

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT: APPROVE RESOLUTION 12-026 AUTHORIZING THE EXECUTION AND DELIVERY OF AN ADDITIONAL SCHEDULE TO MASTER LEASE PURCHASE AGREEMENT WITH SUNTRUST EQUIPMENT FINANCE & LEASING CORP. OF UP TO \$24,000,000 FOR THE PURCHASE OF 250 SCHOOL BUSES**

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

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

On December 9, 2011 the Department of Transportation issued a Five Year Plan that included savings from \$2 to \$3 million annually over the next 5 years, based on a proposed bus replacement schedule for buses purchased in 2000 or earlier. Savings will be achieved through the projected reduction in maintenance expenses and fuel efficiency, as well as greater reliability and on-time route performance.

A total of 250 buses will be purchased under the FDOE Bid No: ITB 2010-16 that is scheduled to expire at the end of February 2012. The new buses are air conditioned and will have near zero emissions, are environmentally cleaner, provide greater occupant protection, and are built with new safety features such as disc brakes and anti-lock brakes. Pricing for school buses is expected to increase dramatically shortly after July 1, 2012.

On January 9, 2012 the District's issued a Term Sheet & Request for Proposal to three banks for the leasing of school buses under a 10 year term. Both Banc of America Public Capital Corp and SunTrust Equipment Finance & Leasing Corp., provided proposals under each respective Master Lease Agreements. The third bank which had previously provided financing proposal under a 5 year term to the Department of Transportation declined to provide a proposal under a 10 year term.

SunTrust Equipment Finance & Leasing Corp. provided the lowest leasing rate at 2.12% over the 10 year term. The present value of the lease payment when netted against the Department of Transportation projected 5 year savings analysis is projected to provide approximately \$1.4 million in present value savings. Approximately \$1 million of the

**E-26**

savings will be achieved in FY 2012-13 due to including a long first coupon in the lease schedule. In addition, the sale of the buses being replaced is projected to also provide budget relief in FY 2012-13.

The Master Lease Agreement with SunTrust had previously funded \$50 million Technology Lease dated June 28, 2007. It is anticipated approximately \$27,500 in cost of issuance will be incurred and that the lease schedule will be closed by February 23, 2012.

On February 6, 2012 the Treasury Advisory Committee reviewed the proposed authorization to execute a new lease schedule under the Master Lease Purchase Agreement with SunTrust Equipment Finance & Leasing Corp. and recommended that the Board approve Resolution 12-026.

Exhibit A, for Resolution 12-026 will be distributed to the Board under separate cover.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, approve Resolution 12-026 authorizing the execution and delivery of an additional schedule to the Master Lease Agreement with SunTrust Equipment Finance & Leasing Corp. of up to \$24,000,000 for the purchase of 250 school buses.

**RESOLUTION NO. 12-026**

**A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AUTHORIZING THE EXECUTION AND DELIVERY OF AN ADDITIONAL SCHEDULE TO MASTER LEASE AGREEMENT NO. 05852 WITH SUNTRUST EQUIPMENT FINANCE & LEASING CORP. WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN SCHOOL BUSES IN AN AGGREGATE AMOUNT NOT EXCEEDING \$24,000,000; AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING INCIDENTAL ACTION; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, The School Board of Miami-Dade County, Florida ("Lessee"), as the governing body of the School District of Miami-Dade County, Florida (the "District"), a political subdivision of the State of Florida, is authorized by the laws of the State of Florida and in particular Sections 1001.32(2) and 1001.42(2) and (10) to purchase, acquire and lease personal property for the benefit of Lessee and the District and to enter into contracts with respect thereto; and

WHEREAS, Lessee desires to purchase, acquire and lease approximately 250 school buses, in an aggregate amount not exceeding \$24,000,000 constituting personal property necessary for Lessee to perform the essential governmental function of transporting students (the "Project"); and

WHEREAS, Lessee has previously financed technology hardware and software in an amount not exceeding \$50,000,000 under four Schedules to its existing Master Lease Agreement No. 05852, dated June 28, 2007 (the "Master Lease") with SunTrust Equipment Finance & Leasing Corp. ("Lessor"), a Virginia corporation; and

WHEREAS, pursuant to a Request for Proposals dated January 9, 2012 the Lessor has submitted the most cost effective proposal for financing the Project under the Master Lease; and

WHEREAS, in order to acquire the Project, Lessee proposes to enter into an additional schedule to the Master Lease, a form of which has been presented to the Lessee at this meeting

WHEREAS, Lessee deems it for the benefit of Lessee and for the efficient and effective administration thereof to enter into an additional schedule to the Master Lease for the purchase, acquisition and leasing of the Project on the terms and conditions therein provided.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by The School Board of Miami-Dade County, Florida as follows:

Section 1. **Approval of Schedule No. 05 to Master Lease.** Lessee hereby approves the execution of Schedule No. 05 to the Master Lease for an amount not to exceed \$24,000,000. The form, terms and provisions of the Master Lease and Schedule No. 05 thereto are hereby approved in substantially the form presented at this meeting as Exhibit A, with such insertions, omissions and changes as shall be approved by the Superintendent of Schools of Lessee, the execution of such documents being conclusive evidence of such approval; and the Chair, Vice Chair, Superintendent, Chief Financial Officer or Treasurer is hereby authorized and directed to execute, and the Secretary of Lessee is hereby authorized and directed to attest and countersign, Schedule No. 05 to the Master Lease and to deliver it to the respective parties thereto, and the Secretary of Lessee is hereby authorized to affix the seal of Lessee to such document.

Section 2. **Private Negotiated Sale.** It is hereby found and declared that a private negotiated financing of the Project under Schedule No. 05 to the Master Lease based on pricing under Florida Department of Education (“FDOE”) Bid NO: ITB 2010-16 is in the best interest of Lessee and is found to be necessary on the basis of the following reasons, as to which specific findings are hereby made:

Due to the volatility of the market for “annual appropriation” securities such as the Master Lease and the limited number of institutions engaged in the business of financing equipment leases, as well as the favorable pricing under the FDOE Bid, the Lessee must be able to execute transactions at the most advantageous times, rather than at specific advertised dates, thereby permitting Lessee to obtain the best possible price and other terms for the financing of the Project under the Master Lease.

Section 4. **Other Actions Authorized.** The officers and employees of Lessee including, without limitation, the Chair, Vice Chair, Secretary, Superintendent, Chief Financial Officer, Treasurer and School Board Attorney are hereby authorized to take all action necessary or reasonably required by the parties to the Master Lease to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of one or more Schedules of Property, Acceptance Certificates, Incumbency Certificates, Payment Schedules, an Escrow Agreement with the Lessor and/or SunTrust Bank, and any tax certificates and agreements and legal opinions, as contemplated in the Master Lease) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Master Lease and Schedule No. 05 thereto.

Section 5. **No General Liability.** Nothing contained in this Resolution, the Master Lease or any other instrument shall be construed with respect to Lessee as incurring a pecuniary liability or charge upon the general credit of Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Master Lease or any other instrument or document executed in connection therewith impose any pecuniary liability upon Lessee or any charge upon its general credit or against its taxing power, except to the extent that the rental payments payable under the Master Lease are special limited obligations of Lessee as provided in the Master Lease.

Section 6. **Appointment of Authorized Lessee Representatives.** The Superintendent, the Chief Financial Officer and the Treasurer of Lessee are each hereby designated to act as authorized representatives of Lessee for purposes of the Master Lease until

such time as Lessee shall designate any other or different authorized representative for purposes of the Master Lease.

Section 7. **Severability.** If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. **Repealer.** All resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent of such inconsistency.

Section 9. **Effective Date.** This Resolution shall be effective immediately upon its approval and adoption.

Adopted this 15<sup>th</sup> day of February, 2012.

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Chair, The School Board of Miami-Dade  
County, Florida

Attest:

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

Approved as to form:

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School Board Attorney

**EXHIBIT A**

**Copy of Executed Master Lease and Form of Schedule No. 05**