

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

SUBJECT: APPROVAL OF RESOLUTION NO. 16-110 AUTHORIZING DIRECT PLACEMENT OF UP TO \$50,700,000 AGGREGATE PRINCIPAL AMOUNT OF THE SERIES 2008C COPS IN A FIVE-YEAR FLOATING RATE PERIOD WITH BANK OF AMERICA, N.A. OR AN AFFILIATE OF BANK OF AMERICA CORPORATION

COMMITTEE: FISCAL ACCOUNTABILITY

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

Approval is being requested for Resolution No. 16-110 authorizing a Direct Placement of the Certificates of Participation Series 2008C (the "Series 2008C COPS") in a Five-Year Floating Rate Period with Bank of America, N.A. or an affiliate of Bank of America Corporation, for which Series 2008C Certificates were issued in a Weekly Interest Rate Mode. On April 3, 2006, the District entered into a Forward Interest Rate Swap associated with the Series 2008C COPS. As a result, the Series 2008C COPS are currently effectively hedged at a fixed rate of 3.91%. Under the terms of the associated swap the District receives 70% of LIBOR and under the terms of the Floating Rate Note the District pays 70% of LIBOR, plus a spread of 80 basis points.

The Series 2008C COPS are currently in an Index Floating Rate Mode with PNC Bank, N.A., which will expire on May 15, 2017. In anticipation of future possible adverse changes in market conditions, a Request for Proposal was issued to remarket the Series 2008C COPS as soon as possible. The District received seven proposals for a new Index Floating Rate Mode and the direct placement of the Series 2008C COPS, which were reviewed by the District's Treasury Advisory Committee on November 14, 2016. The committee recommended that a new Index Floating Rate Mode for a period of five years proposed by Bank of America Merrill Lynch be approved by the School Board.

The District was able to meet its objectives of securing and remarketing the Series 2008C COPS for a five-year Index Floating Rate Period at 70% of LIBOR plus a spread of 57 basis points (.57%), providing a reduction of 23 basis points when compared to the current 70% of LIBOR plus a spread of 80 basis points being paid now. The estimated interest rate savings as a result of the reduction is approximately \$450,000 over the five-year term. Cost of issuance on the direct placement of this Floating Rate Note is estimated to be under \$110,000. Exhibits to Resolution No. 16-110 will be distributed under separate cover.

RECOMMENDED: That The School Board of Miami-Dade County, Florida approve Resolution No. 16-110 authorizing the Direct Placement of up to \$50,700,000 aggregate principal amount of the Series 2008C COPs in an Index Floating Rate Period of five years with Bank of America, N.A. or an affiliate of Bank of America Corporation.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

RESOLUTION 16-110

A RESOLUTION OF THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA AUTHORIZING THE CONVERSION TO A NEW INDEX FLOATING RATE MODE OF CERTIFICATES OF PARTICIPATION, SERIES 2008C PREVIOUSLY ISSUED TO REFINANCE THE LEASE-PURCHASE OF CERTAIN EDUCATIONAL FACILITIES AND EQUIPMENT; AUTHORIZING THE EXECUTION OF AMENDED AND RESTATED SCHEDULE 1998B-1 TO THE MASTER LEASE; APPROVING THE SECOND AMENDMENT AND RESTATEMENT OF THE SERIES 2008C SUPPLEMENTAL TRUST AGREEMENT; AUTHORIZING THE ACCEPTANCE OF AN OFFER BY BANK OF AMERICA, N.A. OR AN AFFILIATE OF BANK OF AMERICA CORPORATION, TO PURCHASE THE SERIES 2008C CERTIFICATES AFTER CONVERSION TO A NEW INDEX FLOATING RATE MODE; AUTHORIZING THE REMOVAL OF THE CURRENT REMARKETING AGENT AND APPOINTMENT OF A SUCCESSOR REMARKETING AGENT; AUTHORIZING SUCH FURTHER AGREEMENTS AND AMENDMENTS TO OTHER AGREEMENTS AS SHALL BE NECESSARY OR DESIRABLE TO CARRY OUT THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR INCIDENTAL ACTION; AND PROVIDING FOR AN EFFECTIVE DATE.

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(9) and 1013.15(2), Florida Statutes, to enter into leases or lease-purchase arrangements of sites and educational facilities for school purposes; and

WHEREAS, Miami-Dade County School Board Foundation, Inc. (the "Foundation"), a not-for-profit corporation organized and existing under the laws of the State of Florida, has been formed to lease purchase certain real property, educational facilities and equipment to the School Board; and

WHEREAS, the Foundation and the School Board have provided for the lease-purchase financing and refinancing of certain real property and educational facilities (the "Facilities") from time to time by entering into a Master Lease Purchase Agreement dated as of August 1, 1994 (the "Master Lease"), and related agreements; and

WHEREAS, the Facilities to be leased from time to time are identified on separate Schedules (each a "Schedule") attached to the Master Lease; and

WHEREAS, Certificates of Participation, Series 1998B (the "Series 1998B Certificates") were issued in the aggregate principal amount of \$69,605,000 pursuant to the Master Trust Agreement, as supplemented by a Series 1998B Supplemental Trust Agreement, each representing undivided proportionate interests in the principal portion and interest portion of the basic lease payments to be made by the School Board pursuant to Schedule 1998B-1 to the Master Lease, dated as of June 1, 1998, as amended and restated as of May 1, 2012, (the "Original Schedule 1998B-1" and together with the Master Lease is herein referred to as the "Original Series 1998B-1 Lease") and Schedule 1998B-2 to the Master Lease, dated as of June 1, 1998, which terminated on July 15, 2013; and

WHEREAS, the School Board refunded the Series 1998B Certificates and, pursuant to the Series 2003A Supplemental Trust Agreement dated as of March 1, 2003, as subsequently amended by the First Amendment dated as of April 1, 2006, each between the Foundation and the Trustee, Certificates of Participation, Series 2003A, in the aggregate principal amount of \$63,633,332.30 (the "Series 2003A Certificates"), were issued; and

WHEREAS, a portion of the Series 2003A Certificates were refunded with proceeds of the issuance of Certificates of Participation, Series 2008C, in the aggregate principal amount of \$57,770,000 (the "Series 2008C Certificates"), pursuant to the Series 2008C Supplemental Trust Agreement dated as of August 1, 2008 between the Foundation and the Trustee, representing undivided proportionate interests in the principal portion and interest portion of the Basic Lease Payments to be made by the School Board under the Series 1998B Lease equally and ratably with the portion of the Series 2003A Certificates which were not refunded or prepaid; and

WHEREAS, pursuant to an Amended and Restated Series 2008C Supplemental Trust Agreement dated as of May 1, 2012, as subsequently amended by the First Amendment dated as of January 1, 2014 (collectively, the "Original Amended and Restated Series 2008C Supplemental Trust Agreement"), between the Foundation and the Trustee, the interest rate mode related to the Series 2008C Certificates was converted to an index floating rate mode, which Certificates were sold in a remarketing to PNC Bank, National Association ("PNC") on May 16, 2012; and

WHEREAS, the Series 2008C Certificates are currently in an index floating rate mode for an Initial Period which expires on May 15, 2017, at which time the Series 2008C Certificates are subject to mandatory tender; and

WHEREAS, PNC, the owner of all of the Outstanding Series 2008C Certificates, has agreed to an early termination of the Initial Period; and

WHEREAS, in anticipation of future possible adverse changes in market conditions, a Request for Proposal was issued to remarket the Series 2008C Certificates as soon as possible; and

WHEREAS, the District received seven proposals for a direct placement of the Series 2008C Certificates which were reviewed by the District's Treasury Advisory Committee on November 14, 2016; and

WHEREAS, the Treasury Advisory Committee determined that the proposal dated November 8, 2016 (the "Proposal") submitted by Bank of America Merrill Lynch (the "Bank"), offered the lowest interest rate for a five-year period, and recommended the Proposal be approved by the Board; and

WHEREAS, the School Board wishes to amend and restate the Original Amended and Restated Series 2008C Supplemental Trust Agreement to reflect the terms of the Proposal and to make certain other necessary or desirable modifications (the "Second Amended and Restated Series 2008C Supplemental Trust Agreement"); and

WHEREAS, the Original Amended and Restated Series 2008C Supplemental Trust Agreement may be amended as contemplated hereby with an opinion of counsel stating that the amendment of the Amended and Restated Series 2008C Supplemental Trust Agreement has been duly and lawfully entered into by the parties thereto and filed with the School Board, the Trustee and the Foundation in accordance with the provisions of the Master Trust Agreement, is authorized or permitted by the Master Trust Agreement, and is valid and binding upon the parties thereto in accordance with its terms; and

WHEREAS, to accomplish the refinancing of the Series 2008C Facilities and the remarketing of the Series 2008C Certificates and to incorporate certain other modifications as set forth in the Proposal, (i) the School Board, the Foundation and the Trustee may enter into an Amended and Restated Schedule 1998B-1 ("Amended and Restated Schedule 1998B-1") and (ii) the School Board and the Foundation may enter into a Direct Purchase Agreement with Bank of America, N.A. or an affiliate of Bank of America Corporation, as purchaser (the "Purchaser"), relating to the Series 2008C Certificates;

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

Section 1. Unless otherwise herein provided and unless the context or use indicates another or different meaning or intent, capitalized words and terms used in this Resolution, including the recitals to this Resolution, and not defined herein or in the recitals to this Resolution, shall have the same meanings as such words and terms are given in the applicable Amended and Restated Series 2008C Supplemental Trust Agreement or Second Amended and Restated Series 2008C Supplemental Trust Agreement.

Section 2. The recitals to this Resolution are incorporated in this Resolution as findings.

Section 3. Amended and Restated Schedule 1998B-1, substantially in the form submitted to this meeting and attached hereto as **Exhibit A** is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent or his designee, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent or his

designee, is hereby authorized and directed to execute Amended and Restated Schedule 1998B-1. The execution of Amended and Restated Schedule 1998B-1 by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Section 4. The form of the Second Amended and Restated Series 2008C Supplemental Trust Agreement between the Foundation and the Trustee, substantially in the form submitted to this meeting and attached hereto as **Exhibit A**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent, and the Chair or Vice Chair and the Secretary, upon such approval by the Superintendent, are each hereby authorized and directed to execute the Second Amended and Restated Series 2008C Supplemental Trust Agreement. The execution and delivery of the Second Amended and Restated Series 2008C Supplemental Trust Agreement by the Chair or Vice Chair and the Secretary shall constitute conclusive evidence of the approval thereof.

Section 5. The form of Direct Purchase Contract by and among the School Board, the Foundation and the Purchaser, submitted to this meeting and attached hereto as **Exhibit C**, is hereby approved, with such insertions, modifications and changes as may be approved by the Superintendent. The Chair or Vice Chair, upon such approval by the Superintendent, is hereby authorized and directed to execute the Direct Purchase Contract. The execution and delivery of the Direct Purchase Contract shall constitute conclusive evidence of the approval thereof.

Section 6. The Chair, the Vice Chair, the Secretary, the Superintendent, the Chief Financial Officer, the Treasurer and the School Board Attorney are each authorized and directed to execute and deliver all additional documents, contracts, instruments and certificates including, without limitation, documents relating to obtaining one or more underlying ratings on the Series 2008C Certificates; documents relating to the implementation of a book-entry-only system of registration of the Series 2008C Certificates with The Depository Trust Company of New York, and to take all actions and steps, including without limitation, the execution and delivery and compliance with the provisions of the Master Lease, the Series 1998B-1 Lease, the Second Amended and Restated Series 2008C Supplemental Trust Agreement, and the Direct Purchase Contract, and which are not inconsistent with the terms and provisions of this Resolution.

Section 7. 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 8. 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 9. 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 10. This Resolution shall take effect immediately upon its adoption.

Adopted this 14th day of December, 2016.

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

Attest:

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

Approved as to form and legal sufficiency:

School Board Attorney

EXHIBIT A

FORM OF AMENDED AND RESTATED SCHEDULE 1998B-1

EXHIBIT B

**FORM OF SECOND AMENDED AND RESTATED SERIES 2008C SUPPLEMENTAL
TRUST AGREEMENT**

EXHIBIT C

FORM OF DIRECT PURCHASE CONTRACT