

AGENDA

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION

(Contact person: J. Ben Watkins III - 488-4782)

The Capitol
August 1, 2006

This meeting is open to the public.

1. Approval of minutes of the meeting of May 16, 2006.
(Attachment #1)
2. **ADOPTION OF A MASTER RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, DEPARTMENT OF EDUCATION COMMUNITY COLLEGE CAPITAL IMPROVEMENT REVENUE BONDS.**

This is a new program authorized by the Legislature in 2002. The bonds will be payable from the capital improvement fee charged per credit hour to students at participating Community Colleges. The bonds will not be secured by the full faith and credit of the State. The proceeds of the bonds will be used to finance or refinance the new construction and equipment, renovation or remodeling of educational facilities at participating Community Colleges.

Copies of the resolution may be obtained from the Division of Bond Finance upon request.

3. **REPORT OF AWARD ON THE COMPETITIVE SALE OF \$144,580,000 STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION FLORIDA FOREVER REVENUE BONDS, SERIES 2006A, TO THE LOW BIDDER FOR SUCH BONDS.**

Bids were received at the office of the Division of Bond Finance at 11:00 a.m. on May 25, 2006, and the bonds were awarded to the low bidder, Merrill Lynch & Co., which submitted a bid at an annual true interest cost rate of 4.3846%. The bonds were delivered on June 15, 2006.

A report of award and tabulation of bids is attached.

(Attachment #2)

4. **REPORT OF AWARD ON THE COMPETITIVE SALE OF \$16,735,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION CAPITAL OUTLAY BONDS, 2006 SERIES A, TO THE LOW BIDDER FOR SUCH BONDS.**

Bids were received at the office of the Division of Bond Finance at 12:00 noon on June 21, 2006, and the bonds were awarded to the low bidder, Citigroup Global Markets Inc., which submitted a bid at an annual true interest cost rate of 4.5547%. The bonds were delivered on July 11, 2006.

A report and tabulation of bids is attached.

(Attachment #3)

The regular meeting of the Division of Bond Finance of the State Board of Administration was held on May 16, 2006, in the Cabinet meeting room of the Capitol in Tallahassee. Members present were:

Governor Jeb Bush
Attorney General Charlie Crist
Chief Financial Officer Tom Gallagher
Agriculture Commissioner Charles H. Bronson

The following were considered by the Cabinet:

Item 1. The minutes of the meeting of April 4, 2006 were approved without objection.

Item 2. Mr. Watkins requested the adoption of resolutions authorizing the issuance and competitive sale of not exceeding \$16,735,000 State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2006 Series A.

Moved and seconded. Adopted without objection.

Item 3. Mr. Watkins requested the adoption of a resolution authorizing the competitive sale of not exceeding \$17,600,000 State of Florida, Florida Education System, University of South Florida Parking Facility Revenue Bonds, Series 2006A.

Moved and seconded. Adopted without objection.

Item 4. Mr. Watkins requested the adoption of a resolution authorizing the competitive sale of not exceeding \$31,095,000 State of Florida, Florida Education System, Florida Atlantic University Housing Revenue Bonds, Series 2006A.

Moved and seconded. Adopted without objection.

Item 5. Mr. Watkins requested the adoption of a resolution selecting bond counsel for the issuance of Community College Capital Improvement Revenue Bonds.

Moved and seconded. Adopted without objection.

Item 6. Mr. Watkins reported the competitive sale of \$158,295,000 State of Florida, State Board of Education Lottery Revenue Bonds, Series 2006A to the low bidder for such bonds.

Moved and seconded. Adopted without objection.

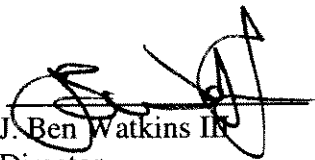
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Item 7. Mr. Watkins reported the sale of a Master Equipment Financing Agreement for the State of Florida Consolidated Equipment Financing Program, to the low bidder therefor.

Moved and seconded. Adopted without objection.

Item 8. Mr. Watkins reported the competitive sale of \$58,955,000 State of Florida, Florida Education System, University System Improvement Revenue Bonds, Series 2006A, to the low bidder for such bonds.

Moved and seconded. Adopted without objection.



J. Ben Watkins II
Director
Division of Bond Finance

(Attachment #1 for item #1)



STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

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JEB BUSH
GOVERNOR
AS CHAIRMAN

CHARLIE CRIST
ATTORNEY GENERAL
AS SECRETARY


TOM GALLAGHER
CHIEF FINANCIAL OFFICER
AS TREASURER

CHARLES H. BRONSON
COMMISSIONER OF AGRICULTURE

J. BEN WATKINS III
DIRECTOR

MEMORANDUM

TO: Governor and Cabinet, as the Governing Board of the Division of Bond Finance

FROM: J. Ben Watkins III 

DATE: August 1, 2006

SUBJECT: Award of \$144,580,000 State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2006A

Pursuant to authorization by the Governor and Cabinet by resolution adopted on April 4, 2006, bids were received for the above referenced bond issue at the office of the Division of Bond Finance at 11:00 a.m. on Thursday, May 25, 2006.

Eight bids were received and a tabulation of such bids is included herein. The low bid was from Merrill Lynch & Co. at an annual true interest cost rate of 4.3846%. The annual true interest cost rate using the Thomson Municipal Market Data Revenue Insured Yield Curve for the day of the sale was 4.4551%. The bids were reviewed by representatives of the Division of Bond Finance and the bonds were awarded to such low bidder as authorized. The bonds were delivered on June 15, 2006.

The bonds were issued to finance the cost of acquisition and improvement of lands, water areas, and related property interests and resources in the State of Florida, as authorized by the Florida Legislature in the Fiscal Year 2003-2004 General Appropriations Act adopted during the regular session of the 2003 Legislature and in the Fiscal Year 2005-2006 General Appropriations Act adopted during the regular session of the 2005 Legislature.

The bonds are dated April 15, 2006 with interest payable on January 1, 2007, and semiannually thereafter on July 1 and January 1 of each year. The bonds consist of serial bonds maturing annually on July 1, 2007 through July 1, 2024 and a term bond maturing July 1, 2026.

The bonds are secured by documentary stamp taxes required to be deposited in or credited to the Land Acquisition Trust Fund on a parity with the outstanding Preservation 2000 Revenue Bonds, Series 1997A through Series 2001A and the Florida Forever Revenue Bonds, Series 2001A through 2005B. The bonds are not secured by the full faith and credit of the State.

(Attachment #2 for Item #3)

The bonds have been rated AAA by Standard & Poor's Ratings Services, Aaa by Moody's Investors Service and AAA by Fitch Ratings, based upon the purchase of a municipal bond insurance policy from MBIA Insurance Corporation insuring the payment when due of the principal of and interest on the bonds. Without bond insurance, the bonds would have been rated AA-, A1 and AA- by Standard & Poor's Ratings Services, Moody's Investor's Service and Fitch Ratings, respectively.

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
Merrill Lynch & Co.	4.3846%
Wachovia Bank, National Association	4.4031
Citigroup Global Markets Inc.	4.4052
Lehman Brothers	4.4178
Bear, Stearns & Co., Inc.	4.4242
Goldman, Sachs & Co.	4.4251
Morgan Stanley & Co Inc.	4.4331
UBS Securities LLC	4.4340

INTEREST RATES AND YIELDS FROM THE WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>
7/1/07	\$4,085,000	5.00%	3.60%
7/1/08	4,605,000	5.00	3.62
7/1/09	4,830,000	5.00	3.65
7/1/10	5,075,000	5.00	3.66
7/1/11	5,330,000	5.00	3.78
7/1/12	5,595,000	5.00	3.86
7/1/13	5,875,000	5.00	3.95
7/1/14	6,170,000	5.00	4.03
7/1/15	6,475,000	5.00	4.08
7/1/16	6,800,000	5.00	4.14
7/1/17	7,140,000	5.00	4.17
7/1/18	7,495,000	5.00	4.19
7/1/19	7,870,000	5.00	4.23
7/1/20	8,265,000	5.00	4.25
7/1/21	8,680,000	5.00	4.28
7/1/22	9,115,000	5.00	4.30
7/1/23	9,570,000	5.00	4.32
7/1/24	10,045,000	5.00	4.34

\$21,560,000 4.375% Term Bond maturing July 1, 2026 (at a yield of 4.50%).



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J. BEN WATKINS III
DIRECTOR

MEMORANDUM

TO: Governor and Cabinet, as the Governing Board of the Division of Bond Finance

FROM: J. Ben Watkins III, Director 

DATE: August 1, 2006

SUBJECT: Award of \$16,735,000 State of Florida, Full Faith and Credit,
State Board of Education Capital Outlay Bonds, 2006 Series A

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on May 16, 2006, bids were received for the above referenced bonds at the office of the Division of Bond Finance at 12:00 noon on Wednesday, June 21, 2006.

Three bids were received and a tabulation of such bids is included herein. The low bid was from Citigroup Global Markets Inc., at an annual true interest cost rate of 4.5547%. The annual true interest cost rate using the Thomson Municipal Market Data General Obligation Yield Curve for the day of the sale was 4.5415%. The bids were reviewed by representatives of the Division of Bond Finance and the bonds were awarded to such low bidder as authorized. The bonds were delivered on July 11, 2006.

The bonds were issued to finance all or a portion of the cost of capital outlay projects for school purposes in certain school and community college districts in Florida.

The bonds are dated June 15, 2006, with interest payable on January 1, 2007, and semi-annually on each July 1 and January 1 thereafter. The bonds consist of serial bonds maturing annually January 1, 2007 through 2026.

The bonds are payable primarily from the first revenues derived from the licensing of motor vehicles in Florida on a parity with the outstanding Capital Outlay Bonds, 1996 Series B through 2005 Series B. The bonds are additionally secured by the full faith and credit of the state of Florida.

(Attachment #3 for item #4)

The bonds have been rated AAA by Standard & Poor's Ratings Services, Aa1 by Moody's Investors Service, and AA+ by Fitch, Ratings.

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
Citigroup Global Markets Inc.	4.5547%
A.G. Edwards & Sons, Inc.	4.6106%
Merrill Lynch & Co.	4.6315%

INTEREST RATES AND YIELDS FROM WINNING BID

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
1/1/07	\$520,000	5.00%	3.70%
1/1/08	535,000	5.00	3.73
1/1/09	560,000	5.00	3.76
1/1/10	560,000	4.00	3.80
1/1/11	580,000	4.00	3.85
1/1/12	610,000	4.00	3.90
1/1/13	630,000	4.00	4.00
1/1/14	615,000	4.00	4.10
1/1/15	650,000	4.10	4.15
1/1/16	685,000	4.125	4.22
1/1/17	730,000	4.25	4.32
1/1/18	770,000	4.25	4.38
1/1/19	845,000	4.375	4.45
1/1/20	925,000	4.375	4.50
1/1/21	1,010,000	4.50	4.57
1/1/22	1,105,000	4.50	4.60
1/1/23	1,190,000	4.50	4.65
1/1/24	1,300,000	4.625	4.68
1/1/25	1,400,000	4.625	4.70
1/1/26	1,515,000	4.625	4.73