



AGENDA REQUEST FORM

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Special Order Request

☒ Yes ☐ No

Time

11:45 AM

Open Agenda

☐ Yes ☒ No

ITEM No.:

A-4.

MEETING DATE

Dec 9 2014 10:15AM - Regular School Board Meeting

AGENDA ITEM

CONSENT ITEMS

CATEGORY

A. RESOLUTIONS

DEPARTMENT

Treasurer's Office

TITLE:

Resolution No. 15-102 Amendment to Reimbursement Resolution

REQUESTED ACTION:

Adopt Resolution No. 15-102 which amends Resolution 13-86 adopted by The School Board of Broward County, Florida on June 11, 2013.

SUMMARY EXPLANATION AND BACKGROUND:

On July 17, 2001, the School Board adopted Resolution No. 02-01 (Original Resolution), authorizing Lease Purchase Financing (LPF) for certain educational services related equipment. The Original Resolution authorized an aggregate principal amount of \$30 million. Subsequent to the Original Resolution, the School Board adopted various resolutions to increase the aggregate principal amount to \$115 million.

See Supporting Docs for continuation of Summary Explanation and Background.

SCHOOL BOARD GOALS:

☐ Goal 1: High Quality Instruction ☐ Goal 2: Continuous Improvement ☒ Goal 3: Effective Communication

FINANCIAL IMPACT:

Interest expense and costs of issuance will be determined upon entering into additional capital leases. However, as an example, on a recent 4-year \$6 million technology lease, the cost of issuance was \$20,000, with an interest rate of 1.37 percent.

EXHIBITS: (List)

(1) Summary Explanation and Background (2) Resolution No.15-102

BOARD ACTION:

ADOPTED

(For Official School Board Records Office Only)

SOURCE OF ADDITIONAL INFORMATION:

Name: Ivan Perrone

Phone: 754-321-1980

Name:

Phone:

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Senior Leader & Title

I. Benjamin Leong - Chief Financial Officer

Signature

Ignatius B. Leong

11/24/2014, 4:09:25 PM

Electronic Signature
Form #4189 Revised 12/12
RWR/IBL/IP:pt

Approved In Open
Board Meeting On:

By:

DEC 09 2014

Donna Fournier

School Board Chair

Summary Explanation and Background

On July 17, 2001, the School Board adopted Resolution No. 02-01 (Original Resolution), authorizing Lease Purchase Financing (LPF) for certain educational services related equipment. The Original Resolution authorized an aggregate principal amount of \$30 million. Subsequent to the Original Resolution, the School Board adopted various resolutions to increase the aggregate principal amount to \$115 million. The resolutions are listed as follows:

		<u>Aggregate Principal Amt.</u>
• Resolution No. 04-53 (adopted April 20, 2004)	\$30 million	\$60 million
• Resolution No. 07-94 (adopted May 22, 2007)	\$15 million	\$75 million
• Resolution No. 10-02 (adopted July 21, 2009)	\$15 million	\$90 million
• Resolution No. 13-86 (adopted June 11, 2013)	\$25 million	\$115 million

As of Fiscal Year 2013-14, the District has repaid principal in the amount of \$85.5 million.

Upon total utilization of the aggregate principal amount of \$115 million, there remains zero availability for future equipment acquisitions even though the principal is being paid down. Hence, future acquisitions via LPF cannot be financed unless the School Board authorizes additional principal amount.

The attached resolution will authorize additional financing authority of \$155 million, which will bring the total aggregate principal amount to \$270 million. For your information, the District Educational Facilities Plan (DEFP) includes \$30 million acquisition of buses, vehicles and technology for Fiscal Year 2014-2015. The remaining \$125 million LPF authority will allow for future lease purchases for the second through fifth years.

RESOLUTION NO. 15-102

A RESOLUTION AMENDING RESOLUTION NO. 13-86 ADOPTED BY THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA ON JUNE 11, 2013; AUTHORIZING CERTAIN INCIDENTAL ACTIONS; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in connection with the acquisition and installation of certain educational services and related equipment to be located in educational facilities throughout Broward County, Florida (the "Project"), The School Board of Broward County, Florida (the "School Board") will incur expenses for which the School Board has advanced internal funds; and

WHEREAS, the School Board intends to reimburse itself for all or a portion of such expenses from the proceeds of debt or lease purchase financing to be incurred by the School Board; and

WHEREAS, pursuant to Resolution No. 02-01 adopted by the School Board on July 17, 2001 (the "Original Resolution"), the School Board declared its official intent to reimburse itself from the proceeds of debt or lease purchase financing to be incurred by the School Board for expenses paid with respect to the Project; and

WHEREAS, the Original Resolution limited the debt or lease purchase financing to be issued to finance the Project to an aggregate principal amount not to exceed \$30,000,000; and

WHEREAS, pursuant to Resolution No. 04-53 adopted by the School Board on April 20, 2004 (the "2004 Amendment Resolution"), the School Board increased the limit on debt or lease purchase financing set forth in the Original Resolution to an aggregate principal amount not to exceed \$60,000,000; and

WHEREAS, pursuant to Resolution No. 07-94 adopted by the School Board on May 22, 2007 (the "2007 Amendment Resolution"), the School Board increased the limit on debt or lease purchase financing set forth in the Original Resolution to an aggregate principal amount not to exceed \$75,000,000; and

WHEREAS, pursuant to Resolution No. 10-02 adopted by the School Board on July 21, 2009 (the "2009 Amendment Resolution"), the School Board increased the limit on debt or lease purchase financing set forth in the Original Resolution to an aggregate principal amount not to exceed \$90,000,000; and

WHEREAS, pursuant to Resolution No. 13-86 adopted by the School Board on June 11, 2013 (the "2013 Amendment Resolution"), the School Board increased the limit on debt or lease purchase financing set forth in the Original Resolution to an aggregate principal amount not to exceed \$115,000,000 (the Original Resolution, as amended by the 2004 Amendment Resolution, the 2007 Amendment Resolution, the 2009 Amendment Resolution and the 2013 Amendment Resolution is herein called the "Prior Resolution"); and

WHEREAS, the School Board desires to increase the limit on debt or lease purchase financing set forth in the Prior Resolution to an aggregate principal amount not to exceed \$270,000,000;

NOW, THEREFORE, BE IT RESOLVED BY THE SCHOOL BOARD:

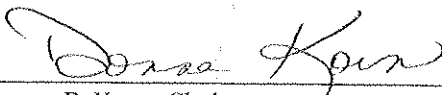
Section 1. Amendment to Prior Resolution. Section 1 of the Prior Resolution is hereby amended to increase the limit on debt or lease purchase financing to be issued to finance the Project from an aggregate principal amount not to exceed \$115,000,000 to an aggregate principal amount not to exceed \$270,000,000.

Section 2. Incidental Action. The appropriate officials of the School Board are hereby authorized to take such actions as may be necessary to carry out the purpose of this Resolution.

Section 3. Conflict with Prior Resolution. Any covenants, agreements or provisions, or portions thereof, contained in the Prior Resolution which are in conflict with this Resolution shall be and the same are hereby superseded and repealed but only to the extent of such conflict.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

Adopted this 9th day of December, 2014.



Donna P. Korn, Chair
The School Board of Broward County, Florida

Attest:



Robert W. Runcie, Secretary
The School Board of Broward County, Florida