

**Perry Public Facilities Authority**  
**Thursday, April 13, 2023**  
**2:00 PM**

**Minutes**

1. Call to order: Mr. Carl Lumpkin, Vice Chairman, called the meeting of the Perry Public Facilities Authority to order at 2:01 PM on April 13, 2023.

2. Roll:

Members Present: Vice Chairman Carl Lumpkin and Members Belinda Baker, Ben Hulbert, Jeff Leonard, and Suzanne Burkart were present.

Member(s) Absent: Chairman Michael Froehlich and Member Felix Smith were absent.

Staff/Guests Present: Mitchell Worthington – Finance Director, Brooke Newby - City Attorney, April Minchew - Secretary

3. Approval of April 19, 2022 Minutes:

Vice Chairman Lumpkin entertained a motion to approve the minutes of the April 19, 2022 meeting. Member Burkart motioned to approve the minutes as presented; Member Leonard seconded, and it carried unanimously.

4. Election of Treasurer:

Ms. Brooke Newby, City Attorney and PPFA Legal Counsel, discussed Brenda King's extended leave of absence and the City's recommendation for the nomination and appointment of Mitchell Worthington, City of Perry's Finance Director, as the Treasurer for the Authority. Mr. Worthington was introduced by Ms. Newby and Mr. Worthington gave a brief introduction to the Authority. Member Burkart made a motion to approve Mitchell Worthington as the Treasurer and remove Ms. Brenda King as Treasurer, Member Hulbert seconded, and it carried unanimously.

5. a. Discuss authorized signatories of the Authority:

Ms. Newby discussed and recommended adding Mr. Worthington as an authorized signatory of the accounts held by the Authority's bank custodian, SunMark.

In addition, the authority discussed removing Ms. Brenda King as authorized signatory and updating the signature card to add Mr. Worthington along with the Chairman, Michael Froehlich, and Vice Chairman, Carl Lumpkin. Member Hulbert motioned to approve adding Mr. Worthington as an authorized signatory and updating the signature card to remove Brenda King, Member Burkart seconded, and it carried unanimously.

**b. Resolution to Authorize Investment and Designate Representatives relative to Georgia Fund 1 Account:**

Ms. Newby provided details of investing the construction funds by earning interest in between draw downs. She requested that the Authority approve the resolution to allow the funds to be moved into the Georgia Fund 1 Account. Mr. Worthington discussed the Georgia Fund 1 as a very safe and liquid investment. He discussed recent interest rates and stated last month's rate was at 4.58%. He stated the investment is a legal and allowed investment by the bond documents.

Member Burkart asked Mr. Worthington if the interest earned goes back into the construction account to be used. Mr. Worthington stated that any interest earned would go into the construction account. He also stated that if there were funds earned that were not needed, the additional funds would apply to the principal.

Member Burkart made a motion to approve the resolution to invest funds relative to the Georgia Fund 1 Account and designate the Treasurer, Chairman and Vice Chairman as the representatives of the account, Member Leonard seconded, and it carried unanimously.

6. **Public Input:** No public input.
7. **Adjournment:** There being no further business to come before Perry Public Facilities Authority, Vice Chairman Lumpkin entertained a motion to adjourn the meeting at 2:13 PM. Member Hulbert motioned; Member Burkart seconded, and it carried unanimously.



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**OFFICE OF THE CITY MANAGER**

**MEMORANDUM**

**TO:** Mr. M. Worthington  
**FROM:** Lee Gilmour, City Manager  
**DATE:** January 26, 2024  
**RE:** PPFA revenue bonds status

Based on a review of the data through December 2023 the status of the Perry Public Facilities Authority's revenue bonds are stated below:

<b>REVENUE BOND 2019</b>		
<b>Income</b>		
Bond Proceeds	\$	7,822,000
Interest		20,410
<b>Total</b>	<b>\$</b>	<b>7,842,410</b>
<b>Expenses</b>		
Lift Stations Imp.	\$	646,632
Gas Main Upgrade		710,818
Pine Needle Park		844,151
Heritage Oaks Park Ph. 1		1,192,305
Houston Lake Road gas main relocation		578,875
City Hall		3,869,629
<b>Total</b>	<b>\$</b>	<b>7,842,410</b>
<b>Balance</b>	<b>\$</b>	<b>—</b>
<b>REVENUE BOND 2020</b>		
<b>Income</b>		
Bond Proceeds	\$	4,200,000
Interest		20,418
<b>Total</b>	<b>\$</b>	<b>4,220,418</b>

<b>Expenses</b>			
Perry Branch Sewer Imps.	\$	2,668,553	
City Hall		<u>1,552,365</u>	
<b>Total</b>		<b>4,220,418</b>	
<b>Balance</b>		\$	<b>—</b>
<b>REVENUE BOND 2021</b>			
<b>Income</b>			
Bond Proceeds	\$	4,300,000	
Interest		<u>18,119</u>	
<b>Total</b>	\$	<b>4,318,19</b>	
<b>Expenses</b>			
Bear Branch Sewer Imp.	\$	1,664,842	
East Perry WWTF		<u>1,420,248</u>	
Langston Road Stormwater Pond		<u>715,947</u>	
<b>Total</b>	\$	<b>3,801,037</b>	
<b>Balance</b>		\$	<b>517,082</b>
<b>REVENUE BOND 2022</b>			
<b>Income</b>			
Bond Proceeds	\$	5,000,000	
Interest		<u>106,303</u>	
<b>Total</b>	\$	<b>5,106,303</b>	
<b>Expenses</b>			
East Perry Sewer Outfall	\$	221,738	
South Perry Sewer Outfall		<u>252,428</u>	
<b>Total</b>	\$	<b>474,214</b>	
<b>Balance</b>		\$	<b>4,632,089</b>

cc: Mr. R. Smith  
Ms. A. Minchew

## INCUMBENCY CERTIFICATE/ AUTHORIZED CALLBACKS

The undersigned, \_\_\_\_\_ being the \_\_\_\_\_  
*(name of Authorized Company Officer)* *(title)*  
 of \_\_\_\_\_ (the "Company")

does hereby certify that (1) the individuals listed below are qualified and acting officers of the Company, (2) the signature appearing opposite the name of each such officer is a true specimen of the genuine signature of such officer, and (3) such individuals have the authority to provide written direction/ confirmation and receive callbacks at the phone number(s) noted below and execute documents to be delivered to, or upon the request of The Bank of New York Mellon and/or The Bank of New York Mellon Trust Company, N.A. (collectively, "BNY Mellon"). BNY Mellon may rely conclusively upon the certification of authority of the officers named in this Certificate in connection with all corporate trust transactions to which the Company is a party with BNY Mellon until such time as the Company (i) expressly revokes this Certificate in writing or (ii) provides a revised Certificate; in order to be effective, either must be delivered to BNY Mellon at the addresses provided in the related governing documents.

**List of Authorized Person(s)**

<u>Name</u>	<u>Title</u>	<u>Signature</u>	<u>Phone Number for Callback</u>	<u>Cell Phone Number for Callback (optional)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this certificate as of \_\_\_\_\_.

\_\_\_\_\_  
 (Authorized Company Officer signature\*)  
*Note that this may not be one of the Authorized Persons listed above.*

\*Note that the Authorized Company Officer cannot be listed as an authorized signer above unless the governing documents establish the Authorized Company Officer's authority to give instructions and this Incumbency Certificate; showing the signature and phone number, is notarized.

**Page 1: Preparation Instructions**

**Page 2: Form to be completed by client**

**Top Half of the Incumbency Form – Authorized Company Officer:**

- Must be a 3<sup>rd</sup> individual that is different than the List of Authorized Person(s) entered at the bottom of the form.

**INCUMBENCY CERTIFICATE/ AUTHORIZED CALLBACKS**

The undersigned \_\_\_\_\_ being the \_\_\_\_\_ (Title) of \_\_\_\_\_ (the Company)

do hereby certify that (1) the individuals listed below are qualified and acting officers of the Company, (2) the signature appearing opposite the name of each such officer is a true specimen of the genuine signature of such officer, and (3) such individuals have the authority to provide written director confirmation and receive callbacks at the phone number(s) listed below and enclose documents to be delivered to, or upon the request of, the Bank of New York Mellon and/or The Bank of New York Mellon Trust Company, N.A. (collectively, "my broker"). My broker may not communicate upon the completion of authority of the officers named in this Certificate in connection with all corporate trust transactions to which the Company is a party with my broker until such time as the Company (i) expressly revokes this Certificate in writing or (ii) provides a revised Certificate, in order to be effective, copy must be delivered to my broker at the address provided in the related governing documents

**Bottom Half of the Incumbency Form – List of Authorized Person(s) and Signature Block:**

- Must include two individuals different from the person listed on the top half & signature block of the incumbency certificate. Typically:
  - The individual who will be executing the closing documents.
  - At least one other authorized individual, preferably from your Business Department, who will be available on the closing day to accept a phone call (if needed) to confirm payment instructions on the Cost of Issuance Invoices.
- If there is a possibility that individuals may be away from the office on the closing date, please provide both phone numbers.

**List of Authorized Personnel**

NAME	TITLE	Signature	Emergency Contact Info (Cell Phone Number for Callbacks (optional))

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this certificate as of \_\_\_\_\_

\_\_\_\_\_  
 (Authorized Company Officer signature)  
 Note that this may not be one of the Authorized Persons listed above.

**Day of Closing (AS NEEDED BASIS)**

- The individual who would receive the callback shortly after closing will need to have copies of the invoices that will be paid from the Cost of Issuance account readily available. These invoices are usually provided on the day before closing, if not sooner.
- BNYM will ensure that the individual who will receive the callback is notified in advance and that they have the invoices available prior to the call.
- The invoice verification call should last approximately 5 minutes.



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**OFFICE OF THE CITY MANAGER**

**MEMORANDUM**

**TO:** Mayor/Council  
**FROM:** Lee Gilmour, City Manager  
**DATE:** November 28, 2023  
**REFERENCE:** Capital projects funding

The upcoming years will require the establishment of priorities in order to pay for needed capital projects. The city cannot financially pay for all the projects at one time.

The top priority is the construction of the East Perry Wastewater Treatment Facility and the sewer outfall lines to service the facility. A cost estimate of water and sewerage projects is provided in Exhibit A. The city has obtained a GEFA loan to pay the \$ 50,000,000 for East Perry WWFF.

Additional capital projects are:

❖ Balance for Langston Road stormwater facility	\$ 809,000
❖ Downtown parking lots	863,000
❖ Langston Road park	600,000
❖ Downtown multi-use building	17,058,800

The Administration recommends council proceed as follows:

1. Proceed with priority 1 water/sewerage projects through the Perry Public Facility Authority plus the balance needed to complete the Langston Road Stormwater Facility. Exhibit B lists those projects.
2. Obtain a GEFA loan for the \$ 14,500,000 East Perry sewer outfall.
3. Use the Water/Sewer System Revenue Fund to pay for the remaining bond debt and GEFA debt service.
4. Switch PPFA water projects debt service to the General Fund.
5. Adjust water/sewer rates to maintain a minimum 1.05 pro-forma debt service ratio.
6. Institute capital recovery financing plan to help offset new development costs.

Approved by  
Council at the  
12.4.2023 Work Session

7. Phase other capital projects through the SPLOST 24 Construction Fund.
8. Prioritize capital improvements to match debt service availability.
9. Maintain current service levels.

cc: Mr. R. Smith  
Mr. M. Worthington



# EXHIBIT A

## WATER/SEWERAGE PRIORITIES

### PRIORITY 1

↕ Northwest water supply tank/system	\$	5,000,000
↕ Woodlawn water plant pump upgrade		1,750,000
↕ Northwest area water main extension		480,000
↕ Bear Branch pump station upgrade		250,000
↕ F. Satterfield WWTF 3.6 MGA upgrade		2,642,000
↕ Northwest sewer extensions		1,200,000
↕ East Perry sewer outfall		14,500,000
↕ East Perry WWTF		50,000,000
↕ Northwest sewer 1 – 75 improvements		<u>2,000,000</u>
Priority 1	Total	\$ 77,822,000

### PRIORITY 2

↕ Perry Preserve water main extension	\$	1,150,000
↕ Perry Parkway sewer extension		254,200
↕ Houston Lake Road sewer extension		522,000
↕ Lemly pump station bypass		275,000
↕ South Perry sewer outlet phase 1		4,500,000
↕ South Perry sewer outlet phase 2		<u>6,000,000</u>
Priority 2	Total	\$ 12,701,200

### PRIORITY 3

↕ Airport Road water line loop	\$	200,000
↕ Perry preserve water main improvements		3,000,000
↕ East Perry outfield phase III		<u>25,000,000</u>
Priority 3	Total	\$ 28,200,000
Water/Sewerage	Total	\$ 118,723,200

**EXHIBIT B**  
**PPFA 2024 PROJECTS**

Langston Road stormwater facility	\$	809,000
Northwest water supply tank/system		409,000
Northwest sewer extension		1,200,000
Northwest sewer I - 75 improvements		2,000,000
F. Satterfield WWTF 3.6 MGD upgrade		2,600,000
<b>Total</b>	<b>\$</b>	<b>7,018,000</b>

**Perry Public Facilities Authority (Georgia)  
Revenue Bonds, Series 2024\*  
Preliminary Financing Timetable (as of 11-15-23)**

February 2024							March 2024							April 2024						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3						1	2	1	2	3	4	5	6	
4	5	6	7	8	9	10	3	4	5	6	7	8	9	7	8	9	10	11	12	13
11	12	13	14	15	16	17	10	11	12	13	14	15	16	14	15	16	17	18	19	20
18	19	20	21	22	23	24	17	18	19	20	21	22	23	21	22	<u>23</u>	24	25	26	27
25	26	27	28	29			24/31	25	26	27	28	29	30	28	29	30				

Regular City Council Meetings: 1<sup>st</sup> & 3<sup>rd</sup> Tuesdays @ 6:00 pm

Date	Task
Early February	Collection of data for, and preparation of, Preliminary Official Statement (or "POS").
Week of February 12 <sup>th</sup>	Draft Bond Resolution, Intergovernmental Contract, POS, and other related documents circulated by Bond Counsel.
Wednesday, Feb. 21 <sup>st</sup>	Submit POS, Draft Documents, Audits, Budgets, Preliminary Numbers to Rating Agency.
Week of February 26 <sup>th</sup>	Call with Moody's Investor Service.
Week of March 4 <sup>th</sup>	Rating Affirmed. Print and post the POS.
Tuesday, March 19	<ol style="list-style-type: none"> <li>1. Raymond James to price and market Series 2024 Bonds.</li> <li>2. 5:00pm Special called meeting of the Board of PFA to adopt Series 2024 Intergovernmental Contract and to sign Series 2024 Bond Purchase Agreement.</li> <li>3. 6:00pm regular meeting of the City Council to adopt Series 2022 Bond Resolution and to sign Series 2024 Bond Purchase Agreement.</li> </ol>
Week of March 25 <sup>th</sup>	File for bond validation hearing in Superior Court. Print and mail final Official Statement.
Week of April 1 <sup>st</sup>	Run first advertisement for bond validation hearing.
Week of April 8 <sup>th</sup>	Run second advertisement for bond validation hearing. Distribute drafts of Series 2022 Closing Documents and Closing (wire) Memo.
Week of April 15 <sup>th</sup>	Bond validation hearing in superior court.
Friday, April 19 <sup>th</sup>	Provide final comments on all closing documents <u>by close of business</u> . Final closing documents (and wire instructions) distributed.
Tuesday, April 23 <sup>rd</sup>	Close Series 2024 Bonds and reinvest bond proceeds.

January 31, 2024

Michael Froehlich, Chairman  
Perry Public Facilities Authority

Re: Disclosures by Underwriter  
Pursuant to MSRB Rule G-17  
Revenue Bonds, Series 2024\* (and/or later Series)

Dear Chairman Froehlich:

We are writing to provide you, as the authorized representative of the Perry Public Facilities Authority, (the "Issuer"), and an official of the Issuer with the authority to bind the Issuer by contract, with certain disclosures relating to the captioned bond issue (the "Bonds"), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).<sup>1</sup>

We are writing to provide you, as Finance Director of the City of Perry, (the "Issuer"), and an official of the Issuer with the authority to bind the Issuer by contract, with certain disclosures relating to the captioned bond issue (the "Bonds"), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).<sup>2</sup>

The Issuer has engaged Raymond James & Associates, Inc. ("RJA"), to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as underwriter, RJA may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

The following G-17 conflict of interest disclosures are now broken down into three types, including: (I) dealer-specific conflicts of interest disclosures (if applicable), (II) transaction-specific disclosures (if applicable), and (III) standard disclosures.

I. Dealer-Specific Conflicts of Interest Disclosures

RJA has identified the following potential or actual dealer-specific material conflicts or business relationships we wish to call to your attention. When we refer to *potential* material conflicts throughout this letter, we refer to ones that are reasonably likely to mature into *actual* material conflicts during the course of the transaction, which is the standard required by MSRB Rule G-17.

In the ordinary course of its various business activities, RJA and its affiliates, officers, directors, and employees may purchase, sell or hold a broad array of investments and may actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer. RJA and its affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets,

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<sup>1</sup> Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

<sup>2</sup> Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

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securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

- Other Conflicts of Interest Disclosure
  - Potential Reinvestment of Proceeds
  - In the ordinary course of its business, RJA and its affiliates have engaged, and may in the future engage, in transactions with, and perform services for, the Issuer and its affiliates (like reinvestment of bond proceeds and/or continuing disclosure dissemination agent services) for which they received or will receive customary fees and expenses.
  - We understand that the Issuer may use a portion of the proceeds from the issuance of the Bonds to refund certain of the Issuer's outstanding securities ("Refunded Bonds"). To the extent that RJA or an affiliate thereof owns Refunded Bonds, RJA or its affiliate, as the case may be, would receive a portion of the proceeds from the issuance of the Bonds.
  - Acting as Continuing Disclosure Agent

## II. Transaction-Specific Disclosures

- Disclosures Concerning Complex Municipal Securities Financing:
  - Because we have recommended to the Issuer a financing structure that may be a "complex municipal securities financing" for purposes of MSRB Rule G-17, attached is a description of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at this time.

## III. Standard Disclosures

- Disclosures Concerning the Underwriters' Role:
  - MSRB Rule G-17 requires an underwriter to deal fairly at all times with both issuers and investors.
  - The underwriters' primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.
  - Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer's interest in this transaction.
  - The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
  - The underwriters will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities

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laws, as applied to the facts and circumstances of this transaction. Under federal securities law, an issuer of securities has the primary responsibility for disclosure to

investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

- Disclosures Concerning the Underwriters' Compensation:
  - The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Please note that nothing in this letter should be viewed as a commitment by the underwriters to purchase or sell all the Bonds and any such commitment will only exist upon the execution of any bond purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

You have been identified by the Issuer as a primary contact for the Issuer's receipt of these disclosures, and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. We are required to seek your acknowledgement that you have received this letter. Accordingly, please acknowledge receipt via a reply email. Otherwise, an email Read Receipt from you, or other automatic response confirming that our email was opened by you, will serve as an acknowledgment that you received these disclosures.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or potential material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. We look forward to working with you, the Issuer and the obligor in connection with the issuance of the Bonds. We appreciate your business.

Sincerely,

RAYMOND JAMES & ASSOCIATES, INC.



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## Fixed Rate Structure Disclosure (Revised 3-31-21)

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds ("Fixed Rate Bonds"), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue Fixed Rate Bonds. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate.

### **Financial Characteristics**

**Maturity and Interest.** Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities, whether for their benefit or as a conduit issuer for a nongovernmental entity. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

**Redemption.** Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

### **Security**

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.<sup>3</sup>

**General Obligation Bonds.** "General obligation (GO) bonds" are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. The debt service on

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<sup>3</sup> The discussion of security characteristics is limited to general obligation and revenue bond structures. This summary should be expanded and modified, as necessary, for other security structures, such as bonds that are secured by a double-barreled pledge (general obligation and revenues), annual appropriations or a moral obligation of the issuer or another governmental entity. If the security for the bonds is known at the time this disclosure is provided to the issuer, include only those portions relevant to the actual security for the bonds.

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“unlimited tax” GO bonds are paid from ad valorem taxes which are not subject to state constitutional property tax millage limits, whereas “limited tax” GO Bonds are subject to such limits.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds generally will have certain rights under state law to compel you to impose a tax levy.

**Revenue Bonds.** “Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit, and you (or, if you are a conduit issuer, the obligor, as described in the following paragraph) are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

Some revenue bonds (conduit revenue bonds) may be issued by a governmental issuer acting as a conduit for the benefit of a private sector entity or a 501(c)(3) organization (the obligor). Conduit revenue bonds commonly are issued for not-for-profit hospitals, educational institutions, single and multi-family housing, airports, industrial or economic development projects, and student loan programs, among other obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the obligor defaults.

The description above regarding “Security” is only a summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

## **Financial Risk Considerations**

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all the following (generally, the obligor, rather than the issuer, will bear these risks for conduit revenue bonds):

**Issuer Default Risk.** You may be in default if the funds pledged to secure your bonds are not enough to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to



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remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

**Redemption Risk.** Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. If interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

**Refinancing Risk.** If your financing plan contemplates refinancing some or all the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required.

**Reinvestment Risk.** You may have proceeds from the issuance of the bonds available to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as “negative arbitrage”.

**Tax Compliance Risk.** The issuance of tax-exempt bonds is subject to several requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If tax-exempt bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

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January 31, 2024

Michael Froehlich, Chairman  
Perry Public Facilities Authority

Re: Letter of Intent for Underwriting Services

Dear Mr. Froehlich, Chairman, Perry Public Facilities Authority:

On November 15, 2023, the City engaged Raymond James as the Underwriter on a potential bond explained below. In order for Raymond James & Associates, Inc. ("RJA") to give you advice regarding one or more related transactions, and to document our compliance with an exception to the Municipal Advisor Rule, we ask that you agree, and acknowledge by signing below, to the following:

The Perry Public Facilities Authority, Georgia (the "Issuer") is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission (effective July 1, 2014) and the underwriter exception from the definition of "municipal advisor" for a firm serving as an underwriter for one or more series of bonds or other municipal securities to be issued by the City, or an Authority with the ability to contract with the City and issue Revenue Bonds.

The Authority wishes to engage RJA as the underwriter (and/or Placement Agent) for bonds to be issued to finance and/or refinance water/sewer and other potential capital improvement projects and for costs of issuance (collectively, the "Bonds") that the City currently anticipates borrowing as Bonds issued by the Public Facilities Authority. As an underwriter, RJA may provide advice to the City and the Authority on the structure, timing, terms, and other similar matters concerning the Bonds.

It is the Authority's present intention that RJA will underwrite the Bonds, subject to satisfaction of applicable procurement laws, formal approval by the Authority Board and City Council, finalizing the structure of the Bonds, and the execution of a mutually agreed upon Bond Purchase Agreement. While the Authority presently engages RJA as the underwriter for the Bonds, this engagement letter is preliminary and nonbinding, and may be terminated at any time by the City, Authority, or RJA without liability or obligation on the part of any party. This letter serves as acknowledgement of the attached G-17 letter by the Authority.

Sincerely yours,

**Raymond James & Associates, Inc.**

**Perry Public Facilities Authority (Georgia)**



By: \_\_\_\_\_  
William J. Camp, Managing Director

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

Attachment: G-17 Disclosure Letter