

AGENDA

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION

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

The Capitol
January 26, 2010

This meeting is open to the public.

1. Approval of minutes of the meeting of January 12, 2010.
(Attachment #1)
2. ADOPTION OF RESOLUTIONS AUTHORIZING THE ISSUANCE AND THE COMPETITIVE OR NEGOTIATED SALE OF \$320,000,000 FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS.

The bonds will be payable primarily from gross receipts taxes, and will be additionally secured by the full faith and credit of the State. The proceeds of the bonds will be used to refund certain outstanding Public Education Capital Outlay Bonds.

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

(Recommend)

3. ADOPTION OF A RESOLUTION AUTHORIZING THE COMPETITIVE OR NEGOTIATED SALE OF \$57,000,000 DEPARTMENT OF ENVIRONMENTAL PROTECTION EVERGLADES RESTORATION REVENUE BONDS.

The bonds will be payable from certain excise taxes on documents associated with real estate transactions, i.e., documentary stamp taxes, on a parity with previously issued Preservation 2000, Florida Forever and Everglades Restoration bonds. 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 everglades restoration.

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

(Recommend)

4. ADOPTION OF RESOLUTIONS AUTHORIZING THE ISSUANCE AND THE COMPETITIVE OR NEGOTIATED SALE OF \$475,000,000 STATE BOARD OF EDUCATION LOTTERY REVENUE REFUNDING BONDS AND AUTHORIZING THE COMPETITIVE OR NEGOTIATED SALE OF \$180,000,000 STATE BOARD OF EDUCATION LOTTERY REVENUE BONDS.

The bonds will be payable from revenues of the Florida Lottery. 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 capital outlay projects for school districts under the "Classrooms for Kids" Program established by the Legislature to implement the constitutional amendment requiring class size reduction and to refund certain outstanding Lottery Revenue Bonds.

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

(Recommend)

5. REPORT OF AWARD ON THE NEGOTIATED SALE OF \$349,865,000 STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION FLORIDA FOREVER REVENUE BONDS, SERIES 2010A, 2010B AND 2010C.

Pursuant to resolutions of the Governor and Cabinet, the Division of Bond Finance, on behalf of the Department of Environmental Protection, negotiated the sale of the above referenced bonds with a syndicate led by BofA Merrill Lynch on January 7, 2010. The bonds were sold as a combination of \$261,955,000 New Money Bonds (Series 2010A and 2010B) and \$87,910,000 Refunding Bonds (Series 2010C). The New Money Bonds included both Tax-exempt and Taxable Build America Bonds. The bonds were priced to yield a combined annual true interest cost rate of 3.91% and are scheduled for delivery on January 28, 2010.

For the new money portion of the transaction, the estimated savings from using Build America Bonds was 22 basis points less than a conventional tax-exempt bond issue or an estimated gross interest savings of approximately \$7.3 million and net present value savings of \$5 million.

The refunding portion of the transaction resulted in estimated gross savings of approximately \$7 million, estimated annual debt service savings of approximately \$2 million and present value savings of approximately \$6.6 million or 6.6% of the principal amount being refunded.

The report of sale is attached.

(Attachment #2)