Mayor Charles W. Burkett	<u>Yes</u>

ATTEST:



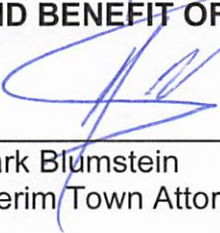
Sandra N. McCready, MMC
Town Clerk





Charles W. Burkett, Mayor

**APPROVED AS TO FORM AND LEGALITY FOR THE USE
AND BENEFIT OF THE TOWN OF SURFSIDE ONLY:**



Mark Blumstein
Interim Town Attorney

EXHIBIT "A"
Engagement Agreement Letter



Town of Surfside
9293 Harding Avenue
Surfside, FL 33154

Dear Mr. Blumstein

pfm

2222 Ponce De Leon
Blvd., 3rd floor
Coral Gables, FL 33134

pfm.com

The purpose of this letter (this "Engagement Letter") is to confirm our agreement that PFM Financial Advisors LLC ("PFM") will act as financial advisor to The Town of Surfside (the "Client"). PFM will provide, upon request of the Client, services related to financial planning, budget and strategic advice and planning, policy development and services related to debt issuance, as applicable and set forth in Exhibit A to this Engagement Letter. Most tasks requested by Client will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to just those services required to complete the task.

PFM is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If Client has designated PFM as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption"), then services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any agreed upon limitations. Verification of independence (as is required under the IRMA exemption) shall be the responsibility of such third party seeking to rely on such IRMA exemption. PFM shall have the right to review and approve in advance any representation of PFM's role as IRMA to Client.

MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFM's Disclosure Statement delivered to Client prior to or together with this Engagement Letter.

PFM's services will commence as soon as practicable after the execution of this Engagement Letter by the Client and a request by the Client for such service. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Engagement Letter. Services provided by PFM which are not included in the scope of services set forth in Exhibit A of this Engagement Letter shall be completed as agreed in writing in advance between the Client and the PFM. Upon the request of Client, an affiliate of PFM or a third party referred or otherwise introduced by PFM and/or designated by the Client may agree to additional services to be provided under a separate writing, including separate scope and compensation, between Client and such affiliate or third party.

For the services described in Exhibit A, PFM's professional fees will be paid as provided in Exhibit B. All fees shall be due to PFM within thirty (30) days of the date of invoice. In addition to fees for services, PFM will be reimbursed for necessary, reasonable out-of-pocket expenses incurred, including, but not limited to, travel, meals, lodging, telephone, mail, and other ordinary or extraordinary costs such as for graphics, printing, document production (including as required by a subpoena or other legal document or order), data processing and computer time which are incurred by PFM. Upon request of Client, documentation of such expenses will be provided.



This Engagement Letter shall be effective from August 1, 2024, until August 1, 2025, and shall remain in effect on an annual basis thereafter, unless terminated in writing by either party upon thirty (30) days written notice to the other party. Upon any such termination, PFM will be paid for all services performed and costs and expenses incurred up to the termination date.

PFM shall not assign or transfer any interest in this Engagement Letter or subcontract any of the work performed under this Engagement Letter without the prior written consent of the Client; provided that PFM retains the right to enter into a sale, merger, internal reorganization, or similar transaction involving PFM's business without any such consent.

All information, data, reports, and records in the possession of the Client or any third party necessary for carrying out any services to be performed under this Engagement Letter ("Data") shall be furnished to PFM. PFM may rely on the Data in connection with its provision of the services under this Engagement Letter and the provider thereof shall remain solely responsible for the adequacy, accuracy and completeness of such Data.

All notices and other communication required under this Engagement Letter will be in writing and may be sent by certified mail, return receipt requested, by nationally recognized courier, with written verification of receipt, or by electronic mail. Notices shall be addressed to the party for whom it is intended, at the addresses on the first page of this Engagement Letter.

All materials, except functioning or dynamic financial models, prepared by PFM pursuant exclusively to this Engagement Letter will be the property of the Client. Subject to the preceding exception, upon termination of this Engagement Letter, PFM will deliver to the Client copies of any and deliverables pertaining to this Engagement Letter.

The following employees of PFM will provide the services set forth in this Engagement Letter: Sergio Masvidal and Pete Varona. PFM may, from time to time, supplement or otherwise amend team members. 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 will promptly suggest a substitute for approval by the Client.

PFM will maintain insurance coverage with policy limits not less than as stated in Exhibit C. Except to the extent caused by its willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties under this Engagement Letter, PFM shall have no liability to any party under this Engagement Letter.

PFM, its employees, officers and representatives at all times will be independent contractors and will not be deemed to be employees, agents, partners, servants and/or joint venturers of Client by virtue of this Engagement Letter or any actions or services rendered under this Engagement Letter. Nothing in this Engagement Letter is intended or shall be construed to give any person, other than the parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Engagement Letter or any provisions contained herein. In no event will PFM be liable for any act or omission of any third party or for any circumstances beyond PFM's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment



failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

This Engagement Letter shall be construed, enforced, and administered according to the laws of the State of Florida. PFM and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Engagement Letter, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

This Engagement Letter represents the entire agreement between Client and PFM and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate agreement between Client and an affiliate of PFM or a third party referred or introduced by PFM and/or designated by the Client shall not in any way be deemed an amendment or modification of this Engagement Letter. The invalidity in whole or in part of any provision of this Engagement Letter shall not void or affect the validity of any other provision.

Please have an authorized official of the Client sign a copy of this Engagement Letter and return it to us to acknowledge the terms of this engagement. This Engagement Letter may be signed in any number or counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

Sincerely,
PFM Financial Advisors LLC

Sergio Masvidal
Managing Director

Accepted by:
Town of Surfside

Authorized Signature

Name

Title

Date



EXHIBIT A
SCOPE OF SERVICES

PFM Financial Advisors, LLC (“PFM”) will serve the Client as Financial Advisor in conjunction with the plan of finance for the undergrounding of utilities. The plan will review the potential financing alternatives for the Client’s planned upcoming financing (the “Bond” or “Note”) in an estimated amount of \$40,000,000 in one or more series.

The Client has requested a limited scope of financial advisory services for this engagement. As Financial Advisor for the Bonds, PFM will perform the following:

- a. Consider the alternatives among various financing methods, including but not limited to a traditional bank note or line of credit, and what structure would most benefit the Client;
- b. Prepare and distribute a bank lending request or Underwriter RFP on behalf of the Client;
- c. As appropriate, undertake conversations regarding pricing and covenants with lending institutions, the Client and other members of the finance team;
- d. Perform the calculations necessary to determine whether or not the bond sale parameters detailed in the delegation resolution for the Bonds have been satisfied;
- e. Provide a memorandum of the bond sale presenting PFM’s opinion as to the fairness and reasonableness of the interest rates and yields paid by the Client; and
- f. Provide, upon request and direction from the Client, a presentation of findings to the Client governing body or other Client administration.

PFM’s obligation under this Agreement is solely to perform its services described above in a professional and timely manner conforming to generally accepted standards and practice for financial advisors. PFM’s obligations and responsibilities as described in this engagement letter are not assignable without the prior written consent of PFM.



EXHIBIT B
COMPENSATION FOR SERVICES

In consideration of the Services to be provided, PFM shall be compensated as follows:

- a) In connection with the issuance of debt, the PFM shall be paid at closing in accordance with the following schedule with a minimum fee of \$25,000 per series:

<u>Par Amount of Bonds and Other Debt issued</u>	<u>Fee Per \$1,000</u>
\$0 - \$50,000,000.00.....	\$ 1.25
\$50,000,000.01 - \$100,000,000.00.....	\$ 1.00
\$100,000,000.01 - and more.....	\$ 0.75

- b) For the reinvestment of bond proceeds, PFM will charge a fee of three (0.03%) basis points computed on the same basis, as described in the previous sentence (if applicable).
- c) For the preparation of bid solicitation and review of bids received for the State and Local Government Securities ("SLGS") to be purchased for escrow accounts, PFM shall be paid a flat fee of \$5,000 (if applicable).
- d) The PFM shall be paid an annual retainer of \$12,000, payable in equal quarterly payments, for all time expended by its personnel for non-transaction advisory services such as those described in Exhibit A under the heading "Retainer Services".



EXHIBIT C

Insurance Statement

PFM has a complete insurance program, including property, casualty, general liability, automobile liability and workers compensation. PFM maintains Professional Liability coverage which total \$10 million single loss/ \$5 million aggregate. PFM also carries a \$5 million cyber liability policy.

Our Professional Liability and Cyber Liability policies are a “claims made” policy and our General Liability policy claims would be made by occurrence.

Deductibles/SIR:

Automobile \$100 comprehensive & \$1,000 collision
Cyber Liability \$250,000
General Liability \$0
Professional Liability (E&O) \$250,000
Crime \$50,000

Insurance Company & AM Best Rating

Professional Liability (E&O) AIG Specialty Insurance Company; (A; Stable)
..... Great American Fidelity Insurance Co; (A+; Stable)
Crime..... Berkley Regional Insurance Company; (A+; Stable)
Cyber Liability..... AIG Specialty Insurance Company (A; Stable)
General Liability..... The Continental Insurance Company; (A Stable)
Automobile Liability..... The Continental Insurance Company; (A Stable)
Excess /Umbrella Liability..... The Continental Insurance Company; (A Stable)
Workers Compensation..... The Continental Insurance Company; (A Stable) &
Employers Liability