



July 17, 2025

Recommendation Memorandum

To: Stephanie Merle, Director of Office of Management & Budget – Martin County
From: Jay Glover, Managing Director – PFM Financial Advisors LLC
Re: Master Lease Purchase Agreement, Series 2025 – Recommendation Memorandum

PFM Financial Advisors LLC (“PFM”) was engaged by Martin County, Florida (the “County”) to serve as financial advisor for the County’s proposed issuance of a not to exceed \$5,300,000 Master Lease Purchase Agreement, Series 2025 (the “2025 Lease”) to finance the acquisition of certain energy efficiency improvements procured by the County under a guaranteed savings energy performance contract with Trane. Because of the desire to move in an expediated manner and reduced cost of issuance, PFM recommended the County pursue a privately placed lease purchase agreement, which in today’s market was expected to be an efficient and cost-effective method of financing.

At the County’s direction, PFM reached out to JP Morgan and Banc of America Public Capital Corp. (BAPCC), both of whom currently have master lease purchase agreements in place with the County, to request interest rate indications for a tax-exempt, fixed rate, lease schedule with a 15-year repayment.

Based on PFM’s review and discussions with County staff and Bond Counsel, it was determined that BAPCC’s proposal provided the best combination of interest rate and terms most favorable to the County. BAPCC proposed a fixed interest rate of 4.047% that would be locked through a closing date no later than September 14, 2025, thus eliminating the risk of an increase in the interest rate during the current volatile market conditions between now and closing. BAPCC also allows optional prepayment with a 2% premium through year 8, and prepayment without penalty thereafter. The other terms and conditions of the BAPCC proposal were reviewed and agreed to by Bond Counsel.

Based on the interest rate and acceptable terms and conditions provided in their proposal, PFM recommends selecting BAPCC as the provider of the 2025 Lease. If you have any questions, please feel free to contact me at 407-406-5760 or gloverj@pfm.com.