

City of Philadelphia

Debt Management Policy

May 2026

I. INTRODUCTION

While the issuance of debt is often an appropriate method of financing capital projects and major equipment acquisitions, the City's debt portfolio needs to be carefully monitored to maintain financial integrity, flexibility, and credit strength. The City of Philadelphia (the "City") recognizes that the foundation of a well-managed debt program is a comprehensive Debt Management Policy. This policy establishes appropriate ways to structure debt issuances, prudent uses for different types of debt financings, and guidelines for bond sales.

The debt program managed by the City includes General Obligation debt, tax-supported service agreements and lease agreements issued by related authorities (including, but not limited to the Philadelphia Authority for Industrial Development (PAID), the Philadelphia Energy Authority (PEA), the Philadelphia Municipal Authority (PMA), the Philadelphia Redevelopment Authority (PRA), and other similar entities), debt of the Water Department ("PWD"), debt of the Department of Aviation ("Airport"), and debt of the Philadelphia Gas Works ("PGW"). While the guidelines contained herein relate mainly to the City's issuance of tax-supported debt, there is applicability to revenue bond issuance as well. Debt of the School District of Philadelphia, the Philadelphia Parking Authority, and the Pennsylvania Intergovernmental Cooperation Authority (PICA), is managed by those respective governmental entities and is therefore not covered by this policy.

As more fully described below, PICA has received renewed authority to issue bonds for capital projects at the request of the City; as such, this policy covers considerations for the City to make such requests to PICA.

The Director of Finance has overall responsibility for City debt issuance. Day-to-day debt management is the responsibility of the City Treasurer, including supervision of debt issuance and management of staff responsible for debt service payments. The City Treasurer's Office (CTO) and the City Solicitor's Office coordinate to ensure that all debt is issued in compliance with federal, state, and local laws.

II. OBJECTIVES

The City's General Obligation bond ratings are available on the [City's Investor Information site](#). These credit ratings are below the average for a major city and consequently, the City pays a higher interest rate on amounts borrowed than most of its peers. The City's objective is to continue to work to maintain and improve its bond ratings, which could reduce interest costs and lessen the burden on the City's General Fund. This policy will assist the City in this goal through the maintenance of sound debt practices. In addition, this policy will set forth appropriate guidelines for bond sales.

CTO will use these policies to determine the appropriate uses of debt, parameters for debt issuance, and the method of bond sale. This policy will be used in conjunction with the City's Swap Policy. In addition, this policy will be reviewed periodically and updated as needed.

III. TYPES OF LONG-TERM DEBT

General Obligation Debt

The City may issue General Obligation debt, backed by the full faith, credit, and taxing power of the City, subject to voter approval and in compliance with the Commonwealth of Pennsylvania Constitution. The Constitution limits the amount of the City's outstanding General Obligation debt to 13.5% of the immediately preceding 10-year average of assessed value of taxable real property, with debt greater than 3% of the immediately preceding 10-year average of assessed value of taxable real property subject to voter approval. This limitation does not include self-supporting General Obligation bonds, which are defined as General Obligation debt incurred for revenue producing facilities that are expected to generate excess revenues sufficient to pay debt service on the bonds. Because (i) the Actual Value Initiative has led to a substantial increase in the assessed valuation of taxable property and, correspondingly, the City's debt limit, and (ii) property taxes are not one of the largest sources of revenue, this Constitutional limitation does not provide a meaningful restriction. As of fiscal year 2026, the City's debt applicable to this limitation is below the 3% threshold.

Service Agreement and Lease Debt

In addition to General Obligation debt, the City issues General Fund-supported obligations through its related authorities. Debt issued by these authorities is secured by long-term contracts commonly referred to as "service agreements" or "lease agreements" whereby the City covenants to budget and appropriate annual payments from the City's General Fund in an amount sufficient to provide for debt service while the debt is outstanding. The City's covenant to budget and appropriate each fiscal year for these payments and the City's obligation to make these payments are unconditional. Because of this, each rating agency assesses the City's service agreement secured and lease agreement secured debt as having the same credit strength as the General Obligation bonds and has assigned the same credit ratings to both.

The primary authorities that have been used to issue General Fund-supported debt are: the Philadelphia Authority for Industrial Development (PAID), the Philadelphia Energy Authority (PEA), the Philadelphia Municipal Authority (PMA), and the Philadelphia Redevelopment Authority (PRA). In addition to General Fund-supported debt, certain City enterprise funds such as the Airport have occasionally issued debt through the City's related authorities.

Pennsylvania Intergovernmental Cooperation Authority (PICA)

PICA was created by the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class (the "PICA Act") in 1991 to provide financial assistance to cities of the first class. The PICA Act was amended in 2022 by Pennsylvania House Bill 1935. The amended PICA Act extends the existence of PICA until the later of January 2, 2047 or one year after the final payment of all of PICA's liabilities, including without limitation, outstanding PICA bonds. The amended Act also reestablishes authorization for PICA to issue bonds for capital projects at the request of the City. Upon the "initial issuance" of any bond on or after January 2, 2022, for the purpose of financing a capital project (no such issuance has occurred as of the date of this updated Debt Policy), additional bonds for the purpose of financing a capital project may only be issued beginning on each successive 10-year anniversary of the date of the initial issuance; provided that one or more series of the bonds may be issued from time to time during the first three years after

the initial issuance and during the first three years of each 10-year period that begins on each 10-year anniversary of the initial issuance.

As of the date of this publication, there are no outstanding PICA bonds. PICA bonds were secured by the PICA Tax – a tax of 1.5% on salaries, wages, commissions and other compensation earned by City residents, and net profits earned in business, professions and other activities conducted by City residents, which is deposited into a segregated fund for which the State Treasurer serves as custodian. Previously issued PICA Bonds were rated higher than the City’s General Obligation ratings: NR/AAA/AAA by Moody’s, S&P, and Fitch, respectively, as of the final maturity of PICA’s bonds in June 2023.

When evaluating whether to issue General Obligation bonds or to request PICA to issue on the City’s behalf, the following financial factors should be considered:

- The pricing value between ‘AAA’ yield curve and ‘A’ yield curve for bonds (or the then-current or expected ratings of PICA and the City’s General Obligation bonds), respectively;
 - If either PICA or the City has recently priced bonds, this analysis should also consider the extent to which either entity’s pricing differed from its rating’s stated yield curve
- The current interest rate environment;
- The size of the planned borrowing and future planned borrowings within the three-year window;
- Whether the PICA bonds have strong enough debt service coverage to meet their Additional Bonds Test and to ensure a higher rating than the City’s General Obligation rating;
- The useful lives of the assets to be financed and applicable legal limits on the length of the maturities of the bonds to be issued; and
- The impact of a borrowing on the General Fund’s portion of the excess PICA Tax.

Revenue Bonds

The City Treasurer also oversees the issuance of revenue bonds for the PWD, the Airport, and PGW. Ratings for the revenue credits are available on the [City’s Investor Information website](#). These revenue bonds are not included in the City’s calculations in Section V General Fund Fixed Cost Affordability because they are self-supporting enterprise fund obligations and are paid from non-General Fund revenue sources.

IV. GENERAL PRINCIPLES FOR DEBT ISSUANCE

The City intends to follow these general guidelines when issuing debt:

- Debt to fund capital projects should only be issued if the capital projects are authorized and included in the City’s six-year Capital Program or explicitly authorized by City Council.
- The average life of debt should not exceed the projected average life of the assets being financed and the final maturity should generally be limited to 30 years. The City may consider final maturities longer than 30 years where permitted by law if the useful lives of the assets to be financed are substantially longer than 30 years, as may be the case with certain revenue bonds.

- Principal should generally be amortized to achieve approximately level debt service; however, principal repayment can be structured to result in more rapid amortization (front-loaded debt service). In addition, the repayment structure of prior outstanding bond issues should be considered when structuring principal and interest payments.
- For tax-supported debt, principal amortization should generally be structured to reach a target of 50% of all outstanding principal scheduled to be repaid within 10 years. This provides increased financial flexibility and debt capacity in future years. Consideration may be given to a longer repayment schedule if the asset life significantly exceeds 30 years.
- Long-term debt obligations should generally be callable in no later than 10 years. This provides flexibility to refund bonds for savings if interest rates decline.
- Debt should generally be limited to serial and term maturities but can be sold in the form of Capital Appreciation Bonds (CABs) or other forms of delayed interest bonds if market conditions warrant and/or if the timing of revenues available to pay debt service requires accommodation. Interest on a capital appreciation bond is compounded over time and paid beginning at some future date or at maturity. Because of this, interest payments are delayed until future years which can constrain future financial flexibility. However, it may be advisable to issue CABs if market demand is strong for CABs, overall debt service for the bond issue is still level, and the debt service fits into the City's overall debt structure.
- The City will aim to fund a portion of routine capital projects in each year's capital program with pay-as-you-go financing.

V. GENERAL FUND FIXED COST AFFORDABILITY

In order for the City to maintain a balance between fixed costs and available resources, certain self-imposed limitations should be set. These limitations will be reviewed annually to determine continued applicability and appropriateness.

The ratios that are the most applicable to monitor the City's debt levels relate to debt service and other fixed costs as a percentage of budget. The City looks at fixed costs as a percentage of the General Fund budget because it is a good measure of financial flexibility. The City's financial flexibility decreases as fixed costs as a percentage of the budget increases. It is important to note that debt as a percentage of market value is less applicable to the City than it is to other municipalities because of the relatively low percentage of the City's revenues derived from property taxes. For this reason, a ratio of debt to market value is not considered an appropriate target for the City's Debt Management Policy.

The largest fixed cost in the City's General Fund budget is the payment to amortize the City's unfunded pension liability. The City is currently paying the Revenue Recognition Policy (RRP), an amount in excess of the Minimum Municipal Obligation (MMO) annually, which is the amount that the City is required to pay under state law. Both the RRP and MMO are actuarially defined contributions.

The first set of ratios that the City uses to monitor its debt levels is:

Long-Term Obligations as a Percentage of General Fund Expenditures:	Target
Tax-Supported Debt Service (excluding Pension Bonds)	6%
Tax-Supported Debt Service plus Convention Center and Eagles Stadium	7%
Tax-Supported Debt Service plus Convention Center, Eagles Stadium, and Pension Costs*	20%

*Actuarially determined RRP contribution; excludes discretionary contributions above RRP

While 20% is slightly higher than is preferable, it is the lowest threshold that allows the City to continue to invest in its infrastructure, given the large proportion of the budget that is consumed by pension costs. This ratio is in line with large cities rated in the ‘A’ category by Moody’s. Tax-Supported Debt Service is defined as debt service on General Obligation bonds and other tax-supported debt less any self-supporting General Obligation debt. For purposes of this calculation and the calculation of the ratios below, PICA debt service is excluded. Long-Term Obligations include the City’s Revenue Recognition Policy (RRP) actuarially required contribution amounts, the amounts payable by the City under the Convention Center Operating Agreement between the City, the State, and the Pennsylvania Convention Center Authority (\$15 million annually), and other fixed costs such as the Eagles Stadium Operating and Expense Reimbursement payable under the Sublease and Development Agreement between PAID and the Philadelphia Eagles (\$12 million annually through its expiration in FY2028), but does not include other leases, or facilities that the City has or may enter into. This figure also includes costs to enter into Letters of Credit and Remarketing Agreements to support the City’s variable rate debt program.

These ratios are shown below for recent fiscal years:

Long-Term Obligations as a Percentage of General Fund Expenditures, Recent Results:	2021	2022	2023	2024	2025
Tax-Supported Debt Service (excluding Pension Bonds)	5.8%	5.3%	4.8%	4.6%	4.8%
Tax-Supported Debt Service plus Convention Center and Eagles Stadium	6.3%	5.8%	5.2%	4.8%	5.1%
Tax-Supported Debt Service plus Convention Center, Eagles Stadium, and Pension Costs*	22.1%	21.1%	19.0%	18.4%	19.0%

*Actuarially determined RRP contribution; excludes discretionary contributions above RRP

VI. REFINANCING OUTSTANDING DEBT

Refunding opportunities should be monitored on an ongoing basis to evaluate potential savings. A present value (“PV”) analysis should be prepared to analyze the potential savings and all costs of the refinancing should be taken into account. The present value analysis should be calculated on the transaction as a whole and on a maturity-by-maturity basis.

After the passage of the Tax Cut and Jobs Act (TCJA), which became effective on January 1, 2018, issuers are no longer allowed to advance refund tax-exempt bonds with tax-exempt bonds. Advance refundings with taxable bonds are still permitted. Other tools like tenders and tax-exempt refundings of taxable bonds have also emerged as ways to generate savings or make other portfolio changes when bonds cannot otherwise be refunded or refunded efficiently. As such, the City will consider the following criteria in evaluating refunding options on individual bonds and on a maturity-by-maturity basis:

Refunding Test	Criteria	
1. PV Savings Test – Current Refunding	2% overall >0% per maturity	A current refunding candidate passes the PV Savings Test if savings for the entire transaction generate at least 2% PV savings, and if each maturity generates positive PV savings.
2. Rate Efficiency	<40%	A refunding candidate passes the Rate Efficiency Test if the increase in present value savings (vs. currently achievable savings) under a 25 bps lower rate scenario is less than 40%.
3. Negative Arbitrage Efficiency (taxable advance refundings only)	<75%	For taxable advanced refundings, a refunding candidate passes the Negative Arbitrage Efficiency Test if negative arbitrage is less than 75% of present value savings.

Tenders: A tender is when the City repurchases a select amount of previously issued bonds directly from bond holders and issues lower cost debt to fund the purchase price of the tendered bonds. For the purposes of this policy criteria, tenders include issuing refunding debt to fund the purchase of the tender bonds.

The City should clearly articulate the goals for the tender refunding, such as savings, indenture changes, or other debt restructuring considerations, to ensure the goals guide transaction decisions throughout the process. Participation rates in tenders can vary widely based on the nature and composition of existing bond holders, market conditions, and the purchase price offered to existing bond holders.

The City utilizes the savings matrix below as a starting point for tax-exempt tender candidate evaluation. The City reserves the right to revise the savings criteria over time based on need and market dynamics but shall establish a defined savings criteria prior to launching the tender. This savings matrix also applies to evaluating taxable advance refunding candidates.

	Years to Call Date			
		0 to 2 Years	3 to 7 Years	8 to 10 Years
Years from Call Date to Maturity Date	0 to 5 Years	0.5%	1.0%	2.0%
	6 to 10 Years	1.0%	2.5%	4.0%
	11 to 15 Years	3.0%	4.0%	5.0%
	16 to 20 Years	4.0%	5.0%	5.5%

Taxable tender candidates will be evaluated against a 1% or greater present value savings per maturity criteria.

Variable Rate: If variable rate bonds are being issued with an associated swap, the present value savings should be at least five percent of the principal amount of the refunded debt to account for the additional interest rate, credit and other risks associated with these transactions.

For variable rate bonds, present value savings cannot be reliably computed since interest rate pricing varies from week to week. However, the City should analyze the estimated savings from a refunding of variable rate debt based on historical interest rates to determine whether to proceed.

Restructurings: Some refundings may be executed for reasons other than for present value savings in which case these refundings do not need to meet the savings test. Reasons for issuing refunding bonds other than present value savings could be to restructure debt, to change bond covenants contained in an indenture, and/or to reduce risk in the debt portfolio. The reasons for a refunding should be clearly stated. For all refunding bonds, maturities should not extend beyond the final maturity of the refunded bonds and savings, if generated, should be taken on a level basis for the life of the debt. Where permitted by law, non-level savings may be taken if it is appropriate within the overall debt portfolio; if non-level savings are taken, the reasons for doing so should be clearly stated.

When contemplating a General Obligation bond refunding transaction, the impact on the City's legal debt limit should be considered. A transaction with a greater par amount, even if it is expected to meet the present value savings tests detailed above, will use General Obligation debt capacity that might be needed in the future.

Current Refundings: For current refundings, pursuant to tax-law, the refunding escrow may not exceed 90 days.

Advance Refundings: For advance refundings, the refunding escrow exceeds 90 days. Because tax-exempt bonds cannot be advance refunded with tax-exempt bonds, the City should carefully consider the benefits and opportunity costs of executing an advance refunding with taxable bonds or other financing methods. Additional consideration should be given to the call option on the refunding bonds. The City will require additional benefit for issuing refunding bonds with a make whole call in lieu of a par call.

VII. VARIABLE RATE AND SHORT-TERM DEBT

Variable rate debt may be used for several purposes, including potentially achieving a lower cost of borrowing over time, offsetting the risks associated with variable rate short term assets, or for short-term financing needs. Variable rate debt can be generally redeemed on short notice without penalty providing increased financing flexibility if debt prepayment is anticipated. In addition, variable rate debt can act as a hedge to short term cash investments.

Criteria for Use of Variable Rate Debt

Variable rate debt must be managed prudently as the City must have financial capacity to handle fluctuations in interest rates over time. Because of this, the proportional amount of total variable rate debt to total debt should be limited.

Description	Target
Amount of Total Variable Rate Debt as a percentage of Debt	25% Maximum

The target aligns with industry standards based on rating criteria. This limitation should be calculated separately for General Fund-supported debt, Airport revenue bonds, PWD revenue bonds and PGW revenue bonds.

Another ratio to consider is the amount of unhedged variable rate debt as a percentage of all debt. Unhedged variable rate debt refers to variable rate debt not hedged through the use of interest rate swaps.

Description	Target
Amount of Unhedged Variable Rate Debt as a percentage of Debt	15% Maximum

This limitation should be calculated separately for General Fund-supported debt, Airport revenue bonds, PWD revenue bonds, and PGW revenue bonds.

As of June 30, 2025, these ratios are:

Credit	Variable Rate %	Unhedged Variable Rate %
General Fund	4%	0%
Airport Revenue	0%	0%
PWD Revenue	0%	0%
PGW Revenue	9%	0%

When deciding whether to issue any variable rate debt, historical cash balance averages should be evaluated to confirm that sufficient financial flexibility exists in the event of rising interest rates, or, in the case of hedged variable rate debt, if a dislocation occurs between the swap rate and the bond rate. This is explained in more detail in the City's Swap Policy. For any contemplation of hedged variable rate debt, provisions set forth in the City's Swap Policy should be followed.

Main Types of Short-Term Debt

- Tax and Revenue Anticipation Notes (TRANs) – TRANs are short term notes secured by a pledge of taxes and other General Fund revenues. The City issued TRANs in each fiscal

year but one from 1972 through 2018 to manage the timing mismatch between General Fund revenues and expenditures during the year. Since that time, the City has only issued one TRAN, in FY21, due to economic uncertainty caused by COVID-19. TRANs must be repaid in full by the end of the fiscal year in which they are issued.

- Commercial Paper (CP) – CP has maturities of up to 270 days and is commonly used to finance project construction. It can be issued incrementally as funds are needed and then refunded with a long-term financing once the project is completed, taking advantage of lower short-term rates. The City currently has CP programs in place for PWD, the Airport, and PGW. Similar to and sometimes in the form CP, the City uses credit facilities and revolving lines of credit.
- Bond Anticipation Notes (BANs) – BANs are short term obligations, repayment of which is backed by proceeds of an upcoming authorized bond issue.

VIII. BOND SALE GUIDELINES

Selection of Bond Professionals

In selecting bond professionals, including financial advisor, bond counsel, and disclosure counsel services, the City and its related agencies must comply with Chapter 17-1400 of the Philadelphia Code, the City’s Contract Reform Legislation. This legislation establishes provisions regulating the process by which the City awards professional service contracts and other non-competitively bid contracts. While the Contract Reform Legislation is not applicable to the selection of bond underwriters, the City will choose underwriters for a negotiated sale through a Request for Qualifications (“RFQ”) to establish underwriting pools, and a Request for Information (“RFI”) to select managers for a specific transaction. This process is generally similar to the procedures for bond professionals under the Contract Reform Legislation, except in emergency situations. In circumstances where an underwriter has presented a unique and actionable idea, the City may at its discretion take this factor into consideration when selecting underwriters.

Method of Sale – Competitive v. Negotiated

There are two methods of issuing bonds, a competitive sale and a negotiated sale. In a competitive sale, underwriters submit sealed bids and the sale is awarded to the underwriter syndicate with the lowest all-in True Interest Cost (TIC). In a negotiated sale, the underwriter(s) are chosen through a RFI process and the interest rate and underwriter’s fees are negotiated prior to sale.

Each proposed sale of bonds should be evaluated to determine if it is in the City’s best interest to issue the bonds by competitive or negotiated sale. Competitive sales can result in lower costs of borrowing to municipal borrowers; however certain factors might make a negotiated sale result in a lower cost of borrowing. The factors to be considered include the following:

- Volatility of market conditions: During volatile markets, a negotiated sale may be preferable, as underwriters can help determine the optimal timing for the sale and the City has greater flexibility in the movement of the sale date.
- Size of the bond deal: The bond size is an important determinant of market demand. Very large or very small transactions may benefit from the marketing efforts associated with a

negotiated sale. A small transaction might not attract sufficient market attention without active marketing, while a large transaction may be difficult to efficiently place without pre-sale marketing efforts.

- Complexity of amortization structure: Bonds with complex amortization structures (e.g., issuances in moving interest rate environments or refundings with fluctuating candidates) may not be well-suited to competitive sales, which can lack sufficient flexibility.
- Source of security for the bonds: Transactions with complex or novel security structures may benefit from a negotiated sale. New debt instruments may require an education process in the marketing that a negotiated approach facilitates.
- Credit Strength: Highly rated issuers may fare better in competitive sales due to market demand for high-rated municipal paper. Lower-rated bonds may need and can benefit from the marketing and support of a negotiated sale.
- Syndicate Composition: Competitive sales do not allow the City to influence syndicate composition. If selecting firms with specific expertise is important, a negotiated sale may be preferred.

For smaller bond issues, the City may also consider issuing as a Direct Purchase rather than through a public market transaction. An analysis should be completed to determine whether a Direct Purchase is more cost-effective, through lower interest costs and/or reduced costs of issuance. If a Direct Purchase is utilized, the Purchaser should be selected through an RFP or RFI process.

IX. INVESTOR AND RATING AGENCY COMMUNICATION

Continuing Disclosure

As more fully described in the City's Disclosure Policy, dated March 8, 2024, the City will comply with its Continuing Disclosure Agreements, required for underwriters to satisfy Securities and Exchange Commission (SEC) Rule 15c2-12. This Rule requires an annual filing with Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA) system, which provides financial information and operating data relevant to investors in City and related authority obligations. The City files its Annual Comprehensive Financial Report (ACFR), the Annual Report of Bonded Indebtedness, the Airport's Annual Report, PWD's Annual Report, and PGW's Annual Report. In addition, the City files material event notices when required under its Continuing Disclosure Agreements. The items which constitute material events are listed in Offering Statement for each bond series.

The City is currently contracted with an outside firm, Digital Assurance Certification (DAC), to provide dissemination services to the City for General Obligation bonds, PWD revenue bonds, Airport revenue bonds, and PGW revenue bonds, and certain City-related service agreements and lease agreements. The primary contact and person responsible for communication with DAC regarding continuing disclosure issues is the Executive Director of the Sinking Fund Commission and the City Treasurer has supervisory responsibility.

From time to time, the City may also make available material from investor conference presentations on its Investor Information Site.

Rating Agency Communication

The City will make every reasonable effort to maintain and improve its bond ratings. To achieve this goal, the City maintains open lines of communications with the rating agencies, informing them of major financial events in a timely manner. All communications should be made by the Director of Finance or the City Treasurer or individuals they specifically designate. In addition to email, video, or phone calls updating the rating agencies on financial events, in-person or virtual surveillance meetings should be scheduled at least annually, or more frequently, as conditions warrant.

X. POST-ISSUANCE COMPLIANCE

In 2012, the City adopted Tax Compliance Procedures for Tax-Exempt Bonds, which were updated in 2023. These procedures detail the policies and procedures that the City is taking to remain in compliance with the rules and regulations of the Internal Revenue Service in regards to the tax-exempt bonds that the City issues. These procedures apply to tax-exempt General Obligations bonds, Tax and Revenue Anticipation Notes, as well as other tax-supported debt. The policies and procedures also apply to the revenue bonds issued by the PGW, the PWD, and the Airport. Certain sections also apply to private activity bonds.

XI. OTHER

Arbitrage Requirements

The City will comply with all of its tax certificates for tax-exempt financings by monitoring the arbitrage earnings on bond proceeds on an interim basis and by rebating all positive arbitrage when due, pursuant to Internal Revenue Code Section 148. The City currently employs an arbitrage consultant to prepare these calculations.

Securities and Exchange Commission Municipal Advisor Rule

In response to SEC Rule 15Ba1-1(d)(3)(vi)(B) which exempts from the municipal advisor definition for purposes of the Securities Exchange Act of 1934, as amended, any persons providing recommendations on the issuance of municipal securities and municipal financial products that are particularized to the City's specific needs (hereinafter the "Recommendations") in a circumstance in which the City is otherwise represented by an independent registered municipal advisor with respect to the same aspects of a municipal financial product or issuance of municipal securities, the City, with respect to its various debt programs will provide a notice or notices of representation by registered municipal advisor (collectively, the "Notice of Representation") pursuant to SEC Rule 15Ba1-1(d)(3)(vi)(B). In accordance therewith, the Notice of Representation will state, in substance:

- (1) The City notifies investment banking firms that it wishes such firms to continue to provide Recommendations;
- (2) The City affirms that it is represented by one or more financial advisory firms identified therein (collectively, the "City Financial Advisor") which have been retained by the City to, among other things, provide advice to the City with respect to municipal financial products and the issuance of municipal securities with respect to each of the City's

respective debt programs, including advice with respect to the structure, timing, terms and other similar matters concerning such financial products and issues;

- (3) The City affirms that it will rely on the advice of the applicable City Financial Advisor(s) in evaluating any and all Recommendations with respect to the applicable City debt program;
- (4) The City Financial Advisor(s) has or have represented to the City that it is registered as a municipal advisor with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- (5) The names of the City Financial Advisors currently under contract with the City and the personnel of such firms who will advise the City concerning the Recommendations with respect to the applicable City debt program; and
- (6) Except as otherwise provided in the Notice of Representation, each City Financial Advisor has represented to the City that the applicable personnel listed in the Notice of Representation have not been associated with an investment banking firm within the two years prior to the date of the Notice of Representation.

The City will post the Notice of Representation on its investor website and will update the Notice of Representation as necessary from time to time.