

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT: APPROVE RESOLUTION 13-062 AUTHORIZING ISSUANCE OF UP TO \$205,000,000 GENERAL OBLIGATION BONDS SERIES 2013 & APPROVE RESOLUTION 13-066 AUTHORIZING ISSUANCE OF UP TO \$103,000,000 FORWARD DELIVERY PRIVATE PLACEMENT GENERAL OBLIGATION BONDS SERIES 2014A WITH CITIBANK, NA**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

**LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

The Treasury Advisory Committee (TAC) met on April 15, 2013 to review General Obligation Bond (GOB) Funding Strategies and recommended that the District provide up to \$200 million of bonds in a long-term fixed rate mode to be sold on a competitive basis planned for June 2013. The up to issue size of \$205 million is needed to allow for sizing of the transaction once the June 1<sup>st</sup>, 2013 Preliminary Taxable Value is known.

In addition, the Committee requested that the Finance Team investigate the possibility of reducing interest rate risk for future issuance by negotiating with Citibank NA (Citi) for a forward delivery private placement after reviewing 13 proposals from banks providing line of credit and/or rate lock options. Citi had included in their Proposal to direct purchase up to \$100,000,000 of bonds on a forward settle basis plus a premium of 25 basis points, if the District bonds qualified for Community Reinvestment Act credits. After negotiations with the District's finance team Citi reduced the premium to 22 basis points for a seven month forward delivery. Although the Series 2014A GOB will be a negotiated sale, pricing will be based on the Series 2013 GOB competitive sale plus the 22 basis points. A memorandum prepared by the District's Financial Advisor summarizing the TAC discussion points and subsequent analysis is included.

There is no assurance that rates will be lower in January 2014 when the Series 2014A GOB settles. The transaction is a risk reduction exercise replacing uncertainty with certainty as to interest rates for a portion of next fiscal year's planned issuance. It is consistent with the discussion held during the GOB referendum related to taking advantage of historical low interest rate environment. The District has had a positive experience in the past when entering into forward settlement to reduce interest rate risk and locking in current prices.

**E-25**

In addition, the Committee also reviewed the suitability of including Public Private Partnerships (P3) for the GOB financing program. Including a P3 arrangement that includes private financing could be authorized in the form of a turnkey solution (similarly employed for Felix Varela, SHS and Hubert O. Sibley K-8 Center). It would be subject to certain time constraints. The District would take out the private financing with a future GOB issuance; however, there would be higher financing costs incurred that reduce funding for projects. In addition, other financing vehicles such as Bond Anticipation Notes or Line of Credit could be employed to accommodate project acceleration without the increased financing cost associated with a P3 structure.

Timing, amounts and structure of future issuances will be dependent upon the cash flow needs of the construction schedule primarily, as well as on market conditions. The District may utilize forward settling GOBs in the future or Bond Anticipation Notes/Line of Credit to accommodate project acceleration and market conditions, as needed. Construction cash flows projections were provided to the Finance Team in February 2013 as noted in the January 17, 2013 School Board Workshop on GOB Capital Plan Rollout, Tentative Financing Schedule.

It is anticipated that the cash flows projections will be updated after the five year Facilities Capital Work Program is approved by the Board in September 2013 and again mid-year (February 2014). A third GOB issuance of a \$100 million or more will be sold on a competitive basis planned for June/July 2014 and will accommodate the updated construction cash flow projections.

Included in the Official Notice of Sale will be a statement that the School Board strongly encourages each bidder to support the Minority/Women Business Enterprise Firms School Board policy by including these firms in the syndicate and to identify the applicable firms. No bid would be considered non-responsive, however, on the basis of non-compliance with the School Board's request.

It is recommended that the Board approve Resolution 13-062 authorizing the issuance of up to \$205 million GOB Series 2013 and Resolution 13-066 authorizing the forward delivery private placement GOB Series 2014A with Citibank, NA. Both Series are being issued under the \$1.2 billion GOB Referendum approved by the voters November 6, 2012.

Estimated cost of issuance will not exceed \$800,000 for both GOB Series.

Exhibits referenced in Resolutions 13-062 and 13-066 will be distributed to the Board under separate cover.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida:

1. approve Resolution 13-062 authorizing issuance of up to \$205,000,000 General Obligation Bonds Series 2013, and
2. approve Resolution 13-066 authorizing issuance of up to \$103,000,000 forward delivery private placement General Obligation Bonds Series 2014A with Citibank, NA.

April 23, 2013

## Memorandum

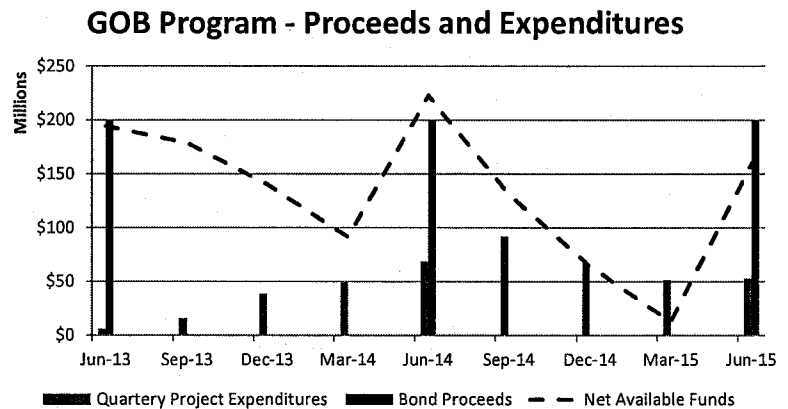
**To:** Silvia Rojas, Treasurer, Miami-Dade County Public School District

**From:** Public Financial Management, Inc.

**Re:** General Obligation Bonds, Series 2013 – Treasury Advisory Committee Discussion

The purpose of this memorandum is to summarize the discussion that occurred at the Miami-Dade County Public School District's (the "District") Treasury Advisory Committee (the "TAC") meeting on April 16<sup>th</sup> 2013, and to provide the plan of finance for the District's near-term construction cash flow expectations.

The District's initial plan of finance for the GOB Program was to issue a \$200 million series of bonds in June/July of 2013, 2014 and 2015 in order to meet the construction program needs. The District currently anticipates project expenditures of approximately \$440 million through June of 2015. The chart on the right illustrates the anticipated issuance of bonds (blue columns), the quarterly construction cash flows (red columns), and the quarterly available balance of remaining funds available for construction requirements (dashed line).



At the District's TAC meeting on April 16<sup>th</sup>, we discussed various alternatives for the District's consideration to proceed with the GOB financing program. The Committee considered a wide range of factors that may impact timing of the debt issuance including (i) desire to lock in current, low interest rates, (ii) desire to accelerate availability of funds to aid in accelerating construction (if necessary), and (iii) avoiding negative carry in the construction fund. We reviewed the proposals received from 13 different underwriting firms. The proposals included line of credit (interim-financing) options, as well as proposals to enter into forward starting swaps or other similar derivative products in order to hedge future interest costs. Ultimately our recommendation to the TAC was to proceed with a more conservative approach at this stage, and not utilize interim financing or derivative products to finance the GO Program. We feel it is important that the District remain consistent with the prudent approach that was taken at the time the GO Program was authorized by the Board and the referendum was explained to voters, and remain consistent with the intended plan of finance. At the same time, one of the underwriting firms (Citigroup) did

provide a unique proposal to directly purchase up to \$100 million of GO Bonds with a seven month forward settlement date. The Citigroup proposal provided the option to directly purchase the bonds at current rates plus a forward premium of 25 basis points for up to \$100 million. The TAC directed PFM and staff to further negotiate with Citigroup to attempt to bring the pricing down on that option. As a result of those negotiations, on April 19<sup>th</sup> Citigroup provided better pricing as well as two additional alternatives, summarized below:

- \$100 million direct purchase with a 7 month forward delivery at current market rates, plus 22 basis points.
- \$100 million direct purchase with a 9 month forward delivery at current market rates, plus 27 basis points.
- \$100 million direct purchase with a 12 month forward delivery at current market rates, plus 33 basis points.

Consistent with the TAC's request, we were able to negotiate improved pricing terms for the 7 month forward option. In addition, because Citigroup provided two additional alternatives, we evaluated each forward period in terms of lowest cost of funds for the District and lowest cost to the homeowner.

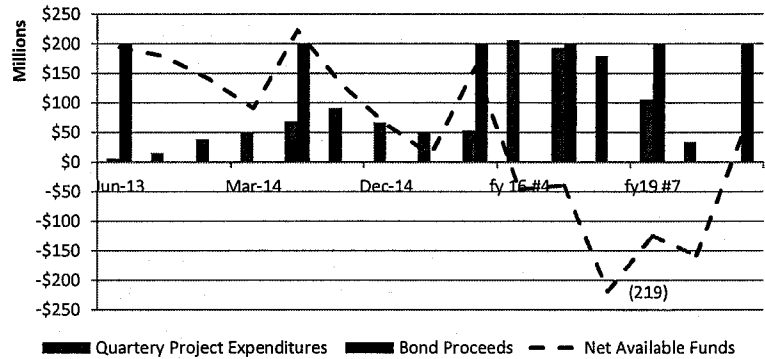
<b>Summary of Bond Issuance Timing Alternatives (Second Series)</b>				
	<i>Initial</i>	<i>Forward Delivery Bond Alternative</i>		
Rates Lock:	N/A	July 15, 2013	July 15, 2013	July 15, 2013
Forward Period	N/A	7 months	9 months	12 months
Bond Delivery:	July 15, 2014	February 15, 2014	April 15, 2014	July 15, 2014
Par Amount	\$100,000,000			
MMD Rates	Increase 75bps	Current as of April 19, 2013 plus AA GO credit spread		
Forward Premium	N/A	0.22%	0.27%	0.33%
True Interest Cost	4.77%	4.74%	4.73%	4.74%
Total Debt Service	\$ 2,309,125,029	\$ 2,297,996,921	\$ 2,301,841,525	\$ 2,302,003,213
<b>Statistics: Total GO Bonds Issued for GO Program (\$1.2 Billion)</b>				
<u>Estimated Millage Required for Debt Service</u>				
2013	0.052	0.051	0.051	0.051
2014	0.109	0.115	0.111	0.106
2015	0.166	0.161	0.161	0.161
<u>Estimated Cost to Homeowner (per \$100,000 value)</u>				
2013	\$ 5.18	\$ 5.09	\$ 5.09	\$ 5.09
2014	\$ 10.91	\$ 11.46	\$ 11.13	\$ 10.61
2015	\$ 16.57	\$ 16.09	\$ 16.07	\$ 16.09

As shown in the table above, the cost to the homeowner in the initial year remains at approximately \$5 (per \$100,000 of home value), and grows very similarly in future years. During the referendum process the District prudently estimated that interest rates would rise in the future, and as a result locking-in future borrowing costs at current rates plus a lower spread than the approximately 75 basis point increase provides additional cost savings over the term of the financing. It should be noted that the Citigroup proposal is a direct purchase by the bank, and as such has a different risk profile than a swap. The primary risk to the District is that the bank cannot complete the purchase

in the future, leaving the District to price at market rates at that time. We feel this risk is fairly low, however not inconceivable; and if that were to occur the District would simply be in the same position as it expected to be when the referendum process began. It should also be noted that the price for Citigroup to purchase the bonds will be set based on the competitive bond sale expected to occur this June. Therefore the pricing will be set based on a fair representation of the market conditions in June, plus the agreed upon forward delivery spread. At the future forward delivery date, Citigroup will purchase the bonds and provide the District with the funds. Based on the analysis and summary table provided above, we recommend that the District move forward with the 7-month forward alternative. Our recommendation is based on the fact that the difference in spreads for the longer forward premium results in approximately \$4 million in additional debt service over the life of the financing, and the fact that the District will have access to the proceeds to fund projects on a more accelerated basis if desired or necessary. Ultimately this option provides the District with a locked-in financing cost for \$300 million in today's low interest environment. Of course, if interest rates decline in the future, or even remain the same, the District will be paying more than it could have achieved. The District must weigh the certainty of locked-in financing versus the likelihood of interest rates declining further in the next 12-18 months.

Finally, the most recent program expenditure requirements provided by the facilities department anticipate a more accelerated schedule than originally contemplated starting in Fiscal Year 2015 (see graphic to the right). Therefore the originally projected schedule for bond issuance will have to be modified in order to keep pace with construction requirements in those later years. (The illustration to the right shows the impact of *not* adapting the financing schedule.) The fact that

**GOB Program - Proceeds and Expenditures**



the construction schedule has changed is not atypical of an 8+ year, billion dollar construction program. We anticipate the construction schedule will likely change multiple times moving forward as design plans progress and construction is underway. As a result we will work with District Finance staff to monitor market conditions to ensure that the program is adequately funded in order to meet the project requirements. We will continue to actively monitor the financial markets for opportunities to optimize the General Obligation Bonds in the future, as well as update the estimated resulting millage impact of accelerating the financing schedule.

Please contact us if you have any questions or comments on the information provided in this memorandum. We look forward to continuing to work toward the successful completion of the District's General Obligation Bond Program.

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**GENERAL OBLIGATION SCHOOL BONDS, SERIES 2013**

**SERIES RESOLUTION 13-062**

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**RESOLUTION 13-062**

**A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION SCHOOL BONDS, SERIES 2013 OF THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA, IN AN AMOUNT NOT EXCEEDING \$205,000,000; FIXING THE FORM AND OTHER DETAILS OF THE SERIES 2013 BONDS; AUTHORIZING A PUBLIC SALE OF THE SERIES 2013 BONDS; CREATING CERTAIN FUNDS AND ACCOUNTS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A DISCLOSURE AGREEMENT; PROVIDING FOR INCIDENTAL ACTION BY MEMBERS AND OFFICERS OF THE SCHOOL BOARD AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, The School Board of Miami-Dade County, Florida (the “**School Board**”) adopted Resolution 12-122 on August 1, 2012, requesting approval by the Florida Department of Education of the issuance of general obligation school bonds of the School District of Miami-Dade County, Florida (the “**District**” or the “**School District**”) in an aggregate principal amount not to exceed One Billion Two Hundred Million Dollars (\$1,200,000,000) (the “**Bonds**”); and

WHEREAS, in a letter dated August 9, 2012, the Florida Department of Education approved Resolution 12-122; and

WHEREAS, the School Board adopted Resolution 12-133 on August 15, 2012 (the “**Referendum Resolution**”), calling for a referendum to submit to the qualified electors of the School District the question of whether the School District shall issue the Bonds at the general election to be held on November 6, 2012; and

WHEREAS, pursuant to the Referendum Resolution, the question was submitted to the qualified electors of the School District at the election held on November 6, 2012, the results of which were canvassed and declared by the Board at a regular public meeting on December 5, 2012 (which results have been recorded in the minutes of the Board) as follows: As provided in



the Certificate dated November 16, 2012, of the Miami-Dade County Canvassing Board, 69% of the electorate who voted approved the issuance of Bonds; and

**WHEREAS**, the School Board adopted Resolution 12-163 on December 5, 2012 (the “**Master Resolution**”), authorizing the issuance of the Bonds, and setting forth certain terms of the Bonds; and

**WHEREAS**, the Bonds were validated by final judgment entered February 26, 2013, in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida, from which no appeal was filed prior to the end of the appeal period; and

**WHEREAS**, the School Board has determined it to be in the best interest of the School District that an amount not exceeding \$205,000,000 aggregate principal amount of the Bonds (hereinafter called the “**Series 2013 Bonds**”) be issued and sold at this time; and

**WHEREAS**, it is necessary to authorize the distribution and use of the Preliminary Official Statement for the Series 2013 Bonds and to authorize the execution and delivery of a final Official Statement therefor; and

**WHEREAS**, in order to provide for compliance with the requirements of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”), the Issuer will execute a Disclosure Agreement (as hereinafter defined) agreeing to deliver such information and reports and give notice of the occurrence of certain events consistent with the requirement of the Rule; and

**WHEREAS**, the School Board deems it in its best financial interests that said Series 2013 Bonds be sold at a competitive sale;

**NOW THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA that:**

SECTION 1. AUTHORITY FOR RESOLUTION. This resolution is adopted pursuant to and is subject to the Constitution and laws of the State of Florida, particularly, Section 1010.40 *et seq.*, Florida Statutes, as amended, and other applicable provisions of law, as amended (hereinafter referred to collectively as the “**Act**”), and pursuant to the provisions of the Master Resolution of the School Board referred to above (this resolution and the Master Resolution, as modified and supplemented by this resolution are sometimes hereinafter collectively referred to as the “**Resolutions**”). This resolution shall constitute the Series Resolution (as defined in the Master Resolution) contemplated by Section 22 of the Master Resolution.

SECTION 2. DEFINITIONS. Any term used herein and not otherwise defined shall have the definition for such term provided in the Master Resolution. In addition, the following terms shall have the following meanings herein, unless the text otherwise expressly requires:

“**Debt Service Requirement**” for any Calendar Year, as applied to the Series 2013 Bonds shall mean the sum of:

(1) The amount required to pay the interest becoming due on the Series 2013 Bonds during such Calendar Year; and

(2) The aggregate amount required to pay the principal becoming due on the Series 2013 Bonds for such Calendar Year. For purposes of this definition the stated maturity date of any Series 2013 Bonds which are Term Bonds shall be disregarded and the Amortization Installment applicable to such Series 2013 Bonds which are Term Bonds in such Calendar Year shall be deemed to mature in such Calendar Year.

“**Interest Payment Date**” shall mean the date or dates determined by the Superintendent on which interest on the Series 2013 Bond shall be due and payable.

“**Project Account**” shall mean the Series 2013 Project Account of the Project Fund established pursuant to Section 5 hereof.

“**Series 2013 Debt Service Account**” shall mean the Series 2013 Debt Service Account on the Debt Service Fund established pursuant to Section 6 hereof.

“**Series 2013 Project**” shall mean the portion of the Project (as defined in the Master Resolution) to be financed and/or refinanced with proceeds of the Series 2013 Bonds.

SECTION 3. SERIES 2013 BONDS. An amount not exceeding \$205,000,000 aggregate principal amount of the Bonds is hereby authorized to be issued at this time, and shall be designated “Series 2013 Bonds”.

(a) The Series 2013 Bonds shall be dated, shall pay interest on each Interest Payment Date, shall be issued in denominations of \$5,000 or integral multiples thereof, shall mature, and shall bear interest at rates determined pursuant to Section 6 hereof.

(b) Redemption Provisions of Series 2013 Bonds. The Series 2013 Bonds shall be subject to optional redemption, and the Series 2013 Bonds which are Term Bonds shall be subject to mandatory redemption, upon the terms and conditions and at the times determined pursuant to Section 6 hereof.

SECTION 4. FORMS OF SERIES 2013 BONDS. The text of the Series 2013 Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, with such omissions, insertions and variations as may be necessary and desirable.

SECTION 5. SERIES 2013 PROJECT ACCOUNT. There is hereby created and established by the District within the Project Fund a separate account therein to be known as the “**Series 2013 Project Account**”. Such Fund shall be held and administered by the School Board or a depository designated by the School Board. The proceeds derived from the sale of the

Series 2013 Bonds net of accrued interest, if any, shall be deposited by the District in the Series 2013 Project Account of the Project Fund and such proceeds, together with investment earnings thereon, shall be expended for the purpose of financing the costs of the Series 2013 Project, subject to the provisions of Section 16 of the Master Resolution. All such proceeds shall be and constitute trust funds for such purposes.

The Registered Owners of the Series 2013 Bonds issued hereunder shall have no responsibility for the use of the proceeds of the Series 2013 Bonds, and the use of such proceeds by the School Board shall in no way affect the rights of such Registered Owners. The School Board shall be irrevocably obligated to continue to levy and collect the ad valorem taxes as provided herein and to timely pay the principal of and interest on the Series 2013 Bonds notwithstanding any failure of the School Board to use and apply such Series 2013 Bond proceeds in the manner provided herein. The Registered Owners of the Series 2013 Bonds shall have a lien on all monies and investments held on deposit in the Series 2013 Project Account of the Project Fund during the period that such monies remain on deposit in the Series 2013 Project Account.

SECTION 6. SERIES 2013 DEBT SERVICE ACCOUNT OF THE DEBT SERVICE FUND. There is hereby created and established by the District an account within the Debt Service Fund to be known as the “**Series 2013 Debt Service Account**” (the “**Series 2013 Debt Service Account**”), to be held and administered by the School Board solely for the purpose of paying the principal of, premium, if any, and interest on the Series 2013 Bonds as they become due, whether at maturity, or upon redemption or purchase for cancellation, or to reimburse the District for paying such amounts.

SECTION 7. PUBLIC SALE OF SERIES 2013 BONDS; AWARD OF SERIES 2013 BONDS.

It is hereby found, ascertained, determined and declared by the Board that a public sale of the Series 2013 Bonds in the aggregate principal amount of not exceeding \$205,000,000 is in the best interest of the District and is hereby authorized. Each of the Superintendent of Schools, the Chief Financial Officer and the Treasurer of the District is hereby authorized to prepare and publish a summary notice of sale for the Series 2013 Bonds, to prepare and distribute an official invitation to bid for the Series 2013 Bonds and related documents, and to prepare a Preliminary Official Statement for distribution in connection with such official invitation to bid. The forms of the official notice of sale and summary notice of sale shall be substantially in the forms set forth in **Exhibit D**, attached hereto. The Series 2013 Bonds shall be offered at public sale on a date to be determined in the discretion of the Superintendent of Schools, the Chief Financial Officer or the Treasurer of the District without further authorization from the Board. Each of the Superintendent of Schools, the Chief Financial Officer and the Treasurer of the District is hereby authorized and directed to publish, or cause to be published, the official or summary form of notice of sale in The Bond Buyer, a financial newspaper published and/or of general circulation in the Borough of Manhattan, City and State of New York and, in the discretion of the Superintendent of Schools, the Chief Financial Officer or the Treasurer of the District, in a newspaper of general circulation in the area of the District one time not less than 10 days prior to such date of sale. The Board hereby separately authorizes and directs the Chair or Vice Chair, the Superintendent, the Chief Financial Officer, the Treasurer, and the School Board Attorney to take all actions necessary to consummate such sale, upon the terms and conditions set forth in the official invitation to bid.

The Board and its officers are hereby authorized and directed to take such action as the Board or its officers deem necessary or desirable to obtain a securities rating for the Series 2013 Bonds from Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Service.

The Superintendent, the Chief Financial Officer and the Treasurer, acting separately or with another named officer and in consultation with and upon the advice of the District's Financial Advisor, Board Attorney, and Co-Bond Counsel, are authorized to receive bids for the purchase of the Series 2013 Bonds and to award the Series 2013 Bonds to the lowest responsive bidder as evidenced by the execution of the Certificate of Award (as hereinafter defined), without further action by the Board.

Characteristics of the Series 2013 Bonds or any installment thereof, determined on the basis of the bids and the provisions of this Resolution, shall be set forth in a certificate of the District awarding the Series 2013 Bonds (the "**Certificate of Award**") to the successful purchaser thereof. The Certificate of Award shall constitute the Series Certificate referenced in the Master Resolution. The Certificate of Award shall be executed by the Superintendent, the Chief Financial Officer or the Treasurer, upon satisfaction of the conditions specified below, without further action by the Board.

This delegation of the District is expressly made subject to the following conditions, the failure of any of which shall render the successful bid voidable at the option of the District. The conditions for execution of the Certificate of Award are:

- (a) The form of Certificate of Award shall be approved by Co-Bond Counsel to the District;

(b) The net interest cost rate for the Series 2013 Bonds, based upon their award to the successful bidder, shall not exceed the interest rate limitation contained in Section 215.84, Florida Statutes;

(c) Prior to award of the Series 2013 Bonds to the successful bidder, the District shall receive from the successful bidder a truth-in-bonding statement as required by Section 218.385(2) and (3), Florida Statutes; and

(d) The successful bidder (the "Purchaser") shall comply with such other conditions as requested by Co-Bond Counsel to the District.

#### SECTION 8. OFFICIAL STATEMENT

The form of the Preliminary Official Statement attached to this Resolution as **Exhibit B** is hereby approved, and the Board hereby authorizes the distribution and use of the Preliminary Official Statement in connection with the sale of the Series 2013 Bonds. If between the date hereof and the mailing of the Preliminary Official Statement it is necessary to make insertions, modifications and changes to the Preliminary Official Statement, each of the Chair, the Vice Chair, the Superintendent, Chief Financial Officer and the Treasurer is hereby authorized to approve such insertions, changes and modifications, and each of the Chair, the Vice Chair, the Superintendent, Chief Financial Officer and the Treasurer is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), in the form as mailed, and in furtherance thereof to execute a certificate evidencing the same substantially in the form attached hereto as **Exhibit C**.

The Superintendent is hereby authorized to have prepared and each of the Chair or Vice Chair is hereby authorized to execute a final Official Statement and, upon such execution, to

deliver the same to the Purchaser for use by it in connection with the sale of the Series 2013 Bonds. The Official Statement shall be substantially in the form of the Preliminary Official Statement, with such changes as shall be approved by the Superintendent, Chief Financial Officer or the Treasurer as necessary to conform the details of the Series 2013 Bonds and such other insertions, modifications and changes as may be approved by the Superintendent, Chief Financial Officer or the Treasurer. The execution and delivery of the Official Statement by the Chair or Vice Chair shall constitute conclusive evidence of the approval thereof. The Board hereby authorizes the Official Statement and the information contained therein to be used in connection with the sale of the Series 2013 Bonds.

SECTION 9. EXECUTION OF ADDITIONAL DOCUMENTS, INCIDENTAL ACTIONS. The Chair, Vice Chair and Secretary, and the Superintendent are authorized and directed to execute and deliver all documents, contracts, instruments and certificates, and to take all actions and steps on behalf of the School Board which are necessary or desirable in connection with the issuance of the Series 2013 Bonds or the acquisition, construction, equipping and financing of the Series 2013 Project, and which are not inconsistent with the provisions of the Resolutions.

SECTION 10. CONTINUING DISCLOSURE. The School Board hereby covenants and agrees that, in order to provide for compliance by the School Board with the secondary market disclosure requirements of the Rule, if applicable, it will comply with and carry out all of the provisions of a Disclosure Dissemination Agent Agreement for the Series 2013 Bonds (the "Disclosure Agreement") between the School Board and Digital Assurance Certification, L.L.C., as it may be amended from time to time in accordance with the terms thereof. The Disclosure Agreement shall be substantially in the form attached hereto as **Exhibit E** with such changes,



amendments, modifications, omissions and additions as shall be approved by the Chair or Vice Chair who is hereby authorized to execute and deliver the Disclosure Agreement. Notwithstanding any other provision of this Resolution, failure of the School Board to comply with the Disclosure Agreement shall not be considered an event of default; provided, however, any holder of a Series 2013 Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School Board to comply with its obligations under this Section 10 and the Disclosure Agreement.

SECTION 11. FINDINGS.

(a) The principal amount of the Series 2013 Bonds authorized herein, when aggregated with the principal amount of all Bonds previously issued under the Master Resolution, does not exceed \$1,200,000,000.

(b) It is hereby found and determined that all formal actions of the School Board concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the School Board, and that all deliberations of the School Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 12. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all the other provisions of this resolution or of the Series 2013 Bonds issued hereunder.

SECTION 13. REPEALER. All resolutions or portions thereof previously adopted by the School Board which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

SECTION 14. EFFECTIVE DATE. This resolution shall be effective immediately upon its adoption.

Adopted this 8th day of May, 2013

By: \_\_\_\_\_  
Chair, The School Board  
of Miami-Dade County, Florida

ATTEST:

\_\_\_\_\_  
Secretary, The School Board  
of Miami-Dade County, Florida

APPROVED AS TO FORM:

\_\_\_\_\_  
School Board Attorney, The School Board  
of Miami-Dade County, Florida

**THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**GENERAL OBLIGATION SCHOOL BONDS, SERIES 2014A**

**SERIES RESOLUTION 13-066**

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**RESOLUTION 13-066**

**A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION SCHOOL BONDS, SERIES 2014A OF THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA, IN AN AMOUNT NOT EXCEEDING \$103,000,000; FIXING THE FORM AND OTHER DETAILS OF THE SERIES 2014A BONDS; AUTHORIZING A NEGOTIATED SALE OF THE SERIES 2014A BONDS; CREATING CERTAIN FUNDS AND ACCOUNTS; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A DISCLOSURE STATEMENT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A DISCLOSURE AGREEMENT; PROVIDING FOR INCIDENTAL ACTION BY MEMBERS AND OFFICERS OF THE SCHOOL BOARD AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, The School Board of Miami-Dade County, Florida (the “**School Board**”) adopted Resolution 12-122 on August 1, 2012, requesting approval by the Florida Department of Education of the issuance of general obligation school bonds of the School District of Miami-Dade County, Florida (the “**District**” or the “**School District**”) in an aggregate principal amount not to exceed One Billion Two Hundred Million Dollars (\$1,200,000,000) (the “**Bonds**”); and

**WHEREAS**, in a letter dated August 9, 2012, the Florida Department of Education approved Resolution 12-122; and

**WHEREAS**, the School Board adopted Resolution 12-133 on August 15, 2012 (the “**Referendum Resolution**”), calling for a referendum to submit to the qualified electors of the School District the question of whether the School District shall issue the Bonds at the general election to be held on November 6, 2012; and

**WHEREAS**, pursuant to the Referendum Resolution, the question was submitted to the qualified electors of the School District at the election held on November 6, 2012, the results of which were canvassed and declared by the Board at a regular public meeting on December 5, 2012 (which results have been recorded in the minutes of the Board) as follows: As provided in

the Certificate dated November 16, 2012, of the Miami-Dade County Canvassing Board, 69% of the electorate who voted approved the issuance of Bonds; and

**WHEREAS**, the School Board adopted Resolution 12-163 on December 5, 2012 (the “**Master Resolution**”), authorizing the issuance of the Bonds, and setting forth certain terms of the Bonds; and

**WHEREAS**, the Bonds were validated by final judgment entered February 26, 2013, in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida, from which no appeal was filed prior to the end of the appeal period; and

**WHEREAS**, the School Board has previously authorized the issuance of not exceeding \$205,000,000 aggregate principal amount of the Bonds, designated Series 2013 Bonds; and

**WHEREAS**, the School Board has determined it to be in the best interest of the School District that an amount not exceeding \$103,000,000 aggregate principal amount of the Bonds (hereinafter called the “**Series 2014A Bonds**”) be issued and sold in a forward sale pursuant to the terms of this Resolution; and

**WHEREAS**, it is necessary to authorize the execution and delivery of a Disclosure Statement (as hereinafter defined) for the Series 2014A Bonds; and

**WHEREAS**, in order to provide for compliance with the requirements of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “**Rule**”), the Issuer will execute a Disclosure Agreement (as hereinafter defined) agreeing to deliver such information and reports and give notice of the occurrence of certain events consistent with the requirement of the Rule; and

**WHEREAS**, the School Board deems it in its best financial interests that said Series 2014A Bonds be sold in a negotiated private sale; and

WHEREAS, the School Board has received a proposal for a direct purchase on a forward basis of the Series 2014A Certificates by Citibank, N.A. which has been submitted and reviewed by staff and the School Board's Financial Advisor;

**NOW THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA that:**

SECTION 1. AUTHORITY FOR RESOLUTION. This resolution is adopted pursuant to and is subject to the Constitution and laws of the State of Florida, particularly, Section 1010.40 *et seq.*, Florida Statutes, as amended, and other applicable provisions of law as amended (hereinafter referred to collectively as the "Act"), and pursuant to the provisions of Master Resolution of the School Board referred to above (this resolution and the Master Resolution, as modified and supplemented by this resolution are sometimes hereinafter collectively referred to as the "Resolutions"). This resolution shall constitute the Series Resolution (as defined in the Master Resolution) contemplated by Section 22 of the Master Resolution.

SECTION 2. DEFINITIONS. Any term used herein and not otherwise defined shall have the definition for such term provided in the Master Resolution. In addition, the following terms shall have the following meanings herein, unless the text otherwise expressly requires:

**"Debt Service Requirement"** for any Calendar Year, as applied to the Series 2014A Bonds shall mean the sum of:

- (1) The amount required to pay the interest becoming due on the Series 2014A Bonds during such Calendar Year; and
- (2) The aggregate amount required to pay the principal becoming due on Series 2014A Bonds for such Calendar Year. For purposes of this definition the stated maturity date of any Series 2014A Bonds which are Term Bonds shall be disregarded and the Amortization

Installment applicable to such Series 2014A Bonds which are Term Bonds in such Calendar Year shall be deemed to mature in such Calendar Year.

“**Interest Payment Date**” shall mean the date or dates determined by the Superintendent on which interest on the Series 2014A Bond shall be due and payable.

“**Project Account**” shall mean the Series 2014A Project Account of the Project Fund established pursuant to Section 6 hereof.

“**Series 2014A Debt Service Account**” shall mean the Series 2014A Debt Service Account on the Debt Service Fund established pursuant to Section 7 hereof.

“**Series 2014A Project**” shall mean the portion of the Project (as defined in the Master Resolution) to be financed and/or refinanced with proceeds of the Series 2014A Bonds.

SECTION 3. FINDINGS.

(a) The principal amount of the Series 2014A Bonds authorized herein, when aggregated with the principal amount of all Bonds previously issued under the Master Resolution, does not exceed \$1,200,000,000.

(b) It is hereby found and declared that a negotiated sale of the Series 2014A Bonds is in the best interest of the District and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

(i) Due to the unprecedented volatility of the municipal market, the School Board wishes to mitigate interest rate risk by entering into a forward purchase agreement based on current rates; and

(ii) The School Board will not be adversely affected if the Series 2014A Bonds are not sold pursuant to a competitive sale.



(c) It is hereby found and determined that all formal actions of the School Board concerning and relating to the adoption of this Resolution and the consummation of the transactions contemplated by this Resolution were adopted in open meetings of the School Board, and that all deliberations of the School Board that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements.

SECTION 4. SERIES 2014A BONDS. An amount not exceeding \$103,000,000 aggregate principal amount of the Bonds is hereby authorized to be issued at this time, and shall be designated "Series 2014A Bonds".

(a) The Series 2014A Bonds shall be dated, shall pay interest on each Interest Payment Date, shall be issued in denominations of \$5,000 or integral multiples thereof, shall mature, and shall bear interest at rates determined pursuant to Section 8 hereof.

(b) Redemption Provisions of Series 2014A Bonds. The Series 2014A Bonds shall be subject to optional redemption, and the Series 2014A Bonds which are Term Bonds shall be subject to mandatory redemption, upon the terms and conditions and at the times determined pursuant to Section 8 hereof.

SECTION 5. FORMS OF SERIES 2014A BONDS. The text of the Series 2014A Bonds shall be substantially in the form set forth in **Exhibit A** attached hereto, with such omissions, insertions and variations as may be necessary and desirable.

SECTION 6. SERIES 2014A PROJECT ACCOUNT. There is hereby created and established by the District within the Project Fund a separate account therein to be known as the "**Series 2014A Project Account**". Such Fund shall be held and administered by the School Board or a depository designated by the School Board. The proceeds derived from the sale of the Series 2014A Bonds net of accrued interest, if any, shall be deposited by the District in the

Series 2014A Project Account of the Project Fund and such proceeds, together with investment earnings thereon, shall be expended for the purpose of financing the costs of the Series 2014A Project, subject to the provisions of Section 16 of the Master Resolution. All such proceeds shall be and constitute trust funds for such purposes.

The Registered Owners of the Series 2014A Bonds issued hereunder shall have no responsibility for the use of the proceeds of the Series 2014A Bonds, and the use of such proceeds by the School Board shall in no way affect the rights of such Registered Owners. The School Board shall be irrevocably obligated to continue to levy and collect the ad valorem taxes as provided herein and to timely pay the principal of and interest on the Series 2014A Bonds notwithstanding any failure of the School Board to use and apply such Series 2014A Bond proceeds in the manner provided herein. The Registered Owners of the Series 2014A Bonds shall have a lien on all monies and investments held on deposit in the Series 2014A Project Account of the Project Fund during the period that such monies remain on deposit in the Series 2014A Project Account.

**SECTION 7. SERIES 2014A DEBT SERVICE ACCOUNT OF THE DEBT SERVICE FUND.** There is hereby created and established by the District an account within the Debt Service Fund to be known as the “**Series 2014A Debt Service Account**” (the “**Series 2014A Debt Service Account**”), to be held and administered by the School Board solely for the purpose of paying the principal of, premium, if any, and interest on the Series 2014A Bonds as they become due, whether at maturity, or upon redemption or purchase for cancellation, or to reimburse the District for paying such amounts.

**SECTION 8. PRIVATE SALE OF SERIES 2014A BONDS.**

The Series 2014A Bonds shall be privately sold on a forward basis to Citibank, N.A. (the “Purchaser”) pursuant to the terms of a Bond Purchase Agreement substantially in the form submitted to this meeting and attached hereto as **Exhibit B** (the “Purchase Agreement”). The Purchase Agreement shall have such terms as are negotiated with the Purchaser, subject to the approval of the Superintendent based on the then prevailing market conditions. Any of the Chair, Vice Chair, Superintendent or Chief Financial Officer, upon such approval by the Superintendent, is hereby authorized and directed to execute the Purchase Agreement. The execution and delivery of the Purchase Agreement by the Chair, Vice Chair, Superintendent or Chief Financial Officer shall constitute conclusive evidence of the approval thereof.

Execution of the Purchase Agreement is subject to the following additional requirements:

- (i) the combined aggregate principal amount of the Series 2014A Bonds shall not exceed \$103,000,000;
- (ii) the price at which the Series 2014A Bonds shall be sold to the Purchaser shall not be less than 98% of the face amount thereof exclusive of original issue discount; and
- (iii) the yield as calculated for arbitrage purposes shall not exceed the interest rate limitation contained in Section 215.84 Florida Statutes.

#### SECTION 9. DISCLOSURE STATEMENT.

A Disclosure Statement substantially the form attached to this Resolution as **Exhibit C** is hereby approved, with such insertions, changes and modifications as are necessary or appropriate to conform the Disclosure Statement to the details of the Series 2014A Bonds and update the information set forth therein at the time of delivery of the Series 2014A Bonds and each of the Chair, the Vice Chair, the Superintendent, Chief Financial Officer and the Treasurer is hereby

authorized to approve such insertions, changes, updates and modifications, and upon such execution, to deliver the same to the Purchaser for use by it in connection with the sale of the Series 2014A Bonds. Each of the Chair and the Vice Chair is hereby authorized to execute the Disclosure Statement. The execution and delivery of the Disclosure Statement by the Chair or Vice Chair shall constitute conclusive evidence of the approval thereof.

SECTION 10. EXECUTION OF ADDITIONAL DOCUMENTS, INCIDENTAL ACTIONS. The Chair, Vice Chair and Secretary, and the Superintendent are authorized and directed to execute and deliver all documents, contracts, instruments and certificates, and to take all actions and steps on behalf of the School Board which are necessary or desirable in connection with the issuance of the Series 2014A Bonds or the acquisition, construction, equipping and financing of the Series 2014A Project, and which are not inconsistent with the provisions of the Resolutions.

SECTION 11. CONTINUING DISCLOSURE. The School Board hereby covenants and agrees that, in order to provide for compliance by the School Board with the secondary market disclosure requirements of the Rule, if applicable, it will comply with and carry out all of the provisions of a Disclosure Dissemination Agent Agreement for the Series 2014A Bonds (the "Disclosure Agreement") between the School Board and Digital Assurance Certification, L.L.C., as it may be amended from time to time in accordance with the terms thereof. The Disclosure Agreement shall be substantially in the form attached hereto as **Exhibit D** with such changes, amendments, modifications, omissions and additions as shall be approved by the Chair or Vice Chair who is hereby authorized to execute and deliver the Disclosure Agreement. Notwithstanding any other provision of this Resolution, failure of the School Board to comply with the Disclosure Agreement shall not be considered an event of default; provided, however,

any holder of a Series 2014A Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the School Board to comply with its obligations under this Section 11 and the Disclosure Agreement.

SECTION 12. SEVERABILITY. If any one or more of the covenants, agreements or provisions of this resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and in no way affect the validity of all the other provisions of this resolution or of the Series 2014A Bonds issued hereunder.

SECTION 13. REPEALER. All resolutions or portions thereof previously adopted by the School Board which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

SECTION 14. EFFECTIVE DATE. This resolution shall be effective immediately upon its adoption.

Adopted this 8th day of May, 2013

By: \_\_\_\_\_  
Chair, The School Board  
of Miami-Dade County, Florida

ATTEST:

\_\_\_\_\_  
Secretary, The School Board  
of Miami-Dade County, Florida

APPROVED AS TO FORM:

\_\_\_\_\_  
School Board Attorney, The School Board  
of Miami-Dade County, Florida