



April 30, 2026

## Memorandum

To: Jim Lisenfelt, County Manager  
Morris Richardson, County Attorney

From: Jay Glover, Managing Director – PFM Financial Advisors LLC

Re: Review of Financing Structure for the Not to Exceed \$475,000,000 Health Facilities Authority Hospital Revenue Bonds (Health First Obligated Group), Series 2026A&B

---

It is our understanding that the Brevard County Health Facilities Authority (the "Authority") is proposing to issue tax-exempt private activity bonds in one or more series (the "Bonds") for the principal purposes of financing various capital improvements to health care facilities (collectively, the "Project") owned and/or operated by Health First Shared Services, Inc., Holmes Regional Medical Center, Inc., Cape Canaveral Hospital, Inc. and Viera Hospital, Inc. (collectively, the "Borrowers") and refunding certain outstanding bonds of the Authority that were previously issued for the benefit of the Health First system, as more particularly described in the materials provided by the Authority and included in the agenda package for the April 7, 2026 meeting of the Board of County Commissioners (the "BOCC"). Proceeds of the Bonds will be loaned to the Borrowers who will be responsible for payment of debt service on the Bonds.

Florida Statutes require the County approve the proposed issuance of the Bonds by the Authority. Before doing so, the County has requested that PFM Financial Advisors LLC ("PFM"), the County's financial advisor, certify that the issuance of the Bonds meets or exceeds County's debt issuance guidelines, which require an investment grade underlying credit rating for publicly offered bonds, provided however that unrated bonds may be approved by the County provided that they are sold only to accredited investors in minimum denominations of \$100,000. We have also been asked to ensure that the proposed transaction will not have a negative financial impact on the County, impair the County's credit ratings or impact the County's ability to issue debt in the future.

The Bonds will be issued as fixed and variable rate, tax-exempt bonds secured by a gross receipts pledge of Health First Obligated Group. The Borrowers have indicated that the Bonds will be sold via a negotiated public offering with (i) JP Morgan serving as book running senior manager and RBC Capital Markets as co-senior manager, with respect to the fixed rate bonds, and (ii) RBC Capital Markets as underwriter of the variable rate bonds. While not yet assigned, the Borrowers have indicated their expectation that the Bonds will possess A category underlying credit ratings, which is consistent with the current ratings of the Borrowers. Therefore, it is PFM's opinion that the Bonds meet the criteria of possessing an investment grade credit rating. Based on the proposed structure of the Bonds, their issuance will not have a negative financial impact on the County. Prior to the closing of the Bonds, we request that the Borrowers provide final documents to PFM for our review to confirm they are consistent with the terms of the transaction as outlined in this memorandum, including the final credit rating report.

Given that the County bears no financial responsibility related to the repayment of debt service on the Bonds, PFM has not been asked to review any financial information related to the



Borrower's ability to repay the Bonds as part of the scope of this engagement. PFM bears no liability for potential errors in the information provided by the Borrower or its' representatives.