

AGENDA

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION

To view Agenda Items click on the following link:

[DBF Agenda Materials](#)

(Contact person: J. Ben Watkins III - 488-4782)
The Capitol
February 22, 2011

This meeting is open to the public.

1. Approval of minutes of the meeting of February 1, 2011.
(Attachment #1)
2. Report of award on the competitive sale of \$22,145,000 Board of Governors, Florida State University Revenue Bonds, Series 2011A, to the low bidder for such bonds.

Bids were received at the office of the Division of Bond Finance on January 20, 2011. The bonds were awarded to the low bidder, Citigroup Global Markets Inc., which submitted a bid at an annual true interest cost rate of 4.4175%. The bonds were delivered on February 10, 2011.

Of the \$22,145,000 of bonds sold, \$15,185,000 (69%) will be used to finance the construction of a parking facility on the main campus of the University and \$6,960,000 (31%) will be used to refund a portion of the outstanding Series 2001 Bonds. The refunding proceeds will be invested with the State Treasury until redemption of the refunded bonds on July 1, 2011. The refunding will result in gross debt service savings of approximately \$525 thousand, annual debt service savings of approximately \$42 thousand and present value savings of approximately \$442 thousand, or 6.52% of the principal amount being refunded.

A report and tabulation of bids is attached.

(Attachment #2)

3. Report of award on the competitive sale of \$38,930,000 Board of Governors, University System Improvement Revenue Refunding Bonds, Series 2011A, to the low bidder for such bonds.

Bids were received at the office of the Division of Bond Finance on February 3, 2011. The bonds were awarded to the low bidder, J.P. Morgan Securities LLC, which submitted a bid at an annual true interest cost rate of 2.3116%. The bonds will be delivered on February 24, 2011.

The bond proceeds will be invested with the State Treasury until redemption on March 11, 2011. The refunding will result in gross debt service savings of approximately \$4.6 million, average annual debt service savings of approximately \$500 thousand and present value savings of approximately \$4.2 million, or 9.94% of the principal amount being refunded.

A report and tabulation of bids is attached.

(Attachment #3)

4. Presentation of the 2010 Debt Affordability Report.

The Division of Bond Finance has prepared and delivered the 2010 Debt Affordability Report containing the information specified in 215.98, Florida Statutes. The presentation will highlight important points in the 2010 Debt Affordability Report.

The regular meeting of the Division of Bond Finance of the State Board of Administration was held on February 1, 2011, in the Cabinet meeting room of the Capitol in Tallahassee. Members present were:

Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Agriculture Commissioner Adam H. Putnam

The following were considered by the Cabinet:

Item 1. The minutes of the meeting of December 7, 2010 were approved without objection.

Item 2. Mr. Watkins requested the adoption of resolutions authorizing the issuance and competitive sale of \$380,000,000 Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds.

Moved and seconded. Adopted without objection.

Item 3. Mr. Watkins requested the adoption of resolutions authorizing the issuance and competitive sale of \$33,000,000 Board of Governors, University of Florida Clinical Translational Research Building Revenue Bonds, Series 2011A.

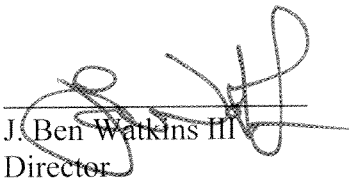
Moved and seconded. Adopted without objection.

Item 4. Mr. Watkins reported the competitive sale of \$15,635,000 State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Bonds, Series 2010A and Series 2010B to the low bidders for such bonds.

Moved and seconded. Adopted without objection.

Item 5. Mr. Watkins reported the competitive sale of \$154,800,000 State of Florida, State Board of Education, Public Education Capital Outlay Bonds, 2010 Series B to the low bidder for such bonds.

Moved and seconded. Adopted without objection.



J. Ben Watkins III
Director
Division of Bond Finance

(Attachment #1 for item #1)



STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

HERMITAGE CENTRE, SUITE 200
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

POST OFFICE BOX 13300
TALLAHASSEE, FLORIDA 32317-3300
(Address mail to P.O. Box; deliveries to street address)

TELEPHONE: (850) 488-4782
TELECOPIER: (850) 413-1315

RICK SCOTT
GOVERNOR
AS CHAIRMAN

PAM BONDI
ATTORNEY GENERAL
AS SECRETARY


JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER

ADAM H. PUTNAM
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: February 22, 2011

SUBJECT: Award of \$22,145,000 State of Florida, Board of Governors, Florida State University Parking Facility Revenue Bonds, Series 2011A

Pursuant to authorization by the Governor and Cabinet by resolutions adopted on November 9, 2010 bids were received for the above referenced bond issue at the offices of the Division of Bond Finance at 11:30 a.m. on Thursday, January 20, 2011.

Eight bids were received with a tabulation of such bids included herein. The low bid was from Citigroup Global Markets Inc. at an annual true interest cost rate of 4.4175%. The annual true interest cost rate using the applicable Bloomberg Revenue Yield Curve for the day of the sale was 4.4363%. 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 February 10, 2011.

Of the \$22,145,000 of bonds sold, \$15,185,000 (69%) will be used to finance the construction of a parking facility on the main campus of the University and \$6,960,000 (31%) will be used to refund a portion of the outstanding Series 2001 Bonds. The average interest rate on the Series 2001 Bonds being refunded is 5.04% compared to the interest rate of 3.52% on the refunding portion of the bonds. The refunding proceeds will be invested with the State Treasury until redemption of the refunded bonds on July 1, 2011. The refunding will result in gross debt service savings of approximately \$525 thousand, annual debt service savings of approximately \$42 thousand and present value savings of approximately \$442 thousand, or 6.52% of the principal amount being refunded.

The bonds are dated February 10, 2011, with interest payable July 1, 2011, and semiannually on each January 1 and July 1 thereafter. The bonds consist of serial bonds maturing on July 1 in the years 2012 through 2031.

The bonds are payable from the net revenues of the parking system at Florida State University on a parity with the remaining outstanding Series 2001 through 2007A Bonds. The bonds are not secured by the full faith and credit of the State of Florida or the University.

The bonds have been rated AA, Aa2 and AA by Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings, respectively.

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
Citigroup Global Markets Inc.	4.4175%
J.P. Morgan Securities LLC	4.4738%
Wells Fargo Bank, National Association	4.5194%
Raymond James & Associates, Inc.	4.7113%
Banc of America Merrill Lynch	4.7213%
Prager, Sealy & Co., LLC	4.7688%
UBS Financial Services Inc.	4.8110%
Hutchinson, Shockey, Erley & Co.	4.8243%

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
7/1/12	\$1,090,000	2.50%	1.00%
7/1/13	1,115,000	2.50	1.25
7/1/14	1,145,000	2.50	1.72
7/1/15	1,175,000	2.50	2.18
7/1/16	1,210,000	3.00	2.49
7/1/17	1,240,000	3.00	2.80
7/1/18	1,280,000	3.00	3.20
7/1/19	1,315,000	4.00	3.54
7/1/20	1,370,000	4.00	3.85
7/1/21	1,420,000	4.00	4.07
7/1/22	1,475,000	4.125	4.28
7/1/23	765,000	4.25	4.44
7/1/24	800,000	4.375	4.60
7/1/25	835,000	4.50	4.75
7/1/26	870,000	4.75	4.90
7/1/27	910,000	5.00	5.00
7/1/28	960,000	5.00	5.12
7/1/29	1,005,000	5.00	5.22
7/1/30	1,055,000	5.125	5.31
7/1/31	1,110,000	5.25	5.39

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

HERMITAGE CENTRE, SUITE 200
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

POST OFFICE BOX 13300
TALLAHASSEE, FLORIDA 32317-3300
(Address mail to P.O. Box; deliveries to street address)

TELEPHONE: (850) 488-4782
TELECOPIER: (850) 413-1315

RICK SCOTT
GOVERNOR
AS CHAIRMAN

PAM BONDI
ATTORNEY GENERAL
AS SECRETARY

JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER


ADAM H. PUTNAM
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: February 22, 2011

SUBJECT: Award of \$38,930,000 State of Florida, Board of Governors, University System Improvement Revenue Refunding Bonds, Series 2011A

Pursuant to authorization by the Governor and Cabinet by resolutions adopted on August 26, 2010 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, February 3, 2011.

Eleven bids were received with a tabulation of such bids included herein. The low bid was from J.P. Morgan Securities LLC at an annual true interest cost rate of 2.3116%. The annual true interest cost rate using the applicable Bloomberg Revenue Yield Curve for the day of the sale was 2.2685%. 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 will be delivered on February 24, 2011.

The bonds are being issued to refund a portion of the outstanding Series 1997A Bonds and a portion of the outstanding Series 1998 Bonds. The average interest rate on the bonds being refunded is 4.91% compared to the interest rate of 2.31% on the refunding bonds. The bond proceeds will be invested with the State Treasury until redemption on March 11, 2011. The refunding will result in gross debt service savings of approximately \$4.6 million, average annual debt service savings of approximately \$500 thousand and present value savings of approximately \$4.2 million, or 9.94% of the principal amount being refunded.

The bonds are dated February 24, 2011, with interest payable July 1, 2011, and semiannually on each January 1 and July 1 thereafter. The bonds consist of serial bonds maturing on July 1 in the years 2012 through 2019.

The bonds are payable from the Capital Improvement Fees and the Net Student Building Fees, levied on a per credit hour basis and are secured on a parity with the remaining outstanding Series 1997A through Series 2008A. The bonds are not secured by the full faith and credit of the State of Florida.

(Attachment #3 for item #3)

The bonds have been rated AA, Aa2 and AA by Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings, respectively.

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
J.P. Morgan Securities LLC	2.3116%
Morgan Stanley & Co. Inc.	2.3323%
Barclays Capital, Inc.	2.5043%
Wells Fargo Bank, National Association	2.5344%
Citigroup Global Markets Inc.	2.5368%
Jefferies & Company, Inc.	2.5995%
TD Securities	2.6012%
Banc of America Merrill Lynch	2.6163%
UBS Financial Services Inc.	2.6322%
Southwest Securities, Inc.	2.6959%
Robert W. Baird & Co., Inc.	2.8073%

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
7/1/12	\$5,295,000	5.00%	0.80%
7/1/13	6,050,000	5.00	1.20
7/1/14	6,415,000	5.00	1.66
7/1/15	6,785,000	5.00	2.08
7/1/16	7,165,000	5.00	2.35
7/1/17	2,290,000	5.00	2.69
7/1/18	2,405,000	5.00	3.00
7/1/19	2,525,000	5.00	3.30