This Preliminary Official Statement and any information contained herein are subject to completion and amendment. The Series 2016 Bonds may not be sold and offers to buy may not be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2016 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The City has deemed this Preliminary Official Statement "Final" except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2016

NEW ISSUE-BOOK-ENTRY ONLY **RATING: S&P: ___**
(See "RATING" herein)

In the opinion of Bond Counsel, assuming compliance by the City with certain tax covenants described herein, under existing law, interest on the Series 2016 Bonds is excluded from the gross income of the owners of the Series 2016 Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Series 2016 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. In the case of certain corporate holders of the Series 2016 Bonds, interest on the Series 2016 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2016 Bonds in "adjusted current earnings" of certain corporations. Bond Counsel is also of the opinion that the Series 2016 Bonds and the interest thereon are exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined therein. See "TAX MATTERS" herein.

$10,000,000*
CITY OF RIVIERA BEACH, FLORIDA
Stormwater Management Utility Revenue Bonds, Series 2016

Dated: Date of Delivery **Due: November 1, as shown on the inside cover**

The City of Riviera Beach, Palm Beach County, Florida (the "City") is issuing its Stormwater Management Utility Revenue Bonds, Series 2016 (the "Series 2016 Bonds") as fully registered bonds initially registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2016 Bonds. The Series 2016 Bonds will be available to purchasers in principal denominations of $5,000 and integral multiples thereof under the book-entry only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Purchasers will not receive physical delivery of the Series 2016 Bonds. Beneficial Owners of Series 2016 Bonds must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Series 2016 Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein. U.S. Bank National Association, Jacksonville, Florida will serve as the initial Paying Agent and Registrar for the Series 2016 Bonds (the "Paying Agent"). While the Series 2016 Bonds are registered through the DTC Book-Entry System, principal of and interest on the Series 2016 Bonds will be payable by the Paying Agent to DTC.

Interest on the Series 2016 Bonds is payable on each May 1 and November 1, commencing November 1, 2016, until maturity or earlier redemption.

The Series 2016 Bonds are being issued by the City pursuant to the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, as amended, and

Resolution No. __-16 (the "Bond Resolution"), as supplemented by Resolution No. __-16 (the "Series 2016 Supplemental Resolution" and, together with the Bond Resolution, the "Resolution"), each adopted by the City Council of the City on March 2, 2016. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Resolution. See "APPENDIX D - Form of the Resolution."

The City owns and maintains a stormwater management system serving residents of the City of Riviera Beach and others within its service area (the "System"). See "THE SYSTEM." Proceeds of the Series 2016 Bonds will be used, together with other legally available funds of the City, to: (i) finance the cost of certain improvements to the System (the "Series 2016 Project"), and (ii) pay the costs of issuance of the Series 2016 Bonds. See "PURPOSE OF THE SERIES 2016 BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2016 Bonds are subject to redemption prior to maturity as described herein under "DESCRIPTION OF THE SERIES 2016 BONDS—Redemption Provisions." Additional Bonds may be issued on a parity with the Series 2016 Bonds pursuant to the Bond Resolution. See "SECURITY FOR THE SERIES 2016 BONDS - Additional Bonds."

The Series 2016 Bonds are payable from and secured solely by a pledge of and lien on the Pledged Funds. The Pledged Funds consist of (1) Gross Revenues, as defined in the Bond Resolution, and (2) until applied in accordance with the provisions of the Bond Resolution, all moneys, including investments thereof, in the funds and accounts established under the Bond Resolution, except the Rebate Fund. See "SECURITY FOR THE SERIES 2016 BONDS" herein.

THE SERIES 2016 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, PALM BEACH COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISIONS OR LIMITATIONS, OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, PALM BEACH COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF BUT SHALL BE PAYABLE FROM AND SECURED SOLELY BY THE PLEDGED FUNDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. NO BONDHOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, PALM BEACH COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY THE SERIES 2016 BONDS OR THE INTEREST THEREON, NOR SHALL ANY BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL OR INTEREST FROM ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED FUNDS, OR EVER HAVE A LIEN ON THE SERIES 2016 PROJECT OR ANY OTHER REAL OR PERSONAL PROPERTY OF THE CITY, EXCEPT FOR THE PLEDGED FUNDS, ALL IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2016 Bonds are offered when, as and if issued and received by the Underwriters, subject to approval of legality by Greenspoon Marder, P. A. West Palm Beach, Florida, Bond Counsel. Greenspoon Marder, P.A. is also serving as Disclosure Counsel to the City. Certain legal matters will be passed on for the City by Pamala Hanna Ryan, B.C.S., City Attorney. Public Financial Management, Inc., Coral Gables, Florida is serving as Financial Advisor to the City with respect to the Series 2016 Bonds. The Series 2016 Bonds are expected to be delivered through the facilities of DTC in New York, New York on or about _____, 2016.

BIDS FOR THE SERIES 2016 BONDS WILL BEW RECEIVED USING I-DEAL LLC'S PARITY/BIDCOMP COMPETITIVE BIDDING SYSTEM, AS SPECIFIED IN THE OFFICIAL NOTICE OF SALE.

Dated: March __, 2016

* Preliminary, subject to change.

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

$10,000,000*
CITY OF RIVIERA BEACH, FLORIDA
Stormwater Management Utility Revenue Bonds, Series 2016

$_____ Serial Series 2016 Bonds

Maturity (November 1)	Principal Amount	Interest Rate	Yield	Price	Initial CUSIP No.**
	$	%	%	%	

$_____% Term Series 2016 Bonds Due November 1, ____ Priced at ____% to Yield ____% Initial CUSIP No. _____**

_____

* Preliminary; subject to change.

** The City is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

CITY OF RIVIERA BEACH, FLORIDA

600 West Blue Heron Boulevard
Riviera Beach, FL 33404
(561) 845-4185

MAYOR

THOMAS MASTERS

CITY COUNCIL

DAWN S. PARDO ..... Chairperson
TERENCE D. DAVIS ..... Chair Pro Tempore
BRUCE A. GUYTON ..... Council Member
KASHAMBA L. MILLER- ANDERSON ..... Council Member
CEDRICK A. THOMAS ..... Council Member

ADMINISTRATION

City Manager
RUTH C. JONES

City Attorney
PAMALA HANNA RYAN, B.C.S.

Finance Director/Chief Financial Officer
RANDY M. SHERMAN, CPA, CTP, CGFO

Director of Public Works
BRYNT JOHNSON, CGC, LEED® AP

City Clerk
CLAUDINE L. ANTHONY, CMC

Financial Advisor
PUBLIC FINANCIAL MANAGEMENT, INC.
Coral Gables, Florida

Bond Counsel and Disclosure Counsel
GREENSPOON MARDER, P.A.
West Palm Beach, Florida

Independent Auditors
HCT CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS, LLC
Hollywood, Florida

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters purchasing the Series 2016 Bonds pursuant to the terms of the Official Notice of Sale (the "Underwriters") to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2016 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been obtained from public documents, records and other sources considered to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct. Any statement in this Official Statement involving estimates, assumptions and opinions, whether or not so expressly stated, are intended as such and are not to be construed as representations of fact. The Underwriters and the City expressly make no representation that such estimates, assumptions and opinions will be realized or fulfilled. Any information, estimates, assumptions and matters of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement, nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. *The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.*

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 2016 Bonds is made only by means of this entire Official Statement.

Certain statements included or incorporated by reference in this Official Statement, including the Appendices, 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.

THE SERIES 2016 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE EXEMPTION OF THE SERIES 2014 BONDS FROM REGISTRATION OR QUALIFICATION IN CERTAIN STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED OR RECOMMENDED THE SERIES 2016 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2016 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THIS OFFICIAL STATEMENT SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITERS AND ANY ONE OR MORE HOLDERS OF THE SERIES 2016 BONDS.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE WEBSITE: **WWW.MUNIOS.COM**. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

Certain information in this Official Statement has been provided by The Depository Trust Company, New York, New York ("DTC"). Neither the City nor the Underwriters have provided information in this Official Statement with respect to DTC and do not certify as to the accuracy or sufficiency of the disclosure policies of or content provided by DTC and are not responsible for the information provided by DTC.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED "FINAL" BY THE CITY AS OF ITS DATE WITHIN THE MEANING OF RULE 15(C)2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR PERMITTED OMISSIONS UNDER SUCH RULE.

TABLE OF CONTENTS

Page

INTRODUCTION 1
PURPOSE OF THE SERIES 2016 BONDS 2
ESTIMATED SOURCES AND USES OF FUNDS 3
- Sources 3
- Uses 3

DESCRIPTION OF THE SERIES 2016 BONDS 3
- General Description 3
- Registration, Transfer and Exchange 4
- Redemption Provisions 4

BOOK-ENTRY ONLY SYSTEM 5
SECURITY FOR THE SERIES 2016 BONDS 8
- General 8
- Pledged Funds 9
- Funds and Accounts 10
- Rate Covenant 13
- Additional Bonds; Refunding Bonds 15
- Subordinate Obligations 17
- Permitted Investments 17
- City Covenants 18

THE SYSTEM 19
- General 19
- Condition of the System 20
- Administration 20
- Government Regulations 21
- City of Riviera Beach Stormwater Master Plan 22
- Stormwater Management Utility Fee 22
- Stormwater Management System Revenues and Expenses 26

DEBT SERVICE REQUIREMENTS 27
PENSION AND RETIREMENT PLANS 28
- General 28
- Recent Plan Amendments. 28
- Actuarial Methods and Assumptions 29
- Investment Returns 31
- Florida Retirement System 33

OTHER POST EMPLOYMENT BENEFITS 35
- Funding Policy 36
- Plan Membership 36
- Actuarial Methods and Assumptions 36
- Funded Status and Funding Progress 37

ADDITIONAL INFORMATION 38

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TAX MATTERS 38
Exclusion of Interest on the Series 2016 Bonds from Gross Income for Federal Tax Purposes 38
[Tax Treatment of Original Issue Discount 39
[Tax Treatment of Original Issue Premium 39
Additional Federal Income Tax Consequences 40
Changes in Federal Tax Law 40
State of Florida Tax Treatment of the Series 2016 Bonds 41
CONTINUING DISCLOSURE 41
RATING 42
LEGAL MATTERS 43
ENFORCEABILITY OF REMEDIES 44
FINANCIAL ADVISOR 44
UNDERWRITING 44
CONTINGENT FEES 45
FINANCIAL STATEMENTS 45
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS 45
MISCELLANEOUS 46
AUTHORIZATION AND APPROVAL 46

APPENDICES

APPENDIX A SUPPLEMENTAL INFORMATION – CITY OF RIVIERA BEACH A-1
APPENDIX B COMPREHENSIVE ANNUAL FINANCIAL REPORT B-1
APPENDIX C FORM OF BOND COUNSEL OPINION C-1
APPENDIX D FORM OF THE RESOLUTION D-1

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OFFICIAL STATEMENT

$10,00,000*
CITY OF RIVIERA BEACH, FLORIDA
Stormwater Management Utility Revenue Bonds, Series 2016

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and the Appendices hereto, provides certain information regarding the City of Riviera Beach, Palm Beach County, Florida (the "City") and the sale by the City of its $10,000,000* Stormwater Management Utility Revenue Bonds, Series 2016 (the "Series 2016 Bonds"). The Series 2016 Bonds are being issued by the City pursuant to the Constitution and laws of the State of Florida (the "State"), including particularly Chapter 166, Florida Statutes, as amended, and Resolution No. __-16 (the "Bond Resolution"), as supplemented by Resolution No. __-16 (the "Series 2016 Supplemental Resolution" and, together with the Bond Resolution, the "Resolution"), each adopted by the City Council of the City on March 2, 2016. Capitalized terms not otherwise defined in this Official Statement shall have the meanings assigned to such terms in the Resolution. See "APPENDIX D - Form of the Resolution."

The City owns and maintains the System, which consists of a stormwater management system serving residents of the City of Riviera Beach and others within its service area (the "System"). See "THE SYSTEM." Proceeds of the Series 2016 Bonds will be used, together with other legally available funds of the City, to: (i) finance the cost of certain improvements to the System (the "Series 2016 Project"), and (ii) pay the costs of issuance of the Series 2016 Bonds. See "PURPOSE OF THE SERIES 2016 BONDS" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2016 Bonds are subject to redemption prior to maturity as described herein under "DESCRIPTION OF THE SERIES 2016 BONDS—Redemption Provisions." Additional Bonds may be issued on a parity with the Series 2016 Bonds under the Bond Resolution. See "SECURITY FOR THE SERIES 2016 BONDS - Additional Bonds" herein.

* Preliminary; subject to change

THE SERIES 2016 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, PALM BEACH COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER PROVISIONS OR LIMITATIONS, OR A PLEDGE OF THE FAITH AND CREDIT OF THE CITY, PALM BEACH COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF BUT SHALL BE PAYABLE FROM AND SECURED SOLELY BY THE PLEDGED FUNDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. NO BONDHOLDER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY, PALM BEACH COUNTY, FLORIDA, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF OR TAXATION IN ANY FORM ON ANY REAL OR PERSONAL PROPERTY TO PAY THE SERIES 2016 BONDS OR THE INTEREST THEREON, NOR SHALL ANY BONDHOLDER BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL OR INTEREST FROM ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED FUNDS, OR EVER HAVE A LIEN ON THE SERIES 2016 PROJECT OR ANY OTHER REAL OR PERSONAL PROPERTY OF THE CITY, EXCEPT FOR THE PLEDGED FUNDS, ALL IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION.

This Official Statement also includes summaries of, and references to, the Series 2016 Bonds, the Resolution, statutes, and various documents and instruments. The summaries of, and references to, the Series 2016 Bonds, the Resolution, statutes and various documents and instruments herein do not purport to be complete, comprehensive or definitive and each such summary and reference is qualified in its entirety by reference to the Series 2016 Bonds, the Resolution and the applicable document, statute, or instrument.

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

PURPOSE OF THE SERIES 2016 BONDS

The Series 2016 Bonds are being issued for the purpose of providing funds, together with other legally available funds of the City, to: (i) finance the cost of certain improvements to the System (the "Series 2016 Project"), and (ii) pay the costs of issuance of the Series 2016 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2016 Project will consist of certain stormwater management improvements throughout the City (the "Series 2016 Project") to complement a street resurfacing/ reconstruction program currently being undertaken by the City. The streets adjacent to the stormwater management improvements to be included in the Series 2016 Project are specifically identified in Exhibit A to the Series 2016 Supplemental Resolution. The stormwater management improvements will consist of replacement of pipe networks, catch basins and manholes, and installation of water quality improvements such as exfiltration trenches, debris baffles, baffle boxes, sedimentation basins and curbs and gutters.

ESTIMATED SOURCES AND USES OF FUNDS

The table below sets forth the expected sources and uses of proceeds of the Series 2016 Bonds.

Sources

Par Amount of Series 2016 Bonds	$_____
Plus / Minus Net Original Issue Premium / Discount	_____
Total Sources	$_____

Uses

Deposit to Construction Fund	$_____
Cost of Issuance, including Underwriters' Discount	_____
Total Uses	$_____

DESCRIPTION OF THE SERIES 2016 BONDS

General Description

The Series 2016 Bonds will be issued as fully registered bonds, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2016 Bonds. Individual purchases of the Series 2016 Bonds will be made in book-entry form only, and purchasers will not receive physical delivery of the Series 2016 Bonds or any certificate representing their beneficial ownership interest in the Series 2016 Bonds. See "BOOK-ENTRY ONLY SYSTEM."

The Series 2016 Bonds are available to purchasers in principal denominations of $5,000 or any integral multiple thereof. The Series 2016 Bonds will be dated as of the date of their initial issuance and will bear interest from that date at the rates (calculated based upon a year of 360 days consisting of twelve thirty-day months) and will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. Interest on the Series 2016 Bonds will be payable on each May 1 and November 1, commencing on November 1, 2016. U.S. Bank National Association will act as initial Paying Agent and Registrar for the Series 2016 Bonds.

Registration, Transfer and Exchange

The Registrar will keep books for the registration of transfers and exchanges of the Series 2016 Bonds. The City, the Registrar and the Paying Agent shall deem and treat the registered owner of any Series 2016 Bond as the absolute owner of such Series 2016 Bond for the purpose of receiving payment of principal of and interest due thereon and for all other purposes. In the event the book-entry only system of registration of the Series 2016 Bonds, described below under "BOOK-ENTRY ONLY SYSTEM." is discontinued, the Series 2016 Bonds will be subject to transfer and exchange as more fully described in the Resolution. See "APPENDIX D—Form of the Resolution."

Redemption Provisions

The Series 2016 Bonds are subject to redemption prior to maturity as described below:

Optional Redemption. The Series 2016 Bonds maturing on or before November 1, ____ will not be subject to optional redemption prior to maturity. The Bonds maturing on or after November 1, ____ are subject to redemption prior to maturity at the option of the City, in whole or in part, at any time on or after _____ 1, ____, and if in part, in maturities determined by the Issuer and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Series 2014 Bonds to be redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption.

The Series 2016 Bonds maturing on November 1, ____ (the "Term Bonds") are subject to mandatory redemption in part prior to maturity by lot, at redemption prices equal to 100% of the principal amount thereof plus interest accrued to the redemption date in the following principal amounts and on the following dates:

Year (November 1)	Amount
	*

* Final maturity; not a redemption

Notice of Redemption of the Series 2016 Bonds. Notice of redemption shall be given by the Paying Agent by the deposit in the U.S. mails of a copy of said redemption notice, postage prepaid, at least thirty (30) and not more than sixty (60) days before the redemption date to all registered owners of the Series 2016 Bonds or portions of Series 2016 Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the

provisions hereof. Failure to give any such notice to a registered owner of a Series 2016 Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Series 2016 Bond or portion thereof with respect to which no failure or defect occurred. So long as the Series 2016 Bonds are registered in book-entry form, notices of redemption will be given by the Paying Agent only to DTC. See "BOOK-ENTRY ONLY SYSTEM."

Each notice shall set forth the date fixed for redemption for each Series 2016 Bond being redeemed, the redemption price to be paid, the date of publication, if any, of a notice of redemption, the name and address of the Registrar and, if less than all of the Series 2016 Bonds then Outstanding shall be called for redemption, the Series, the distinctive numbers and letters, including CUSIP numbers, if any, of such Series 2016 Bonds to be redeemed and, in the case of Series 2016 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2016 Bond is to be redeemed in part only, the notice of redemption which relates to such Series 2016 Bond shall also state that on or after the redemption date, upon surrender of such Series 2016 Bond, a new Series 2016 Bond or Series 2016 Bonds in a principal amount equal to the unredeemed portion of such Series 2016 Bond will be issued.

Any notice mailed as described in this section shall be conclusively presumed to have been duly given, whether or not the owner of such Series 2016 Bond receives such notice.

Failure to mail any such notice (or any defect therein) to one or more Bondholders will not affect the validity of any proceedings for such redemption with respect to Bondholders to which notice was duly mailed.

Any Series 2016 Bonds which have been duly selected for redemption and for which funds have been set aside with the Paying Agent will cease to bear interest on the specified redemption date.

BOOK-ENTRY ONLY SYSTEM

The following contains a description of the procedures and operations of DTC and is based upon information provided by DTC. Neither the City nor the Underwriters have independently investigated or verified such procedures and operations and assume no responsibility for the accuracy or completeness of the description thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2016 Bonds. The Series 2016 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 fully registered certificate will be issued for each maturity of the Series 2016 Bonds, as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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. DTC holds and provides asset servicing for over 3.6 million issues of 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 participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 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 Series 2016 Bonds, except in the event that use of the book-entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 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 Series 2016 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 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 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.

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 Series 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to documents securing the Series 2016 Bonds. For example, Beneficial Owners of Series 2016 Bonds may wish to ascertain that the nominee holding the Series 2016 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 2016 Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

The principal and interest payments on the Series 2016 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 City or the Paying Agent on the payment 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 Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal of and interest payments on the Series 2016 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, 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.

DTC may discontinue providing its services as securities depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2016 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2016 Bond certificates will be printed and delivered to DTC. Thereafter, Series 2016 Bond certificates may be transferred and exchanged as described in the Bond Resolution. See "APPENDIX D - Form of the Resolution."

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2016 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDERS OF THE SERIES 2016 BONDS OR REGISTERED OWNERS OF THE SERIES 2016 BONDS SHALL MEAN DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2016 BONDS.

The City can make no assurances that DTC will distribute payments of principal of, redemption price, if any, or interest on the Series 2016 Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of or interest on the Series 2016 Bonds or redemption notices to the Beneficial Owners of such Series 2016 Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Official Statement. The City is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect to the Series 2016 Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the Series 2016 Bonds and the manner of transferring or pledging those interests are subject to applicable state law. Holders of beneficial interests in the Series 2016 Bonds may want to discuss the manner of transferring or pledging their interest in the Series 2016 Bonds with their legal advisors.

NEITHER THE CITY NOR THE PAYING AGENT SHALL HAVE ANY OBLIGATION WITH RESPECT TO ANY DTC PARTICIPANT OR BENEFICIAL OWNER OF THE SERIES 2016 BONDS DURING SUCH TIME AS THE SERIES 2016 BONDS ARE REGISTERED IN THE NAME OF A SECURITIES DEPOSITORY PURSUANT TO A BOOK-ENTRY SYSTEM.

SECURITY FOR THE SERIES 2016 BONDS

General

THE SERIES 2016 BONDS AND THE INTEREST THEREON ARE SPECIAL OBLIGATIONS OF THE CITY AND ARE PAYABLE FROM AND SECURED BY A LIEN ON AND PLEDGE OF THE PLEDGED FUNDS, TO THE EXTENT AND IN THE MANNER SET FORTH IN THE RESOLUTION, AND AS SUCH, THE SERIES 2016 BONDS WILL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY, PALM BEACH COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OF INDEBTEDNESS. NO HOLDER OF THE SERIES 2016 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE LEVY OF AD VALOREM TAXES TO PAY PRINCIPAL OR INTEREST ON THE SERIES 2016 BONDS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, PALM BEACH COUNTY, THE STATE OF FLORIDA OR ANY

POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE SERIES 2016 BONDS.

Until payment has been provided for, the payment of the principal of and interest on the Series 2016 Bonds shall be secured equally and ratably by a first lien on the Pledged Funds on parity with the lien on the Pledged Funds in favor of the holders of any Additional Bonds and hereafter issued under the Bond Resolution. See "Additional Bonds" below. The Series 2016 Bonds and any Additional Bonds are sometimes referred to collectively herein as the "Bonds." For the definition of capitalized terms not defined in this section, see APPENDIX D - Form of the Resolution."

Pledged Funds

"Pledged Funds" is defined in the Resolution to mean (1) Gross Revenues, (2) Impact Fees that may legally be used for the payment of debt service, and (3) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts established thereunder, except the Rebate Fund. Additionally, each account in the Reserve Fund is pledged to the payment of the Series of Bonds for which such account was established unless provided otherwise by subsequent proceedings of the Issuer.

"Gross Revenues" is defined in the Resolution to mean all rates, fees, and charges, and all other income or earnings derived by the City from the ownership, operation, leasing or use of the System, or any part thereof including Guaranteed Revenues, moneys received by the City as Termination Payments or Risk Management Payments, Special Assessments not securing Special Assessment Bonds, the proceeds of any business interruption insurance carried by the City with respect to the System, unrestricted moneys or moneys received by the City with respect to the System for operating purposes from federal, state or local governmental grants or stipends, and any realized income from the investment of moneys in the funds and accounts created under the Resolution and required to be deposited into the Revenue Fund or Debt Service Fund, but excluding moneys on deposit in the Construction Fund and the Rebate Fund, but shall not include (i) proceeds from the sale of any Bonds or other obligations of the City relating to the System, (ii) Impact Fees, (iii) customer deposits or interest earnings thereon, (iv) moneys received by the City relating to the System for capital projects from federal, state or local governmental grants or stipends, (v) proceeds from hazard insurance, condemnation awards or proceeds from the sale of all or a part of the System, (vii) Special Assessments securing Special Assessment Bonds, (viii) revenues or income received in connection with a Special Purpose Project, or (ix) Federal Direct Payments.

"System" is defined in the Resolution to mean the existing stormwater management system of the City and all improvements thereto, to be operated as an enterprise fund of the City to, among other things, conserve water, control discharges necessitated by rainfall events, incorporate methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over-drainage, environmental degradation and water pollution or otherwise affect the quality and quantity of discharge from such system, including but not limited to catch

basins, maintenance access structures, canals, retention areas, detention areas and piping network, and all parts and components thereof or interests therein, owned, operated or used by the City, and all such parts and components hereafter constructed, contracted for or acquired, the improvements, extensions and additions thereto to be constructed or acquired either from the proceeds of the Bonds authorized by the Bond Resolution or from any other sources, together with all land and interests therein, plants, buildings, machinery, franchises, pipes, fixtures, equipment, contract rights and all property, real or personal, tangible or intangible, now or hereafter owned, operated or used by the City in connection therewith.

Funds and Accounts

Establishment of Funds and Accounts

The Bond Resolution establishes the following funds and accounts:

1. The "Stormwater Management Utility Revenue Bond Acquisition and Construction Fund" (the "Construction Fund")

2. The "Stormwater Management Utility Revenue Fund" (the "Revenue Fund");

3. The "Stormwater Management Utility Debt Service Fund" (the "Debt Service Fund");

4. The "Stormwater Management Utility Reserve Fund" (the "Reserve Fund");

5. The "Stormwater Management Utility Surplus Fund" (the "Surplus Fund");

6. The "Stormwater Management Utility Impact Fee Fund" (the "Impact Fee Fund");

7. The "Stormwater Management Utility Subordinated Indebtedness Fund" (the "Subordinated Indebtedness Fund"); and

8. The "Stormwater Management Utility Rebate Fund" (the "Rebate Fund").

Such funds and accounts constitute trust funds for the purposes provided in the Resolution, shall be delivered to and held by the Finance Director (or an Authorized Depository designated by the Finance Director), in each case who shall act as trustee of such funds for the purposes hereof, shall (except for the Rebate Fund and the Impact Fee Fund, except to the extent legally available to pay debt service on the Bonds) be subject to a lien and charge in favor of the Holders and registered owners of the Bonds, and shall at all times be kept separate and distinct from all other funds of the Issuer and used only as herein provided.

Flow of Funds

The Bond Resolution requires that, commencing on the day following the delivery of the first Series of Bonds issued under the Bond Resolution, except as otherwise provided therein, all

Gross Revenues shall be deposited by the Issuer into the Revenue Fund immediately upon receipt. Moneys in the Revenue Fund shall be disposed of on or before the 20th day of each month, only in the following order of priority:

(a) Gross Revenues shall first be used, to the full extent necessary, for deposit into the Debt Service Fund beginning, with respect to interest on a Series of Bonds, with the twentieth (20th) day of the first full calendar month following the date on which any or all of the Bonds of such Series are delivered to the purchaser thereof and beginning with respect to principal or Accreted Value on the Bonds, on the twelfth (12th) month prior to the first Amortization Installment, or first maturity of such Bonds, such sums as shall be sufficient to pay one-sixth (1/6th) of the interest becoming due on the Bonds on the next semiannual Interest Payment Date and one-twelfth (1/12) of the principal amount or Accreted Value of the Serial Bonds which will mature and become due on the next annual maturity date and sufficient to pay one-sixth (l/6th) or one-twelfth (l/12th), as applicable, of the Amortization Installment of Term Bonds; provided, however, that such monthly deposits for interest shall not be required to be made into the Debt Service Fund to the extent that money is on deposit therein or moneys are allocated thereto under the appropriate capitalized interest sub-account within the Construction Fund for such purpose; and provided further, that in the event the Issuer has issued Variable Rate Bonds pursuant to the provisions of the Resolution, Revenues shall be deposited at such other or additional times and amounts as necessary to pay the interest and principal becoming due on such Variable Rate Bonds on the next Interest Payment Date, all in the manner provided in the Supplemental Resolution authorizing such Variable Rate Bonds. In the event that the period to elapse between the date of the delivery of a Series of Bonds and the next Interest Payment Date will be less or more than six (6) months, then such monthly payments shall be increased or decreased accordingly in sufficient amounts to provide the required semiannual interest on the next Interest Payment Date.

(b) Moneys in the Revenue Fund shall next be used to pay the Cost of Operation and Maintenance for the month following the date of deposit.

(c) To the extent not funded from Bond proceeds or covered by a Reserve Product, Revenues shall next be used on a pro rata basis, to the full extent necessary, for deposits into each of the accounts within the Reserve Fund, such sums as shall be sufficient, taking into account moneys on deposit therein, to equal the applicable Debt Service Reserve Requirement for each Series of Bonds; provided, however, that no payments shall be required to be made into the applicable accounts within the Reserve Fund whenever and as long as the amount deposited therein shall be equal to the Debt Service Reserve Requirement for such one or more Series of Bonds to which each such account within the Reserve Fund relates; provided further, however, that if Revenues are insufficient to make the required deposits into the applicable accounts within the Reserve Fund, such Revenues, which are available, will be deposited therein on a pro rata basis.

(d) Revenues shall next be used for the repayment of any obligations owed to the Reserve Product Providers (pro rata, if necessary).

(e) Revenues shall next be deposited into the Subordinated Indebtedness Fund, an amount which will enable the City to pay the principal, premium, if any, and interest payable on any Subordinated Indebtedness as the same shall become due in accordance with the instrument pursuant to which such Subordinate Indebtedness is issued. Notwithstanding such deposits, Holders of the Bonds shall have a first lien on the moneys and Investment Obligations on deposit in the Subordinated Indebtedness Fund.

(f) Thereafter, the balance of any Revenues remaining in the Revenue Fund shall be deposited in the Surplus Account.

Notwithstanding the foregoing, to the extent amounts on deposit in the Rebate Fund are insufficient to pay the amounts then due in accordance with the applicable Tax Certificate, the City shall deposit into the Rebate Fund additional moneys from Revenues in the amount of any such deficiency prior to making the deposits required above.

The Debt Service Fund, the Reserve Fund and all accounts therein, the Surplus Fund, the Impact Fee Fund (but only to the extent that amounts on deposit therein may legally used to pay debt service on the Bonds) and all other special funds and accounts created and established by the Bond Resolution, other than the Rebate Fund, shall constitute trust funds for the Holders of the Bonds, except that any account within the Reserve Fund shall only constitute a trust fund for the Holders of the one or more Series of Bonds for which such account within the Reserve Fund relates. The amounts required to be accounted for in each of the funds and accounts designated in the Bond Resolution (other than the Rebate Fund) may be deposited in a single bank account maintained by the City, provided that adequate accounting procedures are maintained to reflect and control the restricted allocations of the amounts on deposit therein for the various purposes of such funds and accounts as herein provided. The designation and establishment of funds and accounts in and by the Bond Resolution shall not be construed to require the establishment of any completely independent funds and accounts but rather is intended solely to constitute an allocation of certain revenues and assets of the System for certain purposes and to establish such certain priorities for application of certain revenues and assets as in the Bond Resolution provided.

Application of Monies in Reserve Fund

The Bond Resolution defines the "Debt Reserve Account Requirement" to mean, with respect to each Series of Bonds, unless provided otherwise by subsequent proceedings of the City, an amount equal to the lesser of (i) the maximum amount of principal of and interest on the Bonds of such Series becoming due in the current or any succeeding Fiscal Year, or (ii) one hundred twenty-five percent (125%) of the average annual amount of principal of and interest on such Bonds, or (iii) ten percent (10%) of the principal amount of the Bonds of such Series or the issue price of such Bonds, if the Bonds of such Series have more than a de minimis amount of original issue discount or premium (as such terms are used under the Code for such purpose). All or a portion of such Debt Service Reserve Requirement may be satisfied by obtaining a Reserve Product with the requisite coverage.

Unless provided otherwise by Supplemental Resolution, each account within the Reserve Fund shall be used only for the purpose of making payments into the Debt Service Fund, as such payments relate to debt service on any of the Series of Bonds for which such account within the Reserve Fund was created when the moneys in the Revenue Fund, the Renewal and Replacement Fund and General Reserve and Surplus Fund and the Impact Fee Fund (but only to the extent that amounts on deposit therein may legally used to pay debt service on the Bonds) are insufficient therefor, provided, however, that moneys on deposit in an account within the Reserve Fund may, upon final maturity of the Series of Bonds for which such account within the Reserve Fund was created, be used to pay principal of and interest on such Series of Bonds.

See "APPENDIX D – Form of the Resolution" for a detailed description of the requirements relating to the Reserve Fund, including the deposit into a Reserve Account of a Reserve Product in connection with the issuance of a Series of Bonds.

No Series 2016 Reserve Account.

The Series 2016 Bonds represent the first Series of Bonds issued under the Bond Resolution and no Debt Service Requirement is established in connection with the issuance of the Series 2016 Bonds. **As a result, no moneys have been or will be deposited into the Reserve Fund and no separate Reserve Account for the Series 2016 Bonds has been or will be created. Unless provided otherwise by Supplemental Resolution, any amount deposited in the Reserve Fund to secure a future Series of Bonds will be for the benefit of the holders of such Series of Bonds and not for the benefit of the holders of the Series 2016 Bonds.**

Application of Monies in Surplus Account

Monies in the Surplus Account may be used for any lawful purpose of the City, including, but not limited to, paying any portion of the Cost of Operation and Maintenance; provided, however, that none of such Revenues shall ever be used for such purposes unless all payments required in subsections (a) through (e) in "Flow of Funds" above, including any deficiencies for prior payments, have been made in full to the date of such use; provided further, however, that the moneys in the Surplus Account shall be used for payment into the Debt Service Fund and the Reserve Fund (pro rata, if necessary) whenever the moneys in the Revenue Fund are insufficient therefor.

Rate Covenant

The following provisions relate to the Rate Covenant of the City as set forth in Section 4.8 of the Bond Resolution:

The City will fix, establish and maintain such rates and collect such fees, rentals or other charges for the services and Facilities of the System, and revise the same from time to time whenever necessary, as will always provide in each Fiscal Year Gross Revenues which shall be at least equal to one hundred twenty five percent (125%) of the Annual Debt Service Requirement for the Bonds; provided that such Gross Revenues shall be sufficient to make all of

the payments required by the terms of this Resolution. For purposes of this Section, Annual Debt Service Requirement shall include amounts necessary to reimburse each Credit Facility Issuer, Liquidity Facility Issuer and Reserve Product Provider hereunder as provided herein.

In the event such ratio, as calculated at the end of any Fiscal Year, is not at least that which is required for such Fiscal Year by this Section, the City will engage a Consultant within thirty (30) days of the City's receipt of the annual audit showing such noncompliance, to provide a report (a "Consultant Report") that sets forth, in detail, the reasons why the City failed to attain the required ratio and the specific plan of correction with regard to increasing such ratio for subsequent Fiscal Years to at least the level required by the Resolution. Promptly upon receipt of said report, the Chief Financial Officer shall submit a written report to the City Council recommending the corrective action necessary to provide the required debt service coverage ratio. Notwithstanding the foregoing, so long as the City shall engage a Consultant to provide such a Consultant Report and shall, to the extent practicable, carry out the corrective action set forth therein, and the City shall maintain, at all times, Net Revenues equal to at least one hundred percent (100%) of the Annual Debt Service Requirement for the Bonds, this covenant shall be deemed to have been complied with, even if such ratio is below the applicable level specified above.

For purposes of the Rate Covenant described above and the Additional Bonds test described below, "Annual Debt Service Requirement" means, at any time, the amount required to be deposited in the then current Fiscal Year into the Debt Service Fund, as provided in the Bond Resolution; provided, however, that such amount shall be reduced by any accrued or capitalized interest for that year deposited in the Debt Service Fund, or any earnings or investment income in the then current Fiscal Year on moneys and investments on deposit in any fund or account created and established under the Bond Resolution and transferred to the Debt Service Fund, as provided in the Bond Resolution; and provided further, however, that in computing such Annual Debt Service Requirement for any future period (other than in connection with determining the Debt Service Reserve Requirement), any Variable Rate Bonds shall be deemed to bear interest at all times to the maturity thereof at a fixed rate of interest equal to 110% of the greater of (a) the average interest rate on such Variable Rate Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Bonds shall have been Outstanding, or (b) the rate of interest on such Variable Rate Bonds on the date of calculation. If any Series of Bonds has 25% or more of aggregate principal amount of such Series coming due in any one year, the Annual Debt Service Requirement shall be determined for such Series during such period of time as if the principal of and interest on such Series were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of 25 years from the date of calculation. For the purpose of this definition, the amount to be deposited to the aforementioned Debt Service Fund with respect to Capital Appreciation Bonds, Capital Appreciation and Income Bonds, or, if applicable, Termination Payments and Risk Management Payments shall be the amounts set forth in subsequent proceedings of the Issuer. For purposes of any rate covenant and the requirements for issuance of Additional Bonds contained in the Bond Resolution, Annual Debt Service Requirement shall be calculated by subtracting any Federal Direct Payments paid or required to be paid by the United States of America.

Additional Bonds; Refunding Bonds

Additional Bonds may be issued under the Bond Resolution from time to time on a parity with the Series 2016 Bonds and any other Additional Bonds issued under the Bond Resolution and then Outstanding, subject to the conditions hereinafter provided, for the purpose of providing funds, together with other legally available funds, to pay all or any part of the Cost of a Project or to refund any Series of Outstanding Bonds.

Except as otherwise provided in this section, no Series of Additional Bonds may be issued under the Bond Resolution unless the City shall first have complied with the requirements described below.

(A) There shall have been obtained and filed with the City Council a certificate signed by a Consultant which may include an independent certified public accountant (who may rely on a certificate of the Engineer of Record with regard to the matters set forth in (1) and (2) below and who may rely on the audited financial statements of the City or a certificate from the City's independent certified public accountant with regard to the actual Gross Revenues and the matters set forth in (5) below), which shall state and certify the following:

(1) With respect to any Project, the cost of which is to be paid in whole or in part from the proceeds of such Additional Bonds, the date on which such Project is expected to commence, the anticipated construction and disbursement schedule with respect thereto and the date on which such Project is expected to be placed in service;

(2) The cost of such Project, itemizing separately the expected financing costs of such Bonds issued to pay the cost thereof, the required deposits, if any, into the Reserve Fund from Bond proceeds and any capitalized interest to be funded from Bond proceeds;

(3) The actual Gross Revenues received by the City for the most recent Fiscal Year for which audited financial statements are available (the “Computation Period”) and the annual Gross Revenues expected to be received by the City in the Fiscal Year in which such Additional Bonds are proposed to be issued and in each successive Fiscal Year thereafter, to and including the Fiscal Year in which such Project is estimated to be placed in operation (the "Applicable Fiscal Years") taking into account increases in Gross Revenues as a result of (i) new customers of the System attributable to an stormwater management system to be acquired with such Additional Bonds, had the acquisition occurred at the beginning of the Computation Period, (ii) new property owners that by ordinance, resolution, agreement, law or regulation will be required to pay the fees and charges of the System during any of the Applicable Fiscal Years, and (iii) any changes in the rate schedules for customers and users of the System which the City shall then have in effect, or has enacted by ordinance or resolution on or before the date of such certificate and which will be in effect during the Applicable Fiscal Years, or any of them, had such rate changes been effective on the first day of the Computation Period (such Gross Revenues as so adjusted being referred to herein as the "Adjusted Gross Revenues");

(4) The aggregate amount of funds, if any, to be transferred from available moneys of the City and from grants, contributions in aid of construction and investment income, if any, that the City reasonably expects to receive or make available to pay the Cost of such Project;

(5) The amount of the Maximum Annual Debt Service Requirement for any Fiscal Year thereafter on account of all Bonds then outstanding under this Resolution and the Additional Bonds proposed to be issued hereunder; and

(6) Based upon the foregoing, such Consultant is of the opinion that the Adjusted Gross Revenues in each of the Applicable Fiscal Years will be at least equal to one hundred twenty five percent (125%) of the Maximum Annual Debt Service Requirement referred to in subsection (5) above.

Provided, however, that if the Gross Revenues for the Computation Period equal at least one hundred twenty five percent (125%) of the Maximum Annual Debt Service Requirement referred to in subsection (5) above, Additional Bonds may be issued without the necessity of performing the calculations described in subsection (3) above.

(B) There shall be obtained and filed with the City Council a certificate from the Engineer of Record for the Project that the balance of the funds in the special account in the Construction Fund created for such Project, together with net proceeds from such Additional Bonds and the other funds referred to in subparagraph (4) above, will be sufficient to pay the Cost of such Project remaining unpaid.

(C) In addition to the foregoing, the City may issue Refunding Bonds at any time and from time to time without the necessity of complying with the requirements contained in subparagraph (B) above. In addition, Refunding Bonds may be issued without the necessity of complying with the requirements contained in subparagraph (A) above, provided that prior to the issuance of such Refunding Bonds there shall be filed with the City a certificate from an independent certified public accountant to the effect that the net proceeds from such Refunding Bonds will be sufficient to cause the lien created by this Resolution with respect to the Bonds to be refunded to be discharged and either (i) the present value of the Annual Debt Service Requirement with respect to such Refunding Bonds is less than the present value with respect to the Bonds which would have been Outstanding had the same not been refunded pursuant to this Section, or (ii) the Annual Debt Service Requirement with respect to such Refunding Bonds in each Fiscal Year following the issuance thereof shall be equal to or less than the Annual Debt Service Requirement for such Fiscal Year with respect to the Bonds which would have been Outstanding in that Fiscal Year had the same not been refunded pursuant to this Section. In addition, prior to the issuance of such Refunding Bonds, there shall be filed with the City an opinion of Bond Counsel to the effect that (i) the proceeds from the sale of such Refunding Bonds have been set aside in irrevocable escrow for the payment of the Bonds to be refunded in the manner described in Section 4.11 hereof, and (ii) the issuance of such Refunding Bonds and the use of the proceeds thereof as described above will not have the effect of causing the interest on any Bond then Outstanding (including the Bonds to be refunded), other than Taxable Bonds, to become included in gross income for federal income tax purposes.

(D) The Chief Financial Officer shall certify that the City is not in material default in the performance of any of the covenants and obligations assumed by it under this Resolution, as the same may have been theretofore amended, and that all payments herein required to have been made into the funds and accounts provided herein shall have been made in full.

(E) The City Attorney shall submit an opinion to the City to the effect that the issuance of such Bonds has been duly authorized and that all conditions precedent to the delivery of such Bonds have been fulfilled.

(F) Each Supplemental Resolution authorizing the issuance of such Bonds shall recite that all of the covenants contained in the Bond Resolution will be fully applicable to such Bonds as if originally issued hereunder.

Additional Bonds issued pursuant to the terms and conditions described above shall be deemed on a parity with all Bonds then Outstanding, and all of the covenants and other provisions of the Bond Resolution shall be for the equal benefit, protection and security of the holders of any Bonds originally authorized and issued pursuant to the Bond Resolution and the holders of any Bonds evidencing additional obligations subsequently created within the limitations of and in compliance with the terms and conditions described above; provided, however, that the right of a counter-party to receive any Risk Management Payments in excess of the rate of interest borne by the Bonds to which the related risk management facility relates shall not be deemed to be on a parity with the rights of the holders of the Bonds and shall be subordinate thereto, unless such excess interest payments are included in the calculation of the Maximum Annual Debt Service Requirement pursuant to the Bond Resolution.

Subordinate Obligations

In addition to the Bonds authorized pursuant to the provisions of the Bond Resolution, and to the extent permitted by the laws of the State from to time to time in effect, the Issuer may issue Subordinated Indebtedness; provided, however, that any Subordinated Indebtedness shall be payable solely out of moneys deposited into the Subordinated Indebtedness Fund created hereunder.

Permitted Investments

Moneys on deposit in the Revenue Fund, the Surplus Fund, the Subordinated Indebtedness Fund, the Rebate Fund and the Impact Fee Fund may be invested in the U. S. Obligations or any other Investment Obligations (both as defined in the Bond Resolution) maturing not later than such date or dates as the Issuer shall determine.

The income and investment earnings derived from the moneys and investments on deposit in the Debt Service Fund shall be retained therein. Any investment earnings on deposit in the Reserve Fund or any accounts therein in excess of the applicable Debt Service Reserve Requirement shall be deposited in the Debt Service Fund, and such income and investment earnings shall be credited against the amount of Revenues required to be deposited in the Debt

Service Fund. Subject to the requirements under the Code and the Tax Certificate, all income and earnings received from the investment and reinvestment of money on deposit in the Surplus Fund and the Revenue Fund shall be transferred to or retained in the Revenue Fund, as the case may be, and used in the same manner as other moneys on deposit therein. All income and earnings received from the investment and reinvestment of moneys on deposit in the Impact Fee Fund shall be retained in such funds and used in the same manner as other moneys on deposit therein. All income and earnings received from the investment and reinvestment of moneys on deposit in the Rebate Fund shall be retained in such fund and used in the same manner as other moneys on deposit therein.

The value of Investment Obligations on deposit in the funds and accounts created and established under the Bond Resolution, other than any account within the Reserve Fund, shall be the lower of par, or if purchased at other than par, amortized value. Amortized value, when used with respect to securities purchased at a premium above or a discount below par, shall mean the value at any given date obtained by dividing the total premium or discount at which such securities were purchased by the number of interest payment dates remaining to maturity on such securities after such purchase, and by multiplying the amount so calculated by the number of interest payment dates having passed since the date of purchase; and (i) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of securities purchased at a discount, by adding the product thus obtained to the purchase price. The method of determining the value of Investment Obligations on deposit in any of the accounts within the Reserve Fund and for any other investment made under the bond Resolution for federal income tax purposes, shall be determined by the applicable provisions of the Code and the Tax Certificate.

City Covenants

The City has covenanted in the Bond Resolution that while the Series 2016 Bonds remain Outstanding, among other things, it will: (i) not render or cause to be rendered any free service, (ii) not establish any preferential rates for users of the same class with regard to the System, (iii) maintain the System in good condition, and operate it in an efficient and economical manner and at a reasonable cost, (iv) not lease, sell or encumber the System, except as permitted by the Bond Resolution, (v) enforce collections of Gross Revenues, (vi) not provide or permit competing facilities within its jurisdiction except as permitted in the Bond Resolution, (vii) maintain sufficient insurance on the System in accordance with the Bond Resolution, (viii) discharge all taxes or assessments or other governmental charges levied against the System in a timely manner, (ix) maintain its existence, (xi) not sell or otherwise dispose of all or any part of the System except as permitted in the Bond Resolution, and (xi) not take any action that will adversely affect the tax-exempt status of the Series 2016 Bonds.

THE SYSTEM

General

The City created the Stormwater Management Utility in 2003 to provide a dedicated funding source to finance the City's stormwater maintenance and improvement programs. Prior to the creation of the Stormwater Management Utility, the City had financed stormwater maintenance and improvements through its General Fund.

The City's stormwater management system consists of City canals as well as local drainage collection pipes and swales along the road grids and stormwater storage areas to retain or detain runoff volume to attenuate peak discharge rates to the receiving drainage systems during a rainfall event. All of the City canals drain to the South Florida Water Management District ("SFWMD") C-17 Canal with the exception of the RC-4 Canal, which discharges directly into the Lake Worth Lagoon ("Intracoastal Waterway" or "ICW"). Except for the tidally controlled areas that are directly adjacent to the ICW, the City's drainage system is controlled by the C-17 Canal's tailwater stage, which is controlled by the SFWMD.

Stormwater drainage in the City is primarily collected by catch basins and conveyed by drainage pipes and manmade canals. The major conveyance system in the City includes the SFWMD's C-17 Canal, which within the City receives drainage discharges from the City canals and the Northern Palm Beach County Improvement District ("NPBCID") canals. The City operates five major drainage canal systems. RC-1, RC-2, RC-3, RC-4 and RC-5. The RC-3 canal joins RC-1 just south of the West 13th Street culvert. The RC-2 canal also receives stormwater runoff from a drainage area of approximately 78.8 acres on the neighboring Town of Mangonia Park. Except for the RC-4, the City canals all discharge into the SFWMD C-17 Canal - a regional canal that runs through northeastern Palm Beach County and eventually discharges into the ICW. The length and drainage area of the City canals are set forth in the following table:

CITY OF RIVIERA BEACH DRAINAGE AREAS AND LENGTHS

Drainage Canal	Canal Length (feet)	Canal Drainage Area (acres)
RC-1	11,565	728
RC-2	8,600	338
RC-3	2,500	192
RC-4	6,750	552
RC-5	4,600	119

In addition to the City canals, the System includes the following:

(a) a limited stormwater drainage network in a part of the City known as Singer Island, which is between the ICW and the Atlantic Ocean, and which includes many individual pipes that drain directly to the ICW;

(b) portions of the City along Blue Heron Boulevard that drain directly into the SFWMD C-17 Canal;

(c) small individual drainage systems that are controlled by the ICW tidal conditions serving the eastern portion of the City, specifically east of Dixie Highway, and most areas of Singer Island, that drain either into the RC-4 Canal or directly into the ICW;

(d) the drainage systems on the City roads in areas of the City west of the SFWMD C-17 Canal which drain into the NPBCID canals; and

(e) drainage infrastructure collecting stormwater runoff from local streets draining into the drainage facilities described above.

Condition of the System

There has been no independent evaluation of the condition of the System since 2008. In the opinion of the City, the major components of the System are in good working order, although many of the drainage pipes that collect stormwater and carry it to the canals and the ICW are either at or near the end of their useful life, depending on when they were installed and whether they are constructed of corrugated metal or concrete. The replacement of some of these pipes is part of the Series 2016 Project. Other pipes and system components will be replaced as funds become available, either from stormwater management fees or other sources.

Administration

Organization and Management.

The System is a division of the City's Department of Public Works. The Director of Public Works reports to the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City and for appointing the heads of the City's departments. The City Manager is hired by the City Council. Policy-making and legislative authority are vested in the City Council. There is a Mayor; the Mayor does not vote, but the Mayor has appointment power in some matters and veto power in other matters, and has the authority to take disciplinary action. See "Appendix A – Supplemental Information - City of Riviera Beach – City Government."

Certain administrative services for the System are provided by other departments of the City. The Stormwater Fund is charged an administrative charge by the General Fund of the City, reimbursing the General Fund for the Stormwater Fund portion of certain administrative functions such as the City Manager, City Attorney, City Public Works, Finance, Human Resources and City Clerk. Such charges are reflected as Costs of Operation and Maintenance payable from the Stormwater Fund.

Personnel. The System has approximately 10 employees. The employees, excluding the Director of Public Works and the City Engineer, are members of the Service Employees

International Union. The following are the key employees of the City responsible for the operation and maintenance of the System.

Brynt D. Johnson, CGC, LEED® AP, Director of Public Works. Mr. Johnson has been the City's Director of Public Works since 2008. He is responsible for managing the six (6) divisions of the City's Public Works Department, which has over 50 full and part time employees. He also manages the Public Works Department's operating budget, including the budget for the System. Prior to joining the City, Mr. Johnson worked for five (5) years as a Senior Construction Specialist/Project Manager for a consulting engineering firm in Pembroke Pines, and prior to that in various positions in the consulting engineering field. Mr. Johnson received his B.A. from Florida Atlantic University and his Master of Project Management from Pennsylvania State University. He is also a State of Florida licensed General Contractor.

Terrence N. Bailey, P.E., LEED® AP, City Engineer. Mr. Bailey has been the City Engineer since October of 2011. He supervises staff responsible for preparation of a variety of estimates, designs and specifications for capital improvement projects, investigates and takes corrective actions on drainage, paving, traffic and lighting complaints, and reviews and approves subdivision, site and construction plans, and specifications for code conformance. Prior to becoming City Engineer, Mr. Bailey worked for four (4) years as a Professional Services Supervisor and Senior Project Administrator for a large Florida school district, and prior to that for approximately eight (8) years with consulting engineering firms with governmental clients. Mr. Bailey has a Bachelor of Science in Civil Engineering from the University of Florida, and is a State of Florida licensed Professional Engineer. He reports to the Director of Public Works.

Training Programs and Certifications.

The City maintains an active training program for the System field crews and operations and maintenance staff, including 2 one hour safety meetings every month. The employees of the system are not required to be certified; however, all System employees have obtained the Florida Stormwater Association (FSA) Stormwater Operator Level 1 and Level 2 Certifications. A majority of employees in the System have also received the 10 Hour Occupational Safety and Health Administration (OSHA) Certification. Employees in the System have also received extensive confined space training.

Government Regulations

The System is regulated by the Florida Department of Environmental Protection ("FDEP") and operates under a Phase I National Pollutant Discharge Elimination System ("NPDES") Municipal Separate Storm Sewer System ("MS4") permit issued by FDEP (the "NPDES MS4 Permit"). The City is a co-permittee under the NPBCID's NPDES MS4 Permit. The City is subject to, and has continually complied with, independent annual reporting requirements for each calendar year and is required to file an NPDES MS4 Permit Annual Report with FDEP. The current NPDES MS4 Permit was issued to the City in 1996 and is renewable annually. In addition to the NPDES MS4 Permit, the System must obtain and operate under various permits that are project specific.

The NPDES MS4 Permit requires water quality monitoring, public education, re-evaluation of what is considered a major outfall, street sweeping sampling, additional inspections, and response actions to impaired waterways. The street sweeping debris is sampled and tested for pollutants in accordance with NPDES MS4 Permit requirements and FDEP regulations.

FDEP could impose additional or more stringent guidelines under the NPDES MS4 Permit relating to water quality, public outreach and reporting that could increase operating and maintenance costs and/or require capital improvements to the System. The cost of compliance with such guidelines, if significant, could adversely affect the City's ability to comply with its obligations under the Resolution.

City of Riviera Beach Stormwater Master Plan

In 2009, the City adopted a Stormwater Master Plan (the "Master Plan"). The Master Plan is intended to provide the City with long-range stormwater management system planning which takes into account future conditions within entire drainage basins as opposed to incremental planning and construction based on short-term or localized conditions. The Master Plan recommended a Capital Improvement Program ("CIP"), which includes 42 prioritized projects designed to achieve local or regional drainage and water quality improvement benefits. The Master Plan estimates that approximately $20.8 million (in 2008 dollars) would be needed to fund the CIP.

Thus far the following elements of the CIP have been completed:

Avenue R - $50,000
Marina repairs $25,000
Lone Pine - $25,000
Gulfstream Way - $25,000
RC-2 Canal Widening Design - $190,000

The City anticipates funding the remainder of the CIP through a combination of bonds (including the Series 2016 Bonds), cash resources, including reserves, annual revenues of the System and grants. The City anticipates that the increased revenues resulting from the recently enacted increase in stormwater rates and charges (see "THE SYSTEM – Stormwater Management Utility Fee) will enable the City to accelerate the implementation of the CIP. Most of the components of the Series 2016 Project are not part of the CIP. However, the City has determined that the Series 2016 Project is necessary to protect the road resurfacing projects undertaken with the proceeds of the City's $22,000,000 Public Improvement Revenue Bonds, Series 2014.

Stormwater Management Utility Fee

A City instituted a stormwater management utility fee in June of 2003. The fee is levied against all developed property in the City to pay for the operation and maintenance of the

System. The fee is based on the amount of impervious area and whether the land-use is residential or non-residential. Single-family residential properties are charged a flat rate based on ranges of impervious area. Multi-family residential units are charged a flat rate per unit based on categorization as a condominium or apartment. Non-residential properties are charged based on the amount of impervious area on the property, with a rate applied per number of Equivalent Residential Units ("ERUs"). An ERU is equal to 1,920 square feet of impervious area. Stormwater Management Fees are billed and collected as part of the monthly water and sewer bills of the Riviera Beach Utility Special District.

The Master Plan recommended several fee increase scenarios to fund the CIP. Effective October 1, 2015, the City adopted one of these scenarios, and increased the Stormwater Management Fees from a base rate of $4.50 per ERU per month to $9.00 per ERU per month. The current categories and fees are listed in the following table.

Stormwater Management Utility Fees

Category	Properties in Category	Fee
Small Residential (less than 1,473 sq. ft.)	35	$6.30/month
Average Residential/Apartments (1,473 to 3,740 sq. ft.)	14,964	9.00/month
Large Residential (over 3,740 sq. ft.)	7	15.30/month
Condominiums	3,848	7.20/month
Non-Residential	3,645	9.00 per ERU / month

Properties that have a stormwater management system that is properly maintained and operating as designed are eligible for up to an 80% credit on their stormwater fees. Approximately 85 properties receive the maximum 80% credit and another 24 properties receive a lesser credit.

The primary security and source of revenue to repay the Series 2016 Bonds are the Gross Revenues. See "SECURITY FOR THE SERIES 2016 BONDS – Pledged Funds." The following table shows the Gross Revenues for the City's Fiscal Years ended September 30, 2011 through 2014, and the budgeted Gross Revenues, based on the rate increase that took effect October 1, 2015, for the City's current fiscal year:

Gross Revenues of Stormwater Management Utility

FY Ended September 30	Gross Revenues
2010	$ 1,744,951
2011	1,700,762
2012	1,612,141
2013	1,805,314
2014	1,665,749
2015 (1)	1,736,308
2016 (2)	3,342,150

(1) Unaudited
(2) Budgeted

For the four (4) month period ended January 31, 2016, the first four months that the aforementioned rate increase has been in effect, the Gross Revenues were $1,110,001.

The following table reflects the ten largest customers of the System for the period from October 1, 2014 to September 30, 2015 by ERU, percentage of total ERU's and annual Gross Revenue collections:

Ten Largest Stormwater System Customers

Customer	Units (ERU)	Percentage of Total ERU's	Gross Revenue
Rapids Water Park	568	1%	$30,672.00
Florida Power & Light	568	1%	30,651.00
The Abbey Northlake	520	less than 1%	28,080.00
Heather Croft LLC	326	less than 1%	17,628.84
Marina Grande RB Condo	276	less than 1%	15,076.80
Tiara Condo Association	254	less than 1%	13,737.60
Port of Palm Beach	212	less than 1%	11,434.56
2700 N. Ocean Condo Ass'n.	194	less than 1%	10,454.40
Martinique II	176	less than 1%	9,504.00
Cote D'Azur Condo Ass'n.	165	less than 1%	8,899.20

Comparative Rate Survey. The following table provides a comparison of the cost of services of the System, per ERU, between the City and selected other Stormwater Management Utilities:

City of Riviera Beach
Comparison of Stormwater Management Utility Fees

City	Monthly Fee per ERU	ERU
City of Riviera Beach Stormwater Management Utility	$9.00	1,920 sq.ft.
City of Boca Raton	2.80	2,873.sq.ft.
City of Boynton Beach	5.00	1,937 sq.ft.
City of Delray Beach	5.33	2,502 sq.ft.
City of Ft. Pierce	4.50	2,186 sq.ft.
Town of Jupiter	4.46	2,641 sq.ft.
City of Lake Worth	6.30	1,748 sq.ft.
City of Port St. Lucie	10.25	2,280 sq.ft.
City of Stuart	3.95	3,707 sq.ft.
Village of Tequesta	7.13	2,506 sq.ft.
City of West Palm Beach	8.48	2,171 sq.ft.

Source: Florida Stormwater Association – June, 2015

Stormwater Management System Revenues and Expenses

The following tables show the historical revenues and operating expenses for the System for the Fiscal Years 2013 through 2015, and the budgeted revenues and expenses for Fiscal Year 2016.

Revenues and Expenses
for the Fiscal Year Ended September 30

REVENUES	2013	2014	2015(1)	2016(2)
Charges for Service	1,805,314	1,665,749	1,736,308	3,342,150
Grants	0	0	0	0
Miscellaneous	14,389	6,223	6,223	0
Total Operating Revenues	1,819,703	1,671,972	1,699,905	3,342,150
EXPENSES				
Personnel Services	625,956	644,425	668,669	647,758
Contractual Services and Operations	153,187	405,870	337,036	330,884
Supplies, Materials, Maintenance	311,116	350,037	316,196	382,948
Rents and Leases	6,225	3,964	7,083	7,360
Bad Debts	198,983	6,237	(11,117)	0
Operating Expenses Before Depreciation	1,289,242	1,410,533	1,275,241	1,377,150
Net Operating Income Before Depreciation	530,463	261,439	435,638	330,834
Depreciation	181,990	182,982	284,633	0
Net Operating Income After Depreciation	342,248	78,657	151,004	1,965,000

(1) Unaudited
(2) Budgeted

DEBT SERVICE REQUIREMENTS

The table below sets forth the debt service requirements on the Series 2016 Bonds.

Period Ending November 1,	Principal	Interest	Total Debt Service
	$	$	$

Using the Budgeted Gross Revenues of the System, the Debt Service Coverage Ratio (Gross Revenues/Maximum Annual Debt Service) would be _____.

PENSION AND RETIREMENT PLANS

General

The City has three (3) defined benefit pension funds, (a) General Employees Retirement System (the "GERS"), (b) Police Pension Fund (the "PPF") and (c) Firefighters' Pension Trust Fund (the "FPTF") (collectively, the "Pension Funds"). Each of the Pension Funds is a single-employer defined benefit plan. The Pension Funds do not issue separate financial statements, as the Pension Funds are considered part of the City for financial reporting purposes and each plan is included in the City's Comprehensive Annual Financial Report as a pension system trust fund. However, the Pension Funds each prepare their own actuarial valuation reports each year. Copies of the most recent actuarial valuation reports for each of the Pension Funds may be obtained from the City's Finance Department.

The GERS covers all regular full time employees, excluding members of the PPF and FPTF. As of October 1, 2015, the GERS had 171 covered employees, 17 retirees, 30 entered DROP employees and 21 opted FRS employees. See "DEFINED BENEFIT PLANS - General Employees Retirement System" herein.

The PPF covers all regular full time employees of the City classified as police officers, which includes both law enforcement officers and supervisory and command personnel. As of October 1, 2014, the PPF had 94 covered employees, 69 retirees and 9 entered DROP employees. See "DEFINED BENEFIT PLANS - Police Pension Fund" herein.

The FPTF covers all regular full time employees of the City classified as firemen, which includes fire department officers. As of October 1, 2014, the FPTF had 65 covered employees and 59 retirees. See "DEFINED BENEFIT PLANS - Firefighter's Pension Trust Fund" herein.

Recent Plan Amendments.

Pursuant to Ordinance No. 4058 enacted by the City Council on February 4, 2015, all general employees and firemen hired by the City or after May 1, 2015, and elected officials, as of March 1, 2015, are required to participate on the Florida Retirement System ("FRS") instead of the Pension Funds. See "PENSION AND OTHER POST EMPLOYMENT BENEFITS - Florida Retirement System." General employees and firemen hired by the City before May 1, 2015, also were required to become compulsory participants in FRS, except for those general employees and firemen who elected prior to May 1, 2015 not to participate in FRS. Of the 266 general employees and firemen hired by the City before May 1, 2015 who were previously in the Pension Funds, 241 elected to stay in the Pension Funds and not participate in the FRS. For each of the 25 current employees opting to leave the Pension Funds and transfer to the FRS, the City agreed to purchase up to 5-years of past service credits in FRS. The cost of these past service credit is expected to be approximately $325,000. The City also agreed to purchase up to 5-years of past service credits in FRS for approximately 70 part-time employees at an estimated cost of

$300,000. In exchange for the City's purchase of past service credits in FRS, the Pension Funds retain all prior contributions made to the Pension Funds on behalf of those full time employees and the investment earnings thereon. Part-time employees were not members of the Pension Funds.

Based on the number of general employees and firemen, including new hires and those who are now participants in FRS, the City estimates that its total required annual contribution to the Pension Funds and to FRS will be approximately $130,000 less than if all general employees and firemen continued to be participants in the Pension Funds.

Ordinance No. 4058 does not apply to police officers, because the police officers voted not to join FRS. However, the City and the union representing the police officers have re-entered negotiations to discuss pension concessions. Discussions revolve around another FRS vote or modifications to the current plan to generate savings to the City equal to those that would be realized from joining FRS. If the police officers opt to join FRS, there is no way to predict how many police officers would elect to stay in the PPF and not participate in the FRS, although based on the experience with the City's general employees and firemen, it is expected that most current police officers would remain in the PPF.

Actuarial Methods and Assumptions

The funding policy of the Pension Funds provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the respective plans when they become due. The actuarial cost method used for determining the contribution requirements for each plan is the Entry Age Method, which determines the Annual Required Contribution based upon the amount of Normal Cost and amortization payment required to fund the UAAL each year. Other information relating to actuarial methods and assumptions used to determine the Annual Required Contribution for each plan is as follows:

Actuarial Methods and Assumptions - GERS

Valuation Date	October 1 of each year
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll, closed
Single Equivalent Amortization Period	21 years
Asset Valuation Method	5-year smoothed market
Investment Rate of Return	7.5%
Projected Salary Increases	6.2% to 11%, based on service
Inflation and Other General Increases Included above	3%
Assumed Payroll Growth	4%
Cost of Living Adjustments	None

Source: City of Riviera Beach, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2014.

Actuarial Methods and Assumptions - PPF

Valuation Date	September 30 of each year
Actuarial Cost Method	Individual entry age normal
Amortization Method	Level percent of payroll, closed
Amortization Periods	5 to 25 years
Asset Valuation Method	5-year smoothed market
Investment Rate of Return	7.5%
Projected Salary Increases	5.6% to 8.6%, based on seniority/merit
Inflation and Other General Increases Included above	4.5%
Cost of Living Adjustments	None

Source: City of Riviera Beach, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2014.

Actuarial Methods and Assumptions - FPTF

Valuation Date	October 1 of each year
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent, closed
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Investment Rate of Return	7.15% (will be reduced to 7% the following year)
Projected Salary Increases	7.5%
Inflation and Other General Increases	3%

Source: City of Riviera Beach, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2014.

Funding of Unfunded Actuarial Accrued Liability through issuance of the City's $57,360,000 Taxable Public Improvement Revenue Bonds, Series 2015

The annual contribution the City must make to satisfy the requirements of the Pension Funds is comprised of two components, the Normal Cost and the payments for the amortization of the unfunded actuarial liability. Pension fund obligations can increase for employers for various reasons, including, without limitation, changes in accrued benefits of the pension plan, changes in pay levels of employees, changes in the demographics of the employee base, changes in Assumptions affecting Annual Pension Costs and differences in the actual versus the projected rate of return on the investments of the pension plan. The City has experienced such changes in one or more of the Pension Funds during the past several years. As a result, the City's Annual Required Contribution to the Pension Funds has increased each year since 2008. Such increases have in some years been significant and, based on current actuarial calculations and estimates, are expected to continue for several years.

Based on the valuations for the fiscal year ended September 30, 2014 for each of the Pension Funds, which constitutes the most recent valuation for each of the plans, the Pension

Funds had a collective UAAL, based on an Actuarial Value of Assets and Actuarial Accrued Liability (the "Actuarial UAAL"), of $56.1 million and a collective UAAL, based on a Market Value of Assets and Actuarial Accrued Liability (the "Market Value UAAL"), of $42.8 million.

On September 2, 2015, the City issued its $57,360,000 Taxable Public Improvement Bonds, Series 2015 (the "Series 2015 Bonds"). Proceeds of the Series 2015 Bonds in the amount of $56,750,000 were used to pay the cost of funding the collective Actuarial UAAL of the Pension Funds, and to make the payments required to be made by the City to employees who opt to participate in FRS.

The following table sets forth the contribution made by the City to each of the Pension Funds over the last four fiscal years:

Year:	**2014**	**2013**	**2012**	**2011**
GERS:				
Annual Required Contribution	$4,843,648	$4,254,523	$3,375,976	$3,097,988
Percent of APC contributed	99.2%	98.9%	100.6%	101.9%
FPTF:				
Annual Required Contribution	$2,267,060	$1,945,188	$1,586,612	$1.951,123
Percent of APC contributed	98.12%	101.93%	97.76%	99.76%
PPF:				
Annual Required Contribution	$2,340,959	$874,392	$1,968,170	$1,961,489
Percent of APC contributed	100%	100%	96%	100%

Investment Returns

By its terms, the liability to fund benefits to the GERS participants requires assets of the fund to realize an assumed rate of return of 7.5% per annum (which was gradually reduced from 8.0% over a five year period beginning October 1, 2010), for the PPF to realize an assumed rate of return of 7.5% per annum, and for the FPTF to realize an assumed rate of return of 7.15% (which was gradually reduced from 7% over a five year period beginning October 1, 2011. Although for the fiscal years ended September 30, 2013 and 2014, the rate of return on the investments in each of the Pension Funds has been greater than the rate its assets are assumed to earn, for 11 of the 12 years before that, the rate of return on the investments in each of the Pension Funds has been less than the rate its assets are assumed to earn. Such rates constitute two components, one to reflect the return needed to cover payments to beneficiaries of the Pension Funds (which is 4.5% per annum for the GERS, 3% for the PPF and 4.15% for the FPTF, all as of October 1, 2014) and one to reflect inflation (which is 3% for the GERS and the FPTF and 4.5% for the PPF as of October 1, 2014). However, the rate of return on the

investments in each of the Pension Funds has fluctuated significantly, and in many years has been significantly less than the rate its assets are assumed to earn. The following table shows the history of the investment return rates for each of the Pension Funds

Pension Fund History of Market Value Investment Returns

Plan Year Ending September 30	GERS (1)	PPF	FPTF (2)(3)
2000	16.9%	NA	2.6%
2001	(23.8)	NA	(3.7)
2002	(2.8)	NA	9.3
2003	10.7	NA	16.4
2004	13.3	NA	8.3
2005	10.2	NA	6.0
2006	2.9	NA	8.0
2007	12.9	NA	13.5
2008	(5.6)	NA	(9.1)
2009	(0.3)	NA	1.8
2010	10.6	3.5%	7.6
2011	2.8	2.2	(0.1)
2012	19.1	3.4	19.1
2013	13.9	8.2	13.9
2014	10.1	8.9	9.5
Average Returns			
Last 5 Years	11.2%	5.2%	9.4%
Last 10 Years	7.4	NA	6.7
All Years	5.5	NA	9.5(4)

Source: Actuarial Valuation Reports as of October 1, 2014, prepared by Gabriel Roeder Smith & Company.

(1) Net of investment expense after 2006
(2) Net of investment expense after 2005
(3) Before 2005, years ending December 31
(4) Since 1981

Florida Retirement System

The information relating to the Florida Retirement System ("FRS") contained herein has been obtained from the FRS Annual Reports available at www.dms.myflorida.com and the Florida Comprehensive Annual Financial Reports available at http://www.myfloridacfo.com/Division/AA/Reports/#.Uv6UdCf4KQk . No representation is made by the City as to the accuracy or adequacy of such information or that there has not been any material adverse change in such information subsequent to the date of such information.

FRS is a cost sharing, multiple-employer, public employee retirement system. FRS is one system with two primary plans, a defined benefit pension plan (the "FRS Pension Plan") and a defined contribution plan known as the Public Employee Optional Retirement Program (the "FRS Investment Plan"). FRS membership is required for all employees filling a regularly established position in a state agency, county, state university, state community college, or district school board. Some municipalities, special districts, charter schools and metropolitan planning organizations also choose to participate in the FRS; however, participation is generally irrevocable after the entity elects to participate.

There are five general classes of membership in the FRS: (1) Senior Management Service Class ("SMSC") members which include, among others, senior management level positions in state and local governments and assistant state attorneys, prosecutors and public defenders; (2) Special Risk Class which includes, among others, positions such as law enforcement officers, firefighters, correctional officers, emergency medical technicians and paramedics; (3) Special Risk Administrative Support Class which include, among others, non-special risk law enforcement, firefighting, emergency medical care or correctional administrative support positions within a FRS special risk-employing agency; (4) Elected Officers' Class ("EOC") which includes members who are elected state and city officers and the elected officers of cities and special districts that choose to place their officials in this class; and (5) Regular Class members includes members that do not qualify for membership in the other classes.

The Department of Management Services, Division of Retirement administers the FRS Pension Plan and the Florida State Board of Administration (the "SBA") invests the assets of the FRS Pension Plan held in the FRS Trust Fund. Administration costs of the FRS Pension Plan are funded through investment earnings of the FRS Trust Fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

The SBA administers the FRS Investment Plan, a defined contribution plan available to eligible FRS members as an alternative to the FRS Pension Plan. Retirement benefits are based upon the value of the member's account upon retirement. Regardless of membership class, FRS Investment Plan contributions vest after one year of service. A member vests immediately in all employee contributions paid to the FRS Investment Plan. If a member elects to transfer amounts from the FRS Pension Plan to that member's FRS Investment Plan account, the member must meet the six-year vesting requirement for any such transferred funds and associated earnings. The FRS Investment Plan is funded by employer contributions that are based on salary. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Administration

costs of the FRS Investment Plan are funded through a 0.03% employer contribution and forfeited benefits. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the FRS Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

The FRS Pension Plan provides for vesting of benefits after six years of creditable service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the various plan requirements applicable to each class of membership. Regardless of class, a member may take early retirement any time after vesting within 20 years of normal retirement age; however, there is a five percent benefit reduction for each year prior to normal retirement age.

Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement, although reinstatement of the adjustment is possible in 2016 under certain circumstances..

All members of FRS are required to contribute 3% of their gross compensation toward their retirement. For FRS Pension Plan members initially enrolled on or after July 1, 2011, the average final compensation upon which retirement benefits are calculated is based on the eight highest fiscal years of compensation prior to retirement, the normal retirement age is 65, 33 years of creditable service is required for full retirement and the vesting period is eight years (formerly six).

Subject to provisions of Section 121.091, Florida Statutes, the Defined Retirement Option Program (the "DROP") permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months while the member's benefits accumulate in the FRS Trust Fund. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. As of June 30, 2014, the FRS Trust Fund projected $3,389,125,451 in accumulated benefits and interest for 38,058 current and prior participants in the DROP.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied

by $5. The payments are at least $30 but not more than $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The current contribution rate is 1.26% of payroll pursuant to Section 112.363, Florida Statutes. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature. Statutes require that any unfunded actuarial liability ("UAL") be amortized within 30 plan years and any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. As of June 30, 2014, the balance of legally required reserves for all defined benefit Pension Funds was $150,107,677,822. Such funds are reserved to provide for total current and future benefits, refunds and administration of the FRS Pension Plan.

Based on the number of City employees currently enrolled in FRS, the City estimates that its total initial annual contribution to FRS will be approximately $450,000.

OTHER POST EMPLOYMENT BENEFITS

The City's Other Post Employment Benefits Plan is reported in accordance with Government Accounting Standard Board ("GASB") Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (OPEB)* issued in June 2004. GASB 45 requires employer governments to account for and report the annual cost of other post employment benefits in the same manner as they do for pensions. The City recognizes the cost of post employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows.

According to Section 112.08, Florida Statutes, as amended, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available to active employees. The City's underlying health plans are fully insured. These retirees are required to pay the full amount of the premium in order to remain covered under the medical

plan. The premiums charged by the insurance company are based on the blending of the experience among active employees and older retired employees. Since the older retirees actually have higher costs, this means that the City is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees, which is referred to as the "implicit rate subsidy" by GASB.

Funding Policy

Currently, the City's OPEB benefits are unfunded. That is, there is no separate Trust Fund or equivalent arrangement into which the City makes contributions to advance fund the obligation, as it does for its Pension Funds. Therefore, the ultimate subsidies which are provided over time are financed directly by the general assets of the City. All approved benefits are paid by the City when due. None of the proceeds of the Series 2015 Bonds will be used to pay or fund OPEB benefits.

Plan Membership

Based on the actuarial valuation results as of October 1, 2015, the number of participants included in the plan is as follows:

Active participants	353
Retired participants and surviving spouses	42
Total participants	395

Actuarial Methods and Assumptions

Actuarial methods and significant actuarial assumptions used for the current year are summarized below:

Actuarial methods:	
Actuarial valuation date	October 1, 2015
Actuarial cost method	Entry age
Amortization method	Level % closed
Single equivalent amortization period	25 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return	3.75%
Projected salary increases	3.0%
Inflation rate for above items	3.0%
Payroll growth assumptions	4.0%

Funded Status and Funding Progress

The funded status of the Plan as of September 30, 2014, the most recent actuarial valuation, is as follows:

City of Riviera Beach, Florida
OPEB Current Funding Status
(in thousands)

Actuarial Valuation Date	(a) Actuarial Value of Plan Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Percent Funded	(c) Annual Covered Payroll	([b-a]/c) UAAL as a Percent of Covered Payroll
10/1/14	- 0 -	$4,103	$4,103	0%	19,723	20.80%

Source: City of Riviera Beach, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2014.

Annual OPEB Cost and Net OPEB Obligation

The annual OPEB cost is the amount that is expensed for the year. Since the City's OPEB plan is currently unfunded, the offset to that expense comes from actual subsidies expected to be paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution, and equals the total age-adjusted premiums paid by the City for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The annual OPEB cost accrued for the Fiscal Year was $533,000, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The annual OPEB cost and the net OPEB obligation (asset) for the Fiscal Year ended September 30, 2014 and the preceding years are presented below:

City of Riviera Beach, Florida
OPEB Cost and Obligations

Fiscal year ending September 30	2014	2013	2012
Normal cost (service cost for one year)	$379,000	$729,154	$701,423
Amortization of Unfunded Actuarial Accrued Liability	154,000	327,980	315,365
Annual Required Contribution (ARC)	533,000	1,057,134	1,016,788
Net OPEB obligation (NOO), beginning of year	3,619,135	2,767,145	1,927,832
Annual Required Contribution (ARC)	533,000	1,057,134	1,016,788
Interest on Normal Cost and Amortization	136,000	103,768	72,294
Adjustment to ARC	(149,000)	(95,649)	(66,637)
Annual OPEB Cost (expense)	520,000	1,065,253	1,022,445
Employer contributions made	(149,000)	(213,263)	(183,132)
Increase (decrease) in NOO	371,000	851,990	839,313
Net OPEB obligation (NOO), end of year	$3,990,135	$3,619,135	$276,714

Source: City of Riviera Beach, Florida Comprehensive Annual Financial Report for Fiscal Year Ended September 30, 2014.

ADDITIONAL INFORMATION

For detailed information relating to the actuarial methods and assumptions used to determine annual required contributions for the Pension Funds, see "APPENDIX C – General Purpose Financial Statements of the City for the Fiscal Year ended September 30, 2014" and, in particular, the subsection entitled "Actuarial Methods and Assumptions" in Note 11 of the Notes to the Financial Statements. In addition, more detailed information relating to the GERS may be obtained from the GERS Actuarial Report, relating to the PPF from the PPF Actuarial Report and relating to the FPTF from the FPTF Actuarial Report. Copies of such statements and reports may be obtained from the City's Finance Department.

TAX MATTERS

Exclusion of Interest on the Series 2016 Bonds from Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Series 2016 Bonds in order to assure that interest on the Series 2016 Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the City to comply with such requirements may cause interest on the Series 2016 Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2016 Bonds. The City has covenanted to comply with the provisions of the Code applicable to

the Series 2016 Bonds and has covenanted not to take any action or permit any action that would cause the interest on the Series 2016 Bonds to be included in gross income under Section 103 of the Code or cause interest on the Series 2016 Bonds be an item of tax preference under Section 57 of the Code.

Assuming the City complies with its covenants with respect to the Code, Greenspoon Marder, P.A., Bond Counsel to the Issuer, is of the opinion that, under existing law, interest on the Series 2016 Bonds is excluded from the gross income of the owners of the Series 2016 Bonds for federal income tax purposes pursuant to Section 103 of the Code and interest on the Series 2016 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax.

[Tax Treatment of Original Issue Discount

The initial public offering price of the Series 2016 Bonds maturing November 1, ____ (the "Series 2016 Discount Bonds") is less than the principal amount payable on each of the Series 2016 Bonds at maturity. The difference between the initial public offering price at which a substantial amount of each of the Series 2016 Discount Bonds was sold and the principal amount payable at maturity of each of the Series 2016 Discount Bonds constitutes original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Series 2016 Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Series 2016 Discount Bonds.

Under Section 1288 of the Code, original issue discount on the Series 2016 Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Series 2016 Discount Bond acquired at the initial public offering price of the Series 2016 Discount Bond will be increased by the amount of such accrued discount.

Owners of the Series 2016 Discount Bonds should consult their personal tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Series 2016 Discount Bonds and the tax accounting treatment of accrued interest.]

[Tax Treatment of Original Issue Premium

The Series 2016 Bonds maturing November 1, ____ (the "Series 2016 Premium Bonds") were sold at a price in excess of the amount payable at the maturity date. The excess, if any, of the tax basis of the Series 2016 Premium Bonds to a purchaser (other than a purchaser who holds such Series 2016 Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Series 2016 Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Series 2016 Premium Bonds. Accordingly, an owner of a Series 2016 Premium Bond may have taxable gain from the disposition of the Series 2016 Premium Bond, even though the Series 2016 Premium Bond is sold, or disposed of, for a

price equal to the owner's original cost of acquiring the Series 2016 Premium Bond. Bond premium amortizes over the term of the Series 2016 Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Series 2016 Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Series 2016 Premium Bonds.]

Additional Federal Income Tax Consequences

In the case of certain corporate holders of the Series 2016 Bonds, interest on the Series 2016 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2016 Bonds in "adjusted current earnings" of certain corporations.

Prospective purchasers of the Series 2016 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2016 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations. Prospective purchasers of the Series 2016 Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2016 Bonds from gross income pursuant to Section 103 of the Code and interest on the Series 2016 Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2016 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2016 Bonds.

The Internal Revenue Service (the "Service") has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Series 2016 Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the Series 2016 Bonds may not be permitted to participate in the audit process, and the value and liquidity of the Series 2016 Bonds may be adversely affected.

Changes in Federal Tax Law

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Series 2016 Bonds, gain from the sale or other disposition of the Series 2016 Bonds, the market value of the Series 2016 Bonds, or the marketability of the Series 2016 Bonds, or otherwise prevent the owners of the Series 2016 Bonds from realizing the full current benefit of the exclusion from gross income of the

interest thereon. For example, federal legislative proposals have been made in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Series 2016 Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Series 2016 Bonds or the market price for, or marketability of, the Series 2016 Bonds. Prospective purchasers of the Series 2016 Bonds should consult their own tax advisers regarding such matters.

State of Florida Tax Treatment of the Series 2016 Bonds

Bond Counsel is further of the opinion that the Series 2016 Bonds and the interest thereon are exempt from taxation under existing laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined herein. Bond Counsel has not opined as to the taxability of the Series 2016 Bonds or the income therefrom under the laws of any state other than Florida.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the requirements of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the City has agreed in the Series 2016 Supplemental Resolution to provide, within two hundred ten (210) days following the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2016, certain financial information and operating data relating to the City and the Series 2016 Bonds. The City has also agreed in the Series 2016 Supplemental Resolution to provide notices of the occurrence of certain enumerated events in a timely manner not in excess of ten (10) business days after the occurrence of the event. Such enumerated events are as described in the Rule. See "APPENDIX D - Form of the Resolution."

The City has complied in all material respects with its previous undertakings made with respect to the Rule and is currently in compliance with such undertakings. Any failure to comply with the continuing disclosure undertaking established for the Series 2016 Bonds does not constitute an event of default under the Resolution or the Series 2016 Bonds.

The water and sewer system within the City is owned and operated by City of Riviera Beach Utility Special District (the "District"), a dependent special district of the City. The District is considered an enterprise fund of the City and constitutes an integral component of the City's Comprehensive Annual Financial Report for financial reporting purposes. In connection with the issuance of its water and sewer revenue bonds in 2004 (the "District's Series 2004 Bonds"), the District entered into a continuing disclosure undertaking for purposes of the Rule. Such undertaking required the District to file certain information relating to the District and operating data relating to the water and sewer system within the City by March 31 of each year following issuance of the District's Series 2004 Bonds (the "District's Annual Report") and notice of events, if material, in a timely manner following the occurrence of the event.

Although District's Annual Report was filed in each of the past five (5) years, it was not filed by March 31. For the filing due March 31, 2013, the District's Annual Report was filed on April 1, 2013. For the filing due March 31 in the years 2010, 2011, 2012 and 2014, the District's

Annual Report was filed significantly later than March 31. However, as contemplated by the continuing disclosure undertaking relating to the District's Series 2004 Bonds, unaudited financial statements of the City were filed prior to the filing of the District's Annual Report. Except for March 31, 2010, unaudited financial statements of the City were filed by March 31 in such years. The unaudited financial statements of the City for the filing due March 31, 2010 were filed on April 1, 2010. All of the District's Series 2004 Bonds were defeased on August 7, 2014 pursuant to the issuance by the District of its Water and Sewer Revenue Refunding Bonds, Series 2014. On the date of delivery of such refunding bonds, the District entered into a new continuing disclosure undertaking in accordance with the requirements of the Rule, which changed the deadline for delivery of the District's Annual Report from March 31 to within two hundred ten (210) days following the end of each Fiscal Year (approximately April 28). The District has not failed to comply with the requirements of its new continuing disclosure undertaking.

Payment of the principal of and interest on the District's Series 2004 Bonds, when due, was insured by a municipal bond new issue insurance policy issued by Financial Guaranty Insurance Company ("FGIC"). Moody's Investors Service, Inc. ("Moody's") and Fitch (as hereinafter defined) issued ratings for the District's Series 2004 Bonds, based on the insurance policy issued FGIC. Within the past five (5) years both Moody's and Fitch have announced ratings downgrades of the insurance policies issued by FGIC. The District, however, has not made any material event notice filings with respect to such ratings downgrades. Based on the amendments to the Rule which became effective on December 1, 2010 and which, among other things, changed the standard for the filing of material event notices, the District has determined that it intends to file notices of future rating changes of insurers providing a policy of insurance for any outstanding bonds of the District.

Except as otherwise set forth above, the District has complied in all material respects with its previous undertakings made with respect to the Rule and is currently in compliance with such undertakings. Any failure to comply with the continuing disclosure undertaking established for the District's Series 2004 Bonds did not constitute a default under the Resolutions pursuant to which such bonds were issued.

In order to provide continuing disclosure with respect to the Series 2016 Bonds in accordance with the Rule, the City will retain the services Digital Assurance Certification, L.L.C. ("DAC"). The obligation of DAC to deliver the information at the times, and with the contents described in the Series 2016 Supplemental Resolution is limited by and in all respects subject to the receipt by DAC of such information from the City in the time periods required for its delivery.

RATING

Standard & Poor's Ratings Services ("S&P") has assigned a rating of "___" to the Series 2016 Bonds. Such rating reflects the view of such organization and an explanation of the significance of such rating may be obtained only from S&P at 55 Water Street, 38th Floor, New York, New York 10041, (212) 438-2124.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that the rating provided by S&P will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Series 2016 Bonds.

LITIGATION

There is no litigation or administrative proceeding, other than as is disclosed in this Official Statement, of any nature, now pending or, to the best knowledge of the City, threatened against the City which, in the opinion of Pamala Hanna Ryan, B.C.S., City Attorney (the "City Attorney"), will have any material adverse effect on the collection, pledge or use of the Pledged Revenues in the manner contemplated by the Resolution or the ability of the City to comply with its obligations under the Resolution. At the time of the delivery of the Series 2016 Bonds, an opinion will be delivered by the City Attorney to the effect that no litigation or other proceedings are pending or, to her best knowledge, threatened against the City in any way (i) restraining or enjoining the issuance, sale or delivery of the Series 2016 Bonds or (ii) questioning or affecting the validity of the Series 2016 Bonds or any proceedings of the City taken with respect to the authorization, sale, execution or issuance of the Series 2016 Bonds or of the pledge of any moneys or other security provided for the Series 2016 Bonds.

The City experiences routine litigation and claims incidental to the conduct of municipal affairs. In the opinion of the City Attorney, there are no lawsuits presently pending or, to her best knowledge, threatened, the adverse outcome of which would impair the City's ability to perform its obligations under the Resolution.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2016 Bonds by the City and with regard to the tax-exempt status thereof are subject to the approving opinion of Greenspoon Marder, P.A., West Palm Beach, Florida, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2016 Bonds. Greenspoon Marder, P.A. is also serving as Disclosure Counsel to the City and its opinion as Disclosure Counsel also will be available at the time of delivery of the Series 2016 Bonds. Certain other legal matters will be passed on for the City by its counsel, Pamala Hanna Ryan, B.C.S., City Attorney.

The proposed text of the approving legal opinion of Bond Counsel to be delivered concurrently with the delivery of the Series 2016 Bonds is set forth as APPENDIX C to this Official Statement. The actual legal opinion to be delivered may vary from the text of APPENDIX D, if necessary, to reflect facts and law on the date of delivery of the Series 2016 Bonds.

The legal opinions to be delivered by Bond Counsel, Disclosure Counsel and the City Attorney concurrently with the delivery of the Series 2016 Bonds are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made as of the date thereof. The attorneys rendering legal opinions concurrently with the delivery of the Series 2016 Bonds assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective. In addition, such legal opinions express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed in such opinions. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2016 Bonds upon an event of default under the Resolution are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for in the Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2016 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2016 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally, and by equitable remedies and proceedings generally.

FINANCIAL ADVISOR

Public Financial Management, Inc., Coral Gables, Florida, is acting as financial advisor (the "Financial Advisor") to the City in connection with the issuance of the Series 2016 Bonds. The Financial Advisor has acted as advisor to the City in connection with the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2016 Bonds. The Financial Advisor has not undertaken to make independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement.

The Financial Advisor is a registered municipal advisory firm. The Financial Advisor is not engaged in the business of underwriting, marketing or trading of municipal securities. Investors should not base any investment decision on the fact that the Financial Advisor has advised the City on the Series 2016 Bonds.

UNDERWRITING

The Series 2016 Bonds are being purchased by _____, acting on behalf of itself and the other underwriters purchasing the Series 2016 Bonds pursuant to the Official Notice of Sale (collectively, the "Underwriters"). The Series 2016 Bonds shall be

purchased by the Underwriters subject to certain terms and conditions set forth in the Official Notice of Sale, including the approval of certain legal matters by Bond Counsel, delivery of a certificate from the City regarding information set forth in this Official Statement, and the existence of no material adverse change in the condition of the City from that set forth in this Official Statement. The purchase price payable by the Underwriters for the Series 2016 Bonds is $_____, which equals the principal amount of the Series 2016 Bonds, **[plus/minus]** a net original issue premium/discount of $_____ and minus an underwriters' discount of $_____.

The Series 2016 Bonds are offered for sale to the public at the prices or yields set forth on the inside cover page of this Official Statement. The Series 2016 Bonds may be offered and sold to certain dealers at prices lower than or yields higher than such offering prices or yields. After the initial public offering, such public offering prices or yields may be changed, from time to time, by the Underwriters.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2016 Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriters (including the fees of Underwriters' Counsel, if any) are each contingent upon the issuance of the Series 2016 Bonds.

FINANCIAL STATEMENTS

The general purpose financial statements of the City for the Fiscal Year ended September 30, 2014 and the report of HCT Certified Public Accountants & Consultants, LLC, independent certified public accountants (the "Auditor"), in connection therewith, dated May 4, 2015, are included in APPENDIX B as part of the public records of the City. The consent of the Auditor was not requested for the reproduction of its audit report in this Official Statement. The Auditor has performed no services in connection with the preparation of this Official Statement and is not associated with the offering of the Series 2016 Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the City to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). Florida law further provides, however, that if the City in good faith believes that such disclosures would not be considered material by a reasonable investor, such disclosures may be omitted. The City is not and has not been in default as to principal and interest on bonds or other debt obligations which it has issued as the principal obligor or guarantor.

MISCELLANEOUS

The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each reference or summary is qualified in its entirety by reference to such document, statute, report or other instrument. The information herein has been compiled from official and other sources and, while not guaranteed by the City, is believed to be correct. So far as any statements made in this Official Statement and the appendices attached hereto involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

AUTHORIZATION AND APPROVAL

The delivery of this Official Statement by the City has been duly authorized and approved by the City Council of the City.

CITY OF RIVIERA BEACH, FLORIDA

By: /s/ Thomas Masters
THOMAS MASTERS, Mayor

By: /s/ Randy M. Sherman
RANDY M. SHERMAN,
Finance Director/Chief Financial Officer

APPENDIX A

SUPPLEMENTAL INFORMATION- CITY OF RIVIERA BEACH

General Information

The City of Riviera Beach, Florida (the "City") was originally incorporated in 1922. The City is located in the east central portion of Palm Beach County (the "County"), approximately 5 miles north of West Palm Beach and 70 miles north of Miami. The City is bounded to the north by the Town of Lake Park, to the south by the Town of Mangonia Park, the Town of Palm Beach Shores and the City of West Palm Beach, to the east by the Atlantic Ocean and to the west primarily by unincorporated Palm Beach County. The City currently has a land area of approximately 8.53 square miles, and had an estimated population of 33,369, as of January 1, 2014. The City is primarily an urban area where services and industry play a major role in the economy. The City is empowered to levy a property tax on real property located within its boundaries. The City also has the power by statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

City Government

The City operates under the mayor-council-manager form of government. Policy-making and legislative authority are vested in the governing council, which consists of a five council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City and for appointing the heads of the City's departments. The council is elected on a non-partisan basis. Council members are elected to three-year staggered terms according to district, though they compete city-wide, with two council members elected one year and three council members the following year. The City Council members also sit as the Board of the Riviera Beach Community Redevelopment Agency and the City of Riviera Beach Utility Special District. The Mayor does not vote, but the Mayor has appointment power in some matters and veto power in other matters, and has the authority to take disciplinary action.

City of Riviera Beach City Council

NAME	OFFICE	CURRENT TERM ENDS
Thomas Masters	Mayor	March 2016
Dawn S. Pardo	Council Chairperson	March 2018
Terence D. Davis	Council Chair Pro Tempore	March 2016
Bruce A. Guyton	Council Member	March 2016
KaShamba L. Miller- Anderson	Council Member	March 2018
Cedrick A. Thomas	Council Member	March 2016

City Employees

The City's workforce consists of approximately 424 full-time and 52 part-time employees. The City negotiates with four unions: PBA, IAFF, SEIU and PMSA- concerning wages, benefits and working conditions.

Bargaining Unit	Number of Employees
Police Benevolent Association	92
IAFF- Fire	68
SEIU- Public Works/Parks	181
PMSA – Supervisors and Managers	12

Population, Demographics

The following table provides population and other selected demographic information for the City and Palm Beach County for the periods indicated:

Year	Palm Beach County Population [1]	City of Riviera Beach Population [2]	Palm Beach County Per Capita Personal Income [3]	City Per Capita Personal Income [4]	City Unemployment Rate [5]
2005	1,262,956	34,184	51,694	N/A	4.4 %
2006	1,265,707	35,846	56,665	$23,234	4.1
2007	1,264,648	36,138	59,240	23,234	5.6
2008	1,269,745	36,430	58,358	23,234	7.9
2009	1,279,745	36,722	57,461	21,694	11.4
2010	1,320,134	32,488	52,526	21,702	12.8
2011	1,323,394	32,496	53,787	21,702	11.8
2012	1,335,187	32,861	53,500	22,399	10.4
2013	1,356,545	33,129	53,500	22,399	7.9
2014	1,372,171	33,369	53,242	22,159	6.1

Sources: (1) U.S. Census Bureau, Population Estimates Program (July 1, 2013 estimate).
(2) U.S. Census Bureau, Population Estimates Program (July 1, 2013 estimate) City of Riviera Beach, Community Development Department.
(3) Bureau of Economic Analysis - http://www.bea.gov/regional/bearfacts/action.cfm (2013).
(4) U.S. Census Bureau - http://factfinder.census.gov.
(5) U.S. Bureau of Labor Statistics (Sept. 2014).

Notes: • Palm Beach County population for 2005 to 2014 is based on U.S. Census Bureau population estimates as of July 1 of each year.

- The City's per capita personal income is based on U.S. Census Bureau, 2007-2013 American Community Survey.

Culture and Recreation

The City offers a variety of recreational facilities, including the beach, bays, golf courses, tennis and shuffleboard courts. Shelling, water skiing, scuba diving, power boating, sailing and fishing are popular activities in the City. Parks and Recreation Department has 12 parks, 11 of which are developed, swimming pools, ball fields, fitness trails, and handball, racquetball and tennis courts. Peanut Island, a spoil island in the Intracoastal Waterway which runs through the City, is a popular destination for recreational boaters. In addition, the City is in close proximity to several area attractions, including the Palm Beach Zoo at Dreher Park, Rapids Water Park, Lion Country Safari, Kravis Center for the Performing Arts and the Palm Beach Kennel Club Entertainment Complex.

The City also has a municipal beach, one of the largest in northern Palm Beach County. It fronts on the Atlantic Ocean, and includes beach volleyball courts and a boardwalk, and shower and restroom facilities.

Municipal Marina

The City operates a marina on the Intracoastal Waterway that has 127 wet slips for boats of 32 feet or more. Other facilities at the municipal marina include water, lighting, electric and fuel facilities, an automotive parking area, laundry facilities, dockmaster and restroom facilities, a restaurant, a convenience store and a banquet hall.

Transportation Facilities

Highways: US Highways 1-95, No. 1 and A1A and State Highways 710 pass through the City. Florida State Turnpike access is available nearby through interchanges at Okeechobee Blvd. and the Beeline Highway.

Railroads: The Florida East Coast Railway lines pass through the City but there are currently no train stations.

Buses: The local bus service (Palm Tran), owned and operated by the County, serves the City.

Airlines: The City has easy access to the Palm Beach International Airport, administered by the Department of Airports, Palm Beach County. The airport is classified as a Port of Entry. Air transportation service is provided by all major national airlines, as well as a number of regional airlines.

Maritime Services: The Port of Palm Beach, the 21st busiest port in the continental United States and the 4th largest container port in Florida, is located in the City. The port provides dockage and cargo facilities for ocean vessels.

Education

The Palm Beach County School District is the 5th largest in Florida and the 13th largest nationwide with approximately 170,000 students enrolled in 250 schools. The City is included as part of the County's School District. There are 4 public elementary schools, 1 public middle schools and 1 public high school located in the City, with 4,102 students enrolled. There are also a number of private elementary and middle schools. Suncoast High School, a public high school located in the City, consistently ranks as one of the top public schools in the United States.

Higher education is offered by a number of nearby public and private schools, including Palm Beach State College, Florida Atlantic University, Nova Southeastern University, Northwood University and Palm Beach Atlantic University.

The Palm Beach County Public Library System and the Riviera Beach Public Library provide library services for residents in the City.

Medical

The City is served by several nearby hospitals. The Veteran's Administration Medical Center, a 236 bed facility, is located in the City.

Utilities

Public water supply and public sewer service are provided by the City. Electricity is provided by Florida Power and Light, and natural gas is provided by Florida Public Utilities.

Solid Waste

Solid waste collection is provided by Waste Management, Inc., pursuant to a franchise agreement that expires September 30, 2016. The Solid Waste Authority of Palm Beach County owns and operates five waste transfer stations, a resource recovery facility and a sanitary landfill which dispose of the solid waste generated in and by the City.

Pension and Other Post Employment Benefits

During the Fiscal Year ended September 30, 2015, the City sponsored three (3) separate single employer defined benefit pension funds: City of Riviera Beach General Employees' Retirement System, Riviera Beach Police Pension Fund, and Riviera Beach Municipal Firefighters' Pension Trust Fund.

In addition all full time employees of the City who satisfy the disability, early or normal retirement provisions of the applicable City sponsored pension plan may be eligible for certain Other Post-Employment Benefits (OPEB). OPEB includes lifetime access to coverage for the retiree and dependents under the City's medical and prescription plans as well as participation in the dental, vision, and life insurance group plans sponsored by the City for employees. Eligible retirees may choose among the same medical plan options available for active employees.

A more complete discussion of the City's pension funds and OPEB can be found in this Official Statement under the headings "PENSION AND RETIREMENT PLANS OF THE CITY" and "OTHER POST EMPLOYMENT BENEFITS" and in "APPENDIX B - General Purpose Financial Statements of the City for the Fiscal Year Ended September 30, 2014," beginning on page 95 under Note 11 and continuing through Note 12 ending on page 114.

Financial Information

The following tables provide selected financial information about the City. For detailed information, see "APPENDIX C - General Purpose Financial Statements of the City for the Fiscal Year Ended September 30, 2014."

Assessed Value and Estimated Actual Value of
Taxable Property Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Tax Year	Taxable Value for Operating Millage				Exemptions and Adjustments ($)	Gross Assessed Value ($)	Total Direct Tax Rate
		Real Property ($)	Personal Property ($)	Centrally Assessed ($)	Total Property ($)			
2005	2004	2,110,301,652	251,083,375	4,704,917	2,366,089,944	3,998,553	2,362,091,391	9.5000
2006	2005	2,655,732,462	285,383,378	4,596,842	2,945,712,682	9,667,056	2,936,045,626	9.0000
2007	2006	3,461,716,447	312,107,614	5,188,700	3,779,012,761	39,074,442	3,739,938,319	8.7500
2008	2007	3,665,329,272	335,919,182	5,306,193	4,006,554,647	9,017,535	3,997,537,112	8.4260
2009	2008	3,681,580,819	336,072,996	8,881,910	4,026,535,725	25,127,340	4,001,408,385	8.4260
2010	2009	3,351,772,451	308,308,269	8,804,706	3,668,885,426	78,132,343	3,590,753,083	8.4260
2011	2010	2,854,182,893	304,388,248	4,542,328	3,163,113,469	(7,147,834)	3,170,261,303	8.9980
2012	2011	3,430,604,305	300,240,707	4,855,627	3,735,701,639	720,612,888	3,015,088,751	8.9980
2013	2012	3,423,577,683	280,218,177	5,108,721	3,708,904,581	716,488,332	2,992,416,249	8.9980
2014	2013	3,821,801,946	306,390,283	4,657,362	3,914,656,535	750,387,922	3,164,268,613	8.9520
2015	2013	3,821,801,946	306,390,283	5,268,283	4,133,460,898	754,569,514	3,378,891,384	8.9520

Source: *DR-403 - Recapitulation of Ad Valorem Assessment Rolls*, Palm Beach County Property Appraiser's Office.

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Tax Roll Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy*		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2004	$22,439,868	$21,705,012	96.73%	$29,771	$21,734,783	96.86%
2006	2005	26,424,411	25,499,975	96.50	31,145	25,531,120	96.62
2007	2006	32,724,460	31,502,034	96.26	116,235	31,618,269	96.62
2008	2007	33.759,229	32,406,580	95.99	151,798	32,558,378	96.44
2009	2008	33,927,590	32,332,320	95.30	512,816	32,845,136	96.81
2010	2009	30,999,758	27,175,818	89.41	387,193	28,103,011	90.66
2011	2010	28,461,695	28,257,434	99.28	351,497	28,608,931	100.52
2012	2011	27,217,043	25,871,229	95.06	243,621	26,114,850	95.95
2013	2012	27,020,224	25,713,920	95.17	406,352	26,120,271	96.67
2014	2013	27,693,990	27,257,403	98.42	736,387	27,993,790	101.08
2015	2014	30,247,836	29,090,534	96.17	213,593	29,304,127	96.88

Sources: City of Riviera Beach, Florida Department of Finance and Administrative Services and Palm Beach County Property Appraiser's Office.

* Taxes collected during the Fiscal Year of the levy include legally available early payment discounts ranging from four percent (4%) to one percent (1%).

Direct and Overlapping Governmental
Activities Debt - as of September 30, 2014

Government Unit	Net Debt Outstanding	Estimated Percentage Applicable to City of Riviera Beach [1]	Amount Applicable to City of Riviera Beach
Direct Debt:			
City of Riviera Beach Direct Debt [2]	$ 32,263,477	100%	$32,263,477
Overlapping Debt:			
Debt Payable from Ad Valorem Taxes			
Palm Beach County School Board [3]	26,370,000	2.40	63,288,000
Palm Beach County [4]	187,210,000	2.43	454,920,300
Debt Payable from Non-Ad Valorem Taxes			
Palm Beach County School Board [3]	1,733,108,000	2.40	4,159,459,200
Palm Beach County [4]	737,229,800	2.43	1,791,468,414
Total Overlapping Debt[5]			**$6,469,135,914**
Total Direct and Overlapping Debt[5]			**$6,501,399,391**

Sources:
(1) City of Riviera Beach, Finance Department.
(2) Palm Beach County School Board, Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2014.
(3) Palm Beach County, Office of Financial Management and Budget.
(4) Palm Beach County Property Appraiser's Office.

Notes:
(1) Estimated percentage applicable to the City of Riviera Beach is computed based on the ratio of Palm Beach County and Palm Beach County School Board's total taxable assessed value to that within the City of Riviera Beach.
(2) City of Riviera Beach's net outstanding debt includes revenue bonds and notes payable less Water and Sewer revenue bonds and obligations. Details of the debt are available in the City's notes to the financial statements for fiscal year ended September 30, 2014.
(3) Details regarding Palm Beach County School Board's outstanding debt are available in the School Board's notes to the financial statements for fiscal year ended June 30, 2014.
(4) Details regarding Palm Beach County's outstanding debt for fiscal year ended September 30, 2014 are available from Palm Beach County, Office of Financial Management and Budget.
(5) Overlapping government units are those with geographic areas that coincide, at least in part, with the geographic boundaries of the City of Riviera Beach.

APPENDIX B

COMPREHENSIVE ANNUAL FINANCIAL REPORT

APPENDIX C

FORM OF THE RESOLUTION

APPENDIX D

OPINION OF BOND COUNSEL