

Financial Services  
Mrs. Judith M. Marte, Chief Financial Officer

**SUBJECT: APPROVAL OF RESOLUTION 15-028 AMENDING RESOLUTION 15-010 TO PROVIDE FOR THE ISSUANCE OF UP TO \$135,000,000 AGGREGATE PRINCIPAL AMOUNT OF SERIES 2016 CERTIFICATES OF PARTICIPATION TO REFUND SERIES 2011B CERTIFICATES OF PARTICIPATION, AND SERIES 2012A CERTIFICATES OF PARTICIPATION, WITHOUT A MINIMUM TOTAL SAVINGS CONDITION**

**COMMITTEE: FISCAL ACCOUNTABILITY**

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

The School Board, pursuant to Resolution 15-010 authorized at the February 11, 2015 Board Meeting, the (A) refunding of a portion of the outstanding Series 2011B Certificates of Participation (COPs), prior to their mandatory tender date of May 1, 2016; and (B) refunding of a portion of the outstanding Series 2012A Certificates, prior to their first optional prepayment date of May 1, 2016, and provided as a condition to the sale of the refunding Certificates, that the total savings anticipated to accrue to the School Board be at least five percent (5%) of the refunded principal amount. Due to an increase in overall market rates during the period after Board approval, the 5% savings cannot be achieved at this time.

Since the financial market expectation is for continuous interest rate increases in the future due to improved economic conditions, in order to take advantage of the still favorable low interest rates and to avoid the interest rate risk of waiting until refunding Certificates can be sold in 2016, the Treasury Advisory Committee at its March 16, 2015 meeting has recommended that it is in the best interest of the District to permit the sale of the refunding Certificates on a forward basis in 2015 without a required total savings percentage condition. The goal is to effectuate future budgetary certainty by locking in a long-term interest rate; and mitigate the rating agencies concern that remarketing these term rate certificates in an uncertain financial market creates an interest rate risk. The refunding will not be executed unless terms and market conditions are favorable to the District. The underwriter team as approved at the February 11, 2015 Board Item E-25 will remain the same.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, approve Resolution 15-028 amending Resolution 15-010 authorizing the issuance of up to \$135,000,000 aggregate principal amount of refunding COPs to refund on a forward basis \$70,000,000 Series 2011B COPs, and \$58,780,000 Series 2012A COPs, respectively, without a required total savings condition.

**RESOLUTION 15-028**

**A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AMENDING RESOLUTION 15-010 TO REVISE CONDITIONS FOR THE ISSUANCE OF THE CERTIFICATES OF PARTICIPATION TO REFUND A PORTION OF THE OUTSTANDING SERIES 2011B AND SERIES 2012A CERTIFICATES OF PARTICIPATION; PROVIDING FOR INCIDENTAL ACTION; AND PROVIDING FOR AN EFFECTIVE DATE.**

*Any term used herein and not otherwise defined shall have the meaning given to such term in Resolution 15-010.*

**WHEREAS**, The School Board of Miami-Dade County, Florida (the "School Board") as the governing body of the School District of Miami-Dade County, Florida (the "District"), has determined to finance and refinance certain of its capital needs through a master lease purchase agreement pursuant to Sections 1001.42 and 1013.15, Florida Statutes; and

**WHEREAS**, the School Board has the power under Section 1001.42(2), Florida Statutes, to receive, purchase, acquire, lease, sell, hold, transmit and convey title to real and personal property for educational purposes, and under Sections 1001.42(11) and 1013.15(2), Florida Statutes, to enter into leases or lease purchase arrangements of sites and educational facilities for school purposes; and

**WHEREAS**, the School Board, pursuant to Resolution 15-010 authorized the (A) refunding of a portion of the outstanding Series 2011B Certificates (the "Refunded Series 2011B Certificates"), prior to their mandatory tender date of May 1, 2016; and (B) refunding of a portion of the outstanding Series 2012A Certificates (the "Refunded Series 2012A Certificates"), prior to their first optional prepayment date of May 1, 2016, and provided as a condition to the sale of the refunding Certificates, that the total savings anticipated to accrue to the School Board be at least five percent (5%); and

**WHEREAS**, in order to take advantage of the favorable financial market and to avoid the interest rate risk of waiting until refunding Certificates can be sold in 2016, the School Board has determined that it is in the best interest of the District to delete the total savings condition to permit the sale of the refunding Certificates on a forward basis in 2015; and

**WHEREAS**, Resolution 15-010 designated such refunding Certificates as Series 2015 Certificates to be further designated by Series, which Series 2015 Certificates will not be issued until 2016 and therefore will be designated as Series 2016 Certificates; and

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

**Section 1.** Clause (iii) of Section 4 of Resolution 15-010, after the text “Execution of a Purchase Contract is subject to the following additional requirements.” shall be deleted in its entirety and replaced with the following:

(iii) the refunding of the Refunded Series 2011B Certificates and the Refunded Series 2012A Certificates shall be undertaken to enable the District to take advantage of current favorable market rates and to effectuate future budgetary certainty by locking in a long-term interest rate; and

**Section 2** All references to the Series 2015 Certificates in Resolution 15-010 shall be deemed to be a reference to Series 2016 Certificates.

The last sentence of Section 9 of Resolution 15-010 shall be revised as follows (strikethrough indicates a deletion, double underlining indicates an insertion):

If the Series ~~2015~~ 2016 Certificates are issued in more than one series, the first such series would be designated as Series ~~2015B~~ 2016A Certificates, the next as Series ~~2015C~~ 2016B Certificates, etc. and the Series ~~2015~~ 2016 Supplemental Trust Agreement for each series would have the same designation as the related series of Series ~~2015~~ 2016 Certificates.

**Section 3** 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** If any section, paragraph, clause or provision of this Resolution shall be held invalid by any court of competent jurisdiction, such holding shall not affect any other section, paragraph, clause or provision of this Resolution.

**Section 5** 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 6** This Resolution shall take effect immediately upon its adoption.

Adopted this 15<sup>th</sup> day of April, 2015.

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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

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