

**MEETING OF THE STATE BOARD OF ADMINISTRATION**

**GOVERNOR SCOTT AS CHAIRMAN  
CHIEF FINANCIAL OFFICER ATWATER AS TREASURER  
ATTORNEY GENERAL BONDI AS SECRETARY**

**JANUARY 18, 2012**

**To View Agenda Items, Click on the Following Link:**

**[www.sbafla.com](http://www.sbafla.com)**

**AGENDA**

- ITEM 1.** Request approval of the minutes of the October 18, 2011, November 5, 2011, November 15, 2011, and December 6, 2011 meetings.

(See Attachment 1 at <http://www.myflorida.com/myflorida/cabinet/mart.html>)

**ACTION REQUIRED**

- ITEM 2.** Request approval of a fiscal sufficiency of an amount not exceeding \$580,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2012 Series (to be determined).

(See Attachment 2)

**ACTION REQUIRED**

- ITEM 3.** Request approval of a fiscal sufficiency of an amount not exceeding \$10,000,000 State of Florida, Department of Education, Florida College System Capital Improvement Revenue Bonds, Series (to be determined).

(See Attachment 3)

**ACTION REQUIRED**

- ITEM 4.** Request approval of a fiscal sufficiency of an amount not exceeding \$55,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series (to be determined), and request approval of a fiscal sufficiency of an amount not exceeding \$27,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined).

(See Attachments 4A & 4B)

**ACTION REQUIRED**

**State Board of Administration – Agenda**

**January 18, 2012**

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- ITEM 5.** Request approval of a fiscal sufficiency of an amount not exceeding \$12,000,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Bonds, Series (to be determined).

(See Attachment 5)

**ACTION REQUIRED**

- ITEM 6.** The staff of the State Board of Administration requests that the Trustees approve filing of a Notice of Proposed Rule to repeal Rule 19-7.001(Purpose), F.A.C., and to authorize the filing of this rule for repeal if no member of the public timely requests a rule hearing.

The purpose and effect of the proposed rule amendment will be to repeal Rule 19-7.001 (Purpose), F.A.C., which is a rule that was identified during the comprehensive rules review required by Executive Order 11-01, as being duplicative, unnecessarily burdensome, or no longer necessary. This rule merely introduces the substantive rules set forth in Rule Chapter 19-7, Rules and Regulations Governing the Administration of the Local Government Surplus Funds Trust Fund. The rule, while creating no harm, does not fall within the definition of “rule” set forth under Section 120.52(16), Florida Statutes. The rule can be repealed as being unnecessary. There are no significant policy issues or controversial issues connected to this rule repeal.

(See Attachment 6)

**ACTION REQUIRED**

- ITEM 7.** The staff of the State Board of Administration requests that the Trustees approve filing of a Notice of Proposed Rule to amend Rule 19-7.002 (Investment Policy Statement), F.A.C., Investment Policy Guidelines to adopt the revised policy statements, and to file this rule, along with the incorporated documents, for adoption if no member of the public timely requests a rule hearing.

The purpose and effect of the proposed rule amendment to Rule 19-7.002 (Investment Policy Statement), F.A.C. will be to adopt the revised Investment Policy Statements for the Local Government Surplus Funds Trust Fund and the Fund B Surplus Funds Trust Fund. There are no significant policy issues or controversial issues connected to this rule amendment.

A rule development workshop for the amendments was offered on November 21, 2011, but the workshop was not held as it was not requested.

(See Attachment 7)

**ACTION REQUIRED**

**State Board of Administration – Agenda**

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- ITEM 8.** Request approval of the appointment of Dr. Kurt Gurley as the engineer member of the Advisory Council of the Florida Hurricane Catastrophe Fund.

Pursuant to Section 215.555(8), F.S., the State Board of Administration must appoint a nine-member Advisory Council. One of the appointees must be an engineer. Members of the Advisory Council serve at the pleasure of the State Board of Administration.

(See Attachment 8)

**ACTION REQUIRED**

- ITEM 9.** Update on progress of implementation of Crowe Horwath report recommendations, Audit Committee actions, Investment Advisory Council actions, and inspector general search.

(See Attachment 9)

**INFORMATION/DISCUSSION ITEMS**

- ITEM 10.** Reaffirmation of the Executive Director.

F.S. 215.441 provides that the State Board of Administration's Executive Director must be reaffirmed annually by the Board of Trustees following the original appointment. Mr. Williams was appointed Executive Director in 2008.

(See Attachment 10)

**ACTION REQUIRED**

## **Attachment 1**

Meeting minutes available at <http://www.myflorida.com/myflorida/cabinet/mart.html>

## **Attachment 2**

**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency  
**DATE:** January 4, 2012

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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$580,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2012 SERIES (TO BE DETERMINED):**

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the State Board of Education, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$580,000,000 Public Education Capital Outlay Refunding Bonds, 2012 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding 2001 Series D, 2001 Series H, 2002 Series B and 2002 Series C Public Education Capital Outlay Bonds, and to pay certain costs of issuance; provided, however, that none of the said Bonds shall be issued in excess of the amount which can be issued in full compliance with the State Bond Act and other applicable provisions of law, and pursuant to Section 9(a)(2), Article XII of the Constitution of Florida, as amended. The Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Fifty-second Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on January 24, 2012.

The State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, Series 1985 through 2011 Series F. The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$540,000,000 Public Education Capital Outlay Refunding Bonds, 2009 Series (to be determined) (the "2009 Series Refunding Bonds") at its September 15, 2009, meeting, of which \$239,225,000 remains unissued. The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$330,000,000 Public Education Capital Outlay Bonds, 2011 Series (to be determined) (the "2011 Series Refunding Bonds") at its June 16, 2011, meeting, of which \$66,165,000 remains unissued. The proposed Bonds shall be junior, inferior, and subordinate to the outstanding and unpaid Public Education Capital Outlay Bonds Series 1985, as to lien on and source and security for payment from the Gross Receipts Taxes. The proposed Bonds shall be issued on a parity as to lien on and source and security for payment from the Gross Receipts Taxes with the outstanding and unpaid Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1996 Series B through 2011 Series F, the remaining portion of the 2009 Series Refunding Bonds and the remaining portion of the 2011 Series Refunding Bonds when and if issued.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

**RECOMMENDATION:** It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING  
\$580,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF  
EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS,  
2012 SERIES (TO BE DETERMINED)**

**WHEREAS**, the State Board of Education of Florida proposes to issue an amount not exceeding \$580,000,000 Public Education Capital Outlay Refunding Bonds, 2012 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding 2001 Series D, 2001 Series H, 2002 Series B and 2002 Series C Public Education Capital Outlay Bonds, and to pay certain costs of issuance; provided, however, that none of the said Bonds shall be issued in excess of the amount which can be issued in full compliance with the State Bond Act and other applicable provisions of law, and pursuant to Section 9(a)(2), Article XII of the Constitution of Florida, as amended; and,

**WHEREAS**, the Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Fifty-second Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on January 24, 2012; and,

**WHEREAS**, the proposed Bonds shall be secured by a lien upon the Gross Receipts Taxes which are required to be deposited in the Public Education Capital Outlay and Debt Service Trust Fund administered by the State Board of Education of Florida (the "Gross Receipts Taxes"), and the Bonds are additionally secured by a pledge of the full faith and credit of the State of Florida; and,

**WHEREAS**, the State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, Series 1985 through 2011 Series F; and,

**WHEREAS**, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$540,000,000 Public Education Capital Outlay Refunding Bonds, 2009 Series (to be determined) (the "2009 Series Refunding Bonds") at its September 15, 2009, meeting, of which \$239,225,000 remains unissued; and,

**WHEREAS**, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$330,000,000 Public Education Capital Outlay Bonds, 2011 Series (to be determined) (the "2011 Series Refunding Bonds") at its June 16, 2011, meeting, of which \$66,165,000 remains unissued; and,

**WHEREAS**, the proposed Bonds shall be junior, inferior, and subordinate to the outstanding and unpaid Public Education Capital Outlay Bonds, Series 1985, as to lien on and source and security for payment from the Gross Receipts Taxes; and,

**WHEREAS**, the proposed Bonds shall be issued on a parity as to lien on and source and security for payment from the Gross Receipts Taxes with the outstanding and unpaid Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1996 Series B through 2011 Series F, the remaining portion of the 2009 Series Refunding Bonds and the remaining portion of the 2011 Series Refunding Bonds when and if issued; and,

**WHEREAS**, the Division of Bond Finance has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

**WHEREAS**, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, that the proposal of the State Board of Education of Florida to issue an amount not exceeding \$580,000,000 Public Education Capital Outlay Refunding Bonds, 2012 Series (to be determined), is hereby approved as to fiscal sufficiency.

**ADOPTED** January 18, 2012





**J. BEN WATKINS III**  
DIRECTOR

STATE OF FLORIDA

**DIVISION OF BOND FINANCE**  
OF THE STATE BOARD OF ADMINISTRATION

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1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**RICK SCOTT**  
GOVERNOR  
AS CHAIRMAN

**PAM BONDI**  
ATTORNEY GENERAL

**JEFF ATWATER**  
CHIEF FINANCIAL OFFICER

**ADAM H. PUTNAM**  
COMMISSIONER OF AGRICULTURE

December 29, 2011

Mr. Ashbel C. Williams  
Executive Director  
State Board of Administration  
Post Office Box 13300  
Tallahassee, Florida 32317-3300

RE: Not Exceeding \$580,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2012 Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request fiscal sufficiency approval at your board meeting of January 18, 2012.

The bonds will be payable from gross receipts taxes and are additionally secured by the full faith and credit of the State of Florida. The bonds will be junior and subordinate to the previously issued State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds Series 1985 and on a parity with the previously issued 1996 Series B through 2011 Series F Bonds; the remaining \$239,225,000 2009 Series (to be determined) refunding bonds approved for fiscal sufficiency on September 15, 2009, when and if issued; and the remaining \$66,165,000 2011 Series (to be determined) refunding bonds approved for fiscal sufficiency on June 16, 2011, when and if issued.

The proposed bonds will be issued to refund all or a portion of the outstanding 2001 Series D, 2001 Series H, 2002 Series B and 2002 Series C Public Education Capital Outlay Bonds and to pay costs associated with the issuance and sale of the proposed bonds. The bonds will only be issued if there is a savings.

Enclosed for your review are the following:

Enclosure 1: An estimated coverage table based upon the average annual gross receipts taxes collected during the most recent 24 months. Coverage is based on existing program debt service, but does not include the potential savings from the proposed \$580,000,000 refunding bonds, the previously approved remaining \$66,165,000 2011 Series (to be determined) refunding bonds, or the previously approved remaining \$239,225,000 2009 Series (to be determined) refunding bonds

December 29, 2011

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- Enclosure 2: An estimated savings schedule for the proposed refunding bonds;
- Enclosure 3: A letter from Yiwen Yu of the Office of Economic and Demographic Research showing the most recent 24 months historical collections of the gross receipts taxes. This information was used in the preparation of the coverage table provided as Enclosure 1; and
- Enclosure 4: The gross receipts tax estimates from the September 2011 Revenue Estimating Conference.

The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Fifty-second Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on January 24, 2012.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Kimberly Barrett of this office for review. Should you have any questions, please contact myself, Donna Biggins or Charlie Yadon at 488-4782. Your consideration in this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Ben Watkins III", with a stylized flourish at the end.

J. Ben Watkins III  
Director

JBW:cy

Enclosures

cc: Anthony Doheny  
Robert Copeland

**State of Florida, Full Faith and Credit  
State Board of Education Public Education Capital Outlay Bonds**

**Parity Test**

Fiscal Year	Gross Receipts Taxes <sup>1</sup>	Series 1985 <sup>2</sup>	1996 Series B Through 2011 Series F <sup>2</sup>	Total Outstanding Issues	Subsidy <sup>4</sup>	Total Net Debt Service	Estimated Coverage <sup>5</sup>
2012	\$ 1,082,302,374	\$11,743,788	956,143,136	967,886,924	(12,676,457)	955,210,467	1.1331
2013	1,082,302,374	9,941,288	964,412,085	974,353,372	(12,676,457)	961,676,915	1.1254
2014	1,082,302,374		953,124,085	953,124,085	(12,676,457)	940,447,628	1.1508
2015	1,082,302,374		932,238,479	932,238,479	(12,676,457)	919,562,022	1.1770
2016	1,082,302,374		932,033,429	932,033,429	(12,629,522)	919,403,907	1.1772
2017	1,082,302,374		932,690,536	932,690,536	(12,576,780)	920,113,756	1.1763
2018	1,082,302,374		908,295,627	908,295,627	(12,516,566)	895,779,062	1.2082
2019	1,082,302,374		918,265,265	918,265,265	(12,372,708)	905,892,557	1.1947
2020	1,082,302,374		911,605,293	911,605,293	(12,108,670)	899,496,622	1.2032
2021	1,082,302,374		933,524,337	933,524,337	(11,752,118)	921,772,219	1.1742
2022	1,082,302,374		941,078,450	941,078,450	(11,375,236)	929,703,214	1.1641
2023	1,082,302,374		911,092,294	911,092,294	(10,975,697)	900,116,597	1.2024
2024	1,082,302,374		809,064,886	809,064,886	(10,550,950)	798,513,936	1.3554
2025	1,082,302,374		748,698,439	748,698,439	(10,103,673)	738,594,766	1.4654
2026	1,082,302,374	-	600,549,360	600,549,360	(9,623,568)	590,925,792	1.8315
2027	1,082,302,374	-	569,669,608	569,669,608	(9,120,732)	560,548,875	1.9308
2028	1,082,302,374	-	539,688,615	539,688,615	(8,586,631)	531,101,985	2.0378
2029	1,082,302,374	-	508,836,680	508,836,680	(8,027,736)	500,808,944	2.1611
2030	1,082,302,374	-	483,927,065	483,927,065	(7,441,255)	476,485,810	2.2714
2031	1,082,302,374	-	460,571,836	460,571,836	(6,825,999)	453,745,837	2.3853
2032	1,082,302,374	-	439,797,178	439,797,178	(6,179,159)	433,618,019	2.4960
2033	1,082,302,374	-	395,647,880	395,647,880	(5,507,864)	390,140,016	2.7741
2034	1,082,302,374	-	348,950,156	348,950,156	(4,811,301)	344,138,855	3.1450
2035	1,082,302,374	-	322,548,301	322,548,301	(4,088,353)	318,459,949	3.3986
2036	1,082,302,374	-	282,630,174	282,630,174	(3,338,210)	279,291,964	3.8752
2037	1,082,302,374	-	235,995,141	235,995,141	(2,550,034)	233,445,108	4.6362
2038	1,082,302,374	-	147,027,781	147,027,781	(1,731,643)	145,296,139	7.4489
2039	1,082,302,374	-	84,008,124	84,008,124	(882,111)	83,126,013	13.0200
2040	1,082,302,374	-	38,563,450	38,563,450		38,563,450	28.0655
2041	1,082,302,374	-	4,641,000	4,641,000		4,641,000	233.2046
		\$ 21,685,075	\$18,215,318,688	\$ 18,237,003,763	\$ (246,382,343)	\$ 17,990,621,421	

(1) Pursuant to Section 215.61(3), Florida Statutes, debt service cannot exceed 90% of the average annual revenue collected for the tax periods during the 24 months immediately preceding the most recent collection date. The amount shown is the twelve-month average collections for the appropriate tax periods.  
Source: Office of Economic & Demographic Research.

(2) The Public Education Capital Outlay Bonds, Series 1985 (the "Prior Lien Obligations") are secured by a first lien upon the gross receipts taxes. All subsequently issued bonds and the bonds which have not yet been issued, have a parity lien on the gross receipts taxes which is junior and subordinate to that of the Prior Lien Obligations.

(4) Federal subsidy payments for Build America Bonds 2006 Series G, 2007 Series G, 2008 Series D and 2009 Series F.

(5) Estimated Coverage based on Total Net Debt Service.

## **Attachment 3**

**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency  
**DATE:** January 5, 2012

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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$10,000,000 STATE OF FLORIDA, DEPARTMENT OF EDUCATION, FLORIDA COLLEGE SYSTEM CAPITAL IMPROVEMENT REVENUE BONDS, SERIES (TO BE DETERMINED):**

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of Palm Beach State College (the "College") and the Department of Education of the State of Florida, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$10,000,000 State of Florida, Department of Education, Florida College System Capital Improvement Revenue Bonds, Series (to be determined) (the "Bonds"), for the purpose of providing financing of a portion of the costs associated with the construction of a public safety training center for the College, to fund a reserve account, if necessary, and to pay costs associated with the issuance of the proposed Bonds. The Bonds will be issued pursuant to Master Authorizing Resolution for the Bonds which was adopted by the Governor and Cabinet on August 1, 2006, and the Fourth Supplemental Resolution which is anticipated to be adopted by the Governor and Cabinet on January 18, 2012.

The Department of Education has heretofore issued Community College Capital Improvement Revenue Bonds, Series 2006A, Series 2008A and Series 2010A (collectively, the "Previous Bonds"). The proposed Bonds shall be issued on a parity with the Previous Bonds. The principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefore, as described in the Master Authorizing Resolution. The Bonds shall not be secured by a pledge of the full faith and credit or the taxing power of the State of Florida or any political subdivision thereof.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

**RECOMMENDATION:** It is recommended that the Board approve the fiscal sufficiency of the proposal outlined above.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT  
EXCEEDING \$10,000,000 STATE OF FLORIDA, DEPARTMENT OF EDUCATION,  
FLORIDA COLLEGE SYSTEM CAPITAL IMPROVEMENT REVENUE BONDS,  
SERIES (TO BE DETERMINED)**

**WHEREAS**, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding \$10,000,000 State of Florida, Department of Education, Florida College System Capital Improvement Revenue Bonds, Series (to be determined) (the "Bonds"), on behalf of Palm Beach State College (the "College") and the Department of Education of the State of Florida for the purpose of providing financing of a portion of the costs associated with the construction of a public safety training center for the College, to fund a reserve account, if necessary, and to pay costs associated with the issuance of the proposed Bonds; and,

**WHEREAS**, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73, Florida Statutes; and,

**WHEREAS**, the Bonds will be issued pursuant to the Master Authorizing Resolution for the Bonds which was adopted by the Governor and Cabinet on August 1, 2006, and the Fourth Supplemental Resolution which is anticipated to be adopted by the Governor and Cabinet on January 18, 2012; and,

**WHEREAS**, the Department of Education has heretofore issued Community College Capital Improvement Revenue Bonds, Series 2006A, Series 2008A and Series 2010A (collectively, the "Previous Bonds"); and,

**WHEREAS**, the proposed Bonds shall be issued on a parity with the Previous Bonds; and,

**WHEREAS**, the principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefore, as described in the resolution; and,

**WHEREAS**, the Bonds do not constitute an obligation, either general or special, of the State of Florida or any of its units of local government and shall not be a debt of the State or of any unit of local government, and neither the State nor any unit of local government shall be liable thereon; and,

**WHEREAS**, the proceeds of the Bonds shall be and constitute trust funds and shall be used and applied solely in the manner and for the purposes provided in the Master Authorizing Resolution; and,

**WHEREAS**, it appears and the Board so finds that this financing will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be expected to accrue in amounts sufficient to accomplish this purpose; and,

**WHEREAS**, the Division, on behalf of the College and the Department of Education of the State of Florida, has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

**WHEREAS**, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; Now, Therefore,

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body created by Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue not exceeding \$10,000,000 State of Florida, Department of Education, Florida College System Capital Improvement Revenue Bonds, Series (to be determined), for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

**ADOPTED** January 18, 2012



**J. BEN WATKINS III**  
DIRECTOR

STATE OF FLORIDA

**DIVISION OF BOND FINANCE**  
OF THE STATE BOARD OF ADMINISTRATION

**HERMITAGE CENTRE, SUITE 200**  
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**RICK SCOTT**  
GOVERNOR  
AS CHAIRMAN

**PAM BONDI**  
ATTORNEY GENERAL  
AS SECRETARY

**JEFF ATTWATER**  
CHIEF FINANCIAL OFFICER  
AS TREASURER

**ADAM PUTNAM**  
COMMISSIONER OF AGRICULTURE

December 29, 2011

Mr. Ashbel Williams  
Executive Director & CIO  
State Board of Administration  
Post Office Box 13300  
Tallahassee, Florida 32317-3300

RE: Not exceeding \$10,000,000 State of Florida, Department of Education, Florida College System  
Capital Improvement Revenue Bonds, Series [to be determined]

Dear Mr. Williams:

In compliance with section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above reference bond issue. We request such approval at your board meeting of January 18, 2012.

The proposed bonds will be payable on a parity with the outstanding 2006A, 2008A and 2010A Bonds from the capital improvement fees collected by the eight participating colleges. Capital improvement fees are assessed per credit hour for college credit, professional certificate and college preparatory courses.

The proposed bonds will be issued to finance a portion of the construction of a public safety training center for Palm Beach State College, to fund a reserve account, if necessary, and to pay costs associated with the issuance and sale of the proposed bonds.

Enclosed for your review are the following:

Enclosure 1- an estimated debt service coverage table;

Enclosure 2- schedules showing a five-year history and five-year projection of capital improvement fees for each of the eight participating colleges, as prepared by the Florida Department of Education, Division of Florida Colleges, and a brief history of the capital improvement fees; and



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December 29, 2011

Enclosure 3- an estimated debt service schedule for the proposed bonds.

The bonds will be issued pursuant to the Master Authorizing Resolution adopted by the Governor and Cabinet on August 1, 2006, and the Fourth Supplemental Resolution which is anticipated to be adopted on January 18, 2012. A copy of the Fourth Supplemental Resolution will be provided to you when available. A copy of the Master Authorizing Resolution was previously provided to you.

A draft of the fiscal sufficiency resolution should be sent to Ray Petty and Kim James of this office for review. Should you have any questions, please contact either myself, Ray Petty or Kim James at 488-4782. Your consideration in this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Ben Watkins III", with a stylized flourish at the end.

J. Ben Watkins III  
Director

JBW:kj

Enclosures

cc: Anthony Doheny  
Robert Copeland

Not Exceeding \$10,000,000  
State of Florida, Department of Education  
Florida College System Capital Improvement Revenue Bonds  
[Series to be determined]

Estimated Coverage Table

Fiscal Year Ending June 30	Projected Capital Improvement Fee <sup>1</sup>	Outstanding Parity Bonds	Proposed Bonds Estimated Debt Service		Estimated Total Debt Service	Estimated Coverage
			Principal	Interest <sup>2</sup>		
2012	\$29,005,429	\$8,581,710	\$115,000	\$239,580	\$8,936,290	3.25x
2013	29,967,295	8,578,935	275,000	568,388	9,422,323	3.18x
2014	30,961,057	8,587,935	290,000	552,575	9,430,510	3.28x
2015	31,987,775	8,580,648	310,000	535,900	9,426,548	3.39x
2016	33,048,540	8,576,538	325,000	518,075	9,419,613	3.51x
2017	34,144,481	8,571,838	345,000	499,388	9,416,225	3.63x
2018	34,144,481	8,584,238	365,000	479,550	9,428,788	3.62x
2019	34,144,481	8,580,788	385,000	458,563	9,424,350	3.62x
2020	34,144,481	8,576,638	410,000	436,425	9,423,063	3.62x
2021	34,144,481	8,577,725	430,000	412,850	9,420,575	3.62x
2022	34,144,481	8,584,763	455,000	388,125	9,427,888	3.62x
2023	34,144,481	8,571,663	485,000	361,963	9,418,625	3.63x
2024	34,144,481	8,580,488	510,000	334,075	9,424,563	3.62x
2025	34,144,481	8,584,663	540,000	304,750	9,429,413	3.62x
2026	34,144,481	8,581,463	570,000	273,700	9,425,163	3.62x
2027	34,144,481	8,574,813	605,000	240,925	9,420,738	3.62x
2028	34,144,481	4,494,156	640,000	206,138	5,340,294	6.39x
2029	34,144,481	2,328,731	675,000	169,338	3,173,069	10.76x
2030	34,144,481	2,332,781	715,000	130,525	3,178,306	10.74x
2031	34,144,481	-	755,000	89,413	844,413	40.44x
2032	34,144,481	-	800,000	46,000	846,000	40.36x
		<u>\$146,430,509</u>	<u>\$10,000,000</u>	<u>\$7,246,243</u>	<u>\$17,246,243</u>	
					<u>\$163,676,751</u>	

(1) Estimates of Capital Improvement Fees for Fiscal Years 2011-12 through 2016-17 were provided by the Division of Florida Colleges. The Division of Bond Finance has assumed that pledged revenues will remain constant after 2016-17.

No representation is made that the estimated revenue amounts shown will actually be collected.

(2) Estimated debt service has been calculated at 5.75%.

**FLORIDA COLLEGE SYSTEM**  
**5-YEAR PROJECTION CAPITAL IMPROVEMENT FEE REVENUES**

**SELECTED COLLEGES - CAPITAL IMPROVEMENT FEE COLLECTIONS - 5 YEAR HISTORY**  
**ALL PROGRAMS\***

COLLEGE	Actual					
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
BROWARD	\$ 1,871,613	\$ 3,198,318	\$ 3,635,759	\$ 4,434,503	\$ 5,433,129	\$ 6,342,357
EDISON	753,239	1,186,995	1,393,231	1,841,359	2,389,861	2,688,194
GULF COAST	231,462	431,404	449,925	646,224	783,567	858,296
PALM BEACH	1,238,041	2,024,838	2,392,374	3,055,869	3,626,082	4,163,376
ST. PETERSBURG	1,356,304	2,399,085	2,572,043	2,942,223	3,554,358	4,086,058
SANTA FE	1,026,629	1,864,754	2,089,399	2,151,306	2,533,214	2,786,150
SEMINOLE	781,078	1,248,478	1,450,446	1,927,110	2,645,272	3,144,961
TALLAHASSEE	651,349	1,478,974	1,494,221	1,530,257	1,456,315	1,706,135
<b>TOTAL</b>	<b>\$ 7,909,715</b>	<b>\$ 13,832,846</b>	<b>\$ 15,477,398</b>	<b>\$ 18,528,851</b>	<b>\$ 22,421,798</b>	<b>\$ 25,775,528</b>

Actual revenue from Annual Financial Reports (AFRs)

COLLEGE	PROJECTED					
	ESTIMATED 2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
BROWARD	\$ 6,819,126	\$ 7,045,259	\$ 7,278,891	\$ 7,520,271	\$ 7,769,655	\$ 8,027,309
EDISON	2,872,483	2,967,739	3,066,154	3,167,833	3,272,883	3,381,417
GULF COAST	993,003	1,025,932	1,059,954	1,095,104	1,131,419	1,168,939
PALM BEACH	4,583,185	4,735,171	4,892,197	5,054,430	5,222,043	5,395,214
ST. PETERSBURG	4,386,326	4,531,784	4,682,065	4,837,329	4,997,743	5,163,476
SANTA FE	3,136,012	3,240,007	3,347,451	3,458,458	3,573,146	3,691,637
SEMINOLE	3,364,170	3,475,731	3,590,992	3,710,075	3,833,107	3,960,219
TALLAHASSEE	2,851,123	2,945,670	3,043,353	3,144,276	3,248,545	3,356,272
<b>TOTAL</b>	<b>\$ 29,005,429</b>	<b>\$ 29,967,295</b>	<b>\$ 30,961,057</b>	<b>\$ 31,987,775</b>	<b>\$ 33,048,540</b>	<b>\$ 34,144,481</b>

## **Capital Improvement Fees**

*Background:* The capital improvement fees are collected by community colleges pursuant to Section 1009.23(11), Florida Statutes. Capital improvement fees are assessed per credit hour for college credit, professional certificate and college preparatory courses. Originally, the capital improvement fee was set by the Legislature at \$1.00 in 1989. For the 2005-06 academic year, the Legislature set the maximum fee at 10% of tuition and limited the annual fee increase for resident students to \$2.00 per credit hour. For the 2010-11 academic year, colleges participating in the bond program charged the following percentage for their resident capital improvement fee: Broward 10%; Edison 10%; Gulf Coast 10%; Palm Beach 9.8%; St. Petersburg 8.9%; Santa Fe 10%; Seminole 10%; and Tallahassee 7.2%.

According to section 1009.23, Florida Statutes, beginning with the 2008-09 fiscal year and each year thereafter, tuition and out-of-state fees will increase at the beginning of each fall semester at a rate equal to inflation, unless otherwise provided in the General Appropriations Act.

## **Historical Tuition and Capital Improvement Fees**

Due to the fact that students enrolled at Florida colleges are predominantly part-time, FTE enrollment provides a common base for comparative purposes. One FTE is equivalent to 30 credit hours. The following tables show a history of resident tuition, capital improvement fees and enrollments in the capital improvement fee-generating programs pledged to the proposed bonds. Enrollment has been shown both by headcount and FTE.

**Resident Student Tuition and Capital Improvement Fees ("CIF")  
Academic Years 2005-06 through 2010-11**

Year	Broward		Edison		Gulf Coast		Palm Beach		St. Petersburg		Santa Fe		Seminole		Tallahassee		System Average <sup>1</sup>	
	Tuition	CIF	Tuition	CIF	Tuition	CIF	Tuition	CIF	Tuition	CIF	Tuition	CIF	Tuition	CIF	Tuition	CIF	Tuition	CIF
2005-06 <sup>2</sup>	\$ 52.45	\$ 3.00	\$ 54.88	\$ 3.00	\$ 50.69	\$ 2.00	\$ 52.49	\$ 3.00	\$ 54.88	\$ 3.00	\$ 52.49	\$ 3.00	\$ 53.08	\$ 3.00	\$ 48.80	\$ 3.00 <sup>3</sup>	\$ 53.38	\$ 2.73
2006-07 <sup>2</sup>	53.80	5.00	56.25	5.00	52.00	4.00	53.80	5.00	56.25	5.00	53.80	5.00	54.41	5.00	50.80	5.00	54.92	4.78
2007-08 <sup>4</sup>	56.49	5.65	59.05	5.91	54.51	4.00	56.49	5.64	59.05	5.25	56.49	5.65	56.98	5.70	53.80	5.00	57.60	5.38
2008-09	59.87	5.99	62.59	6.26	57.89	5.61	60.85	6.05	62.59	5.56	59.87	5.98	62.31	6.23	57.55	5.00	61.44	5.86
2009-10	64.65	6.45	67.60	6.76	62.52	6.25	65.97	6.40	67.60	6.00	64.66	6.47	67.60	6.76	60.30	5.00	66.52	6.38
2010-11	69.80	6.95	73.00	7.30	67.52	6.75	71.33	6.98	73.00	6.48	69.43	6.94	73.00	7.30	69.50	5.00	71.78	6.92

Source: Division of Florida Colleges

<sup>1</sup> These numbers represent the weighted mean for the System. Total tuition and capital improvement fee collections for the System were divided by the total number of students in the System to obtain the weighted mean.

<sup>2</sup> Reflects implementation of 2005 legislation increasing the maximum Capital Improvement Fee from \$1 per credit hour to 10% of tuition for resident students.

<sup>3</sup> Capital Improvement fee increased from \$1 to \$3 in the 2005-06 second term.

<sup>4</sup> FY 2007-08 tuition rates represent Spring 2008 rates after tuition increase.

Historical Student Enrollment in Pledged Capital Improvement Fee-Generating Programs  
Participating Community Colleges ("PCC") and Florida College System  
Headcount and FTE Enrollment for Academic Years 1999-00 through 2010-11

Year	Broward		Edison		Gulf Coast		Palm Beach		St. Petersburg		Santa Fe		Seminole		Tallahassee		PCC Total		System	
	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
1999-00	40,476	17,006	12,988	5,661	10,281	3,597	25,750	10,217	30,824	11,931	17,442	9,401	11,644	4,815	15,520	7,389	164,925	70,017	466,000	198,759
2000-01	42,989	18,137	13,314	5,660	9,761	3,603	27,056	10,721	30,825	11,988	17,314	9,407	12,777	5,379	15,921	7,705	169,957	72,600	475,626	204,323
2001-02	45,464	19,989	13,915	6,108	10,167	3,882	29,799	11,991	31,530	12,842	17,842	9,941	15,126	6,577	16,645	8,104	180,488	79,434	500,818	222,824
2002-03	47,271	21,353	14,477	6,542	10,274	4,062	31,335	12,607	33,773	14,218	18,318	10,330	16,389	7,452	16,993	8,345	188,830	84,909	523,581	238,670
2003-04	48,556	21,964	15,650	7,184	10,523	4,081	32,470	13,107	34,662	15,160	18,557	10,529	17,759	8,236	17,532	9,013	195,709	89,274	541,628	250,773
2004-05	48,995	22,207	15,345	7,082	10,406	4,104	32,544	13,290	34,472	15,251	18,298	10,483	16,823	7,940	18,318	9,388	195,201	89,745	536,126	249,259
2005-06	46,930	21,430	15,013	7,022	10,207	4,009	31,649	13,111	34,126	14,941	18,648	10,532	16,815	7,545	18,747	9,830	192,135	88,420	527,809	244,199
2006-07	46,434	21,092	15,083	7,075	9,898	3,908	31,131	12,921	34,311	14,894	19,203	10,775	17,141	7,615	18,859	9,865	192,060	88,145	529,640	245,230
2007-08 <sup>2</sup>	47,695	22,244	17,188	8,032	10,006	4,056	32,590	13,930	35,075	15,612	19,896	11,341	18,269	8,346	19,384	10,137	200,103	93,698	556,719	263,278
2008-09	50,584	24,057	19,174	9,066	10,415	4,237	35,976	15,854	36,872	16,523	19,828	11,281	20,516	9,739	19,734	10,492	213,099	101,249	590,555	286,022
2009-10	55,612	27,128	22,651	10,994	10,837	4,508	39,503	17,861	39,531	18,301	20,422	11,469	24,036	12,065	20,308	11,130	232,900	113,456	644,616	319,699
2010-11	59,630	29,599	24,220	11,644	10,601	4,581	41,302	18,875	44,717	19,892	21,257	11,930	26,253	13,755	20,810	11,399	248,790	121,675	679,381	340,219

Source: Division of Florida Colleges.

<sup>1</sup> One FTE is equal 30 credit hours.

<sup>2</sup> 2007-2008 includes Educator Preparation Institute students for the first time.

**BOND DEBT SERVICE**

State of Florida, Department of Education  
 Florida College System Capital Improvement Revenue Bonds  
 Proposed 2012 Bonds  
 for Palm Beach State College  
 Estimated Debt Service for Fiscal Sufficiency Request

Dated Date                    02/01/2012  
 Delivery Date                02/01/2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2012	115,000	5.750%	239,580.00	354,580.00	354,580.00
01/01/2013			284,193.75	284,193.75	
07/01/2013	275,000	5.750%	284,193.75	559,193.75	843,387.50
01/01/2014			276,287.50	276,287.50	
07/01/2014	290,000	5.750%	276,287.50	566,287.50	842,575.00
01/01/2015			267,950.00	267,950.00	
07/01/2015	310,000	5.750%	267,950.00	577,950.00	845,900.00
01/01/2016			259,037.50	259,037.50	
07/01/2016	325,000	5.750%	259,037.50	584,037.50	843,075.00
01/01/2017			249,693.75	249,693.75	
07/01/2017	345,000	5.750%	249,693.75	594,693.75	844,387.50
01/01/2018			239,775.00	239,775.00	
07/01/2018	365,000	5.750%	239,775.00	604,775.00	844,550.00
01/01/2019			229,281.25	229,281.25	
07/01/2019	385,000	5.750%	229,281.25	614,281.25	843,562.50
01/01/2020			218,212.50	218,212.50	
07/01/2020	410,000	5.750%	218,212.50	628,212.50	846,425.00
01/01/2021			206,425.00	206,425.00	
07/01/2021	430,000	5.750%	206,425.00	636,425.00	842,850.00
01/01/2022			194,062.50	194,062.50	
07/01/2022	455,000	5.750%	194,062.50	649,062.50	843,125.00
01/01/2023			180,981.25	180,981.25	
07/01/2023	485,000	5.750%	180,981.25	665,981.25	846,962.50
01/01/2024			167,037.50	167,037.50	
07/01/2024	510,000	5.750%	167,037.50	677,037.50	844,075.00
01/01/2025			152,375.00	152,375.00	
07/01/2025	540,000	5.750%	152,375.00	692,375.00	844,750.00
01/01/2026			136,850.00	136,850.00	
07/01/2026	570,000	5.750%	136,850.00	706,850.00	843,700.00
01/01/2027			120,462.50	120,462.50	
07/01/2027	605,000	5.750%	120,462.50	725,462.50	845,925.00
01/01/2028			103,068.75	103,068.75	
07/01/2028	640,000	5.750%	103,068.75	743,068.75	846,137.50
01/01/2029			84,668.75	84,668.75	
07/01/2029	675,000	5.750%	84,668.75	759,668.75	844,337.50
01/01/2030			65,262.50	65,262.50	
07/01/2030	715,000	5.750%	65,262.50	780,262.50	845,525.00
01/01/2031			44,706.25	44,706.25	
07/01/2031	755,000	5.750%	44,706.25	799,706.25	844,412.50
01/01/2032			23,000.00	23,000.00	
07/01/2032	800,000	5.750%	23,000.00	823,000.00	846,000.00
	10,000,000		7,246,242.50	17,246,242.50	17,246,242.50

## **Attachment 4A**



**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency  
**DATE:** January 5, 2012

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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$55,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE BONDS, SERIES (TO BE DETERMINED):**

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$55,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series (to be determined) (the "Bonds"), for the purpose of financing the construction of student dormitory facilities, a fraternity/sorority residential hall and administrative center, and other general capital improvements to the housing system, all of which will be located on the main campus of the University of Central Florida; to fund a reserve account, if necessary; to provide for capitalized interest, if any; and to pay costs associated with the issuance and sale of the proposed Bonds.

The Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as amended by resolutions adopted on May 29, 1996, November 26, 2002 and September 19, 2007, and the Seventh Supplemental Resolution anticipated to be adopted by the Governor and Cabinet on January 18, 2012 (collectively referred to herein as the "Resolution"). The Division has heretofore issued University of Central Florida Dormitory Revenue Bonds, Series 1992 through 2007A (the "Previous Bonds"). The Division has submitted for approval as to fiscal sufficiency a proposal to issue not exceeding \$27,000,000 University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) (the "Proposed Refunding Bonds") for approval at the January 18, 2012, meeting of the State Board of Administration. The Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Previous Bonds and the Proposed Refunding Bonds, when and if approved and issued.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

**RECOMMENDATION:** It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT  
EXCEEDING \$55,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS,  
UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE BONDS, SERIES  
(TO BE DETERMINED)**

**WHEREAS**, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding \$55,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series (to be determined) (the "Bonds"), for the purpose of financing the construction of student dormitory facilities, a fraternity/sorority residential hall and administrative center, and other general capital improvements to the housing system, all of which will be located on the main campus of the University of Central Florida; to fund a reserve account, if necessary; to provide for capitalized interest, if any; and to pay costs associated with the issuance and sale of the proposed Bonds; and,

**WHEREAS**, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73, Florida Statutes; and,

**WHEREAS**, the Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as amended by resolutions adopted on May 29, 1996, November 26, 2002 and September 19, 2007, and the Seventh Supplemental Resolution anticipated to be adopted by the Governor and Cabinet on January 18, 2012 (collectively referred to herein as the "Resolution"); and,

**WHEREAS**, the Division has heretofore issued University of Central Florida Dormitory Revenue Bonds, Series 1992 through 2007A (the "Previous Bonds"); and,

**WHEREAS**, the Division has submitted for approval as to fiscal sufficiency a proposal to issue not exceeding \$27,000,000 University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) (the "Proposed Refunding Bonds") for approval at the January 18, 2012, meeting of the State Board of Administration; and,

**WHEREAS**, the Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Previous Bonds, and the Proposed Refunding Bonds when and if approved and issued; and,

**WHEREAS**, the principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefor, as described in the Resolution; and,

**WHEREAS**, the Bonds do not constitute an obligation, either general or special, of the State of Florida or any of its units of local government and shall not be a debt of the State or of any unit of local government, and neither the State nor any unit of local government shall be liable thereon; and,

**WHEREAS**, the University of Central Florida shall not have the power to pledge the credit, the revenues, or the taxing power of the State or of any unit of local government, and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government shall be deemed to be pledged to the payment of the Bonds; and,

**WHEREAS**, the proceeds of the Bonds shall be and constitute trust funds and shall be used and applied solely in the manner and for the purposes provided in the Resolution; and,

**WHEREAS**, the estimate of funds pledged to the issue indicates that in no State fiscal year will the debt service requirements of the Bonds and all other issues secured by the same pledged revenues exceed the Pledged Revenues available for payment of such debt service requirements and that in no State fiscal year will the moneys pledged for the debt service requirements be less than the required coverage amount; and,

**WHEREAS**, the Division, has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

**WHEREAS**, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body created by Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding \$55,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Bonds, Series (to be determined) for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

**ADOPTED** January 18, 2012



**J. BEN WATKINS III**  
DIRECTOR

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**

**December 29, 2011**

**RICK SCOTT**  
GOVERNOR  
AS CHAIRMAN

**PAM BONDI**  
ATTORNEY GENERAL  
AS SECRETARY

**JEFF ATWATER**  
CHIEF FINANCIAL OFFICER  
AS TREASURER

**ADAM H. PUTNAM**  
COMMISSIONER OF AGRICULTURE

Mr. Ashbel C. Williams  
Executive Director & CIO  
State Board of Administration  
Post Office Box 13300  
Tallahassee, Florida 32317-3300

RE: Not Exceeding \$55,000,000 State of Florida, Board of Governors, University of Central  
Florida Dormitory Revenue Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of January 18, 2012.

The proposed bonds will be secured by the revenues of the housing system after deducting operating expenses. Housing system revenues are derived primarily from student housing rental income. The proposed bonds will be payable on a parity with the previously issued University of Central Florida Dormitory Revenue Bonds, Series 1992 through 2007A remaining outstanding after issuance of the proposed \$27,000,000 refunding bonds expected to be approved for fiscal sufficiency on January 18, 2012.

The bonds are being issued for the purpose of financing the construction of student dormitory facilities, a fraternity/sorority residential hall and administrative center, and other general capital improvements to the housing system, all of which will be located on the main campus of the University of Central Florida; to fund a reserve account, if necessary; to provide for capitalized interest, if any; and to pay costs associated with the issuance and sale of the proposed bonds.

Enclosed for your review are the following:

- Enclosure 1: an estimated coverage table for the program, without considering the potential savings from the proposed \$27,000,000 refunding bonds;
- Enclosure 2: an estimated debt service schedule for the proposed bonds;
- Enclosure 3: the Sixth Amending and Supplementing Resolution adopted on September 19, 2007; and,
- Enclosure 4: a draft of the Seventh Supplemental Resolution, which is anticipated to be adopted by the Governor and Cabinet on January 18, 2012, authorizing the issuance of the proposed new money bonds.

December 29, 2011

Page Two

The bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as amended by the First, Third and Sixth Supplemental Resolutions adopted on May 29, 1996, November 26, 2002 and September 19, 2007, respectively. On January 18, 2012, the Governing Board of the Division of Bond Finance is expected to adopt the Seventh Supplemental Resolution authorizing the issuance and a sale resolution for \$55,000,000 dormitory revenue bonds. Also on January 18, 2012, the Governing Board of the Division of Bond Finance is expected to adopt a the Eighth Supplemental Resolution, which will authorize the issuance and sale of \$27,000,000 refunding bonds. The Original Resolution and the First and Third Supplemental Resolutions were previously provided; the Eighth Supplemental Resolution is being provided with the fiscal sufficiency request for the \$27,000,000 dorm revenue refunding bonds.

A draft of the fiscal sufficiency resolution should be sent to Toni Egan and Carol Bagley of this office for review. Should you have any questions, please contact either myself, Toni Egan or Carol Bagley at 488-4782. Your consideration of this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Ben Watkins III", with a stylized flourish at the end.

J. Ben Watkins III  
Director

JBW:cb

Enclosures

cc: Anthony Doheny  
Robert Copeland

**Not Exceeding \$55,000,000**  
**State of Florida, Board of Governors, University of Central Florida**  
**Dormitory Revenue Bonds, Series (to be determined)**

**Estimated Debt Service Coverage Table**

Fiscal Year Ended June 30	Gross Revenues	O & M Expenses	Pledged Revenue	Outstanding Debt Service	Estimated Debt Service				Total Debt Service	Coverage
					Principal	Interest	Capitalized Interest	Total		
	(1)	(1)				(2)	(3)			(4)
<b>Historical</b>										
2007	18,515,122	9,376,325	9,138,797	6,663,241					6,663,241	1.37x
2008	19,912,440	10,842,923	9,069,517	6,578,769					6,578,769	1.38x
2009	20,934,887	11,388,482	9,546,405	6,506,194					6,506,194	1.47x
2010	22,783,057	11,274,115	11,508,942	6,505,718					6,505,718	1.77x
2011	23,535,761	13,053,087	10,482,674	6,505,436					6,505,436	1.61x
<b>Projected</b>										
2012	24,241,834	13,586,980	10,654,854	6,501,604	-	527,083	527,083	-	6,501,604	1.64x
2013	24,969,089	13,989,790	10,979,299	6,504,725	-	3,162,500	3,162,500	-	6,504,725	1.69x
2014	31,123,450	15,690,053	15,433,397	6,495,021	-	3,162,500	1,581,250	1,581,250	8,076,271	1.91x
2015	32,054,153	16,163,868	15,890,285	6,498,719	815,000	3,139,069		3,954,069	10,452,788	1.52x
2016	33,012,778	16,648,784	16,363,994	6,503,197	860,000	3,090,913		3,950,913	10,454,110	1.57x
2017	34,000,161	17,148,247	16,851,914	6,502,094	910,000	3,040,025		3,950,025	10,452,119	1.61x
2018	34,000,161	17,148,247	16,851,914	6,494,289	965,000	2,986,119		3,951,119	10,445,408	1.61x
2019	34,000,161	17,148,247	16,851,914	6,496,491	1,025,000	2,928,906		3,953,906	10,450,398	1.61x
2020	34,000,161	17,148,247	16,851,914	6,493,977	1,085,000	2,868,244		3,953,244	10,447,221	1.61x
2021	34,000,161	17,148,247	16,851,914	6,493,436	1,150,000	2,803,988		3,953,988	10,447,424	1.61x
2022	34,000,161	17,148,247	16,851,914	5,220,234	1,215,000	2,735,994		3,950,994	9,171,228	1.84x
2023	34,000,161	17,148,247	16,851,914	5,218,211	1,290,000	2,663,975		3,953,975	9,172,186	1.84x
2024	34,000,161	17,148,247	16,851,914	5,216,289	1,365,000	2,587,644		3,952,644	9,168,933	1.84x
2025	34,000,161	17,148,247	16,851,914	5,216,769	1,445,000	2,506,856		3,951,856	9,168,625	1.84x
2026	34,000,161	17,148,247	16,851,914	5,210,994	1,530,000	2,421,325		3,951,325	9,162,319	1.84x
2027	34,000,161	17,148,247	16,851,914	5,218,538	1,620,000	2,330,763		3,950,763	9,169,300	1.84x
2028	34,000,161	17,148,247	16,851,914	3,954,963	1,720,000	2,234,738		3,954,738	7,909,700	2.13x
2029	34,000,161	17,148,247	16,851,914	3,951,956	1,820,000	2,132,963		3,952,963	7,904,919	2.13x
2030	34,000,161	17,148,247	16,851,914	3,954,606	1,925,000	2,025,294		3,950,294	7,904,900	2.13x
2031	34,000,161	17,148,247	16,851,914	2,121,750	2,040,000	1,911,300		3,951,300	6,073,050	2.77x
2032	34,000,161	17,148,247	16,851,914		2,160,000	1,790,550		3,950,550	3,950,550	4.27x
2033	34,000,161	17,148,247	16,851,914		2,290,000	1,662,613		3,952,613	3,952,613	4.26x
2034	34,000,161	17,148,247	16,851,914		2,425,000	1,527,056		3,952,056	3,952,056	4.26x
2035	34,000,161	17,148,247	16,851,914		2,570,000	1,383,450		3,953,450	3,953,450	4.26x
2036	34,000,161	17,148,247	16,851,914		2,720,000	1,231,363		3,951,363	3,951,363	4.26x
2037	34,000,161	17,148,247	16,851,914		2,880,000	1,070,363		3,950,363	3,950,363	4.27x
2038	34,000,161	17,148,247	16,851,914		3,050,000	899,875		3,949,875	3,949,875	4.27x
2039	34,000,161	17,148,247	16,851,914		3,235,000	719,181		3,954,181	3,954,181	4.26x
2040	34,000,161	17,148,247	16,851,914		3,425,000	527,706		3,952,706	3,952,706	4.26x
2041	34,000,161	17,148,247	16,851,914		3,625,000	325,019		3,950,019	3,950,019	4.27x
2042	34,000,161	17,148,247	16,851,914		-	3,840,000	110,400	3,950,400	3,950,400	4.27x
					110,267,862	55,000,000	62,507,771	5,270,833	112,236,938	222,504,800

(1) Actual revenue and expense information was provided by the University of Central Florida and has not been audited. Projected revenues and expenses for fiscal years 2012 through 2017 were provided by the University and include revenues and expenses from a fraternity/sorority house being constructed by the Housing System from funds on hand and the dormitories and fraternity/sorority house being financed. The new facilities being constructed are scheduled to open for the fall semester of Fiscal Year 2014. Projections for fiscal year 2017 and thereafter are held constant; however, no representation is made that the amounts shown in any fiscal year will be collected.

(2) Debt service on the proposed bonds has been calculated at 5.75%.

(3) Assumes interest payments through and including October 1, 2013, are capitalized from bond proceeds.

(4) Coverage of Pledged Revenues is determined by dividing Pledged Revenues by Total Outstanding Debt Service.

## BOND DEBT SERVICE

UCF Housing  
Proposed 2012 New Money Issue  
(Revised October 2011 for New Opening Date of Fall 2013)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2012			527,083.33	527,083.33
06/30/2013			3,162,500.00	3,162,500.00
06/30/2014			3,162,500.00	3,162,500.00
06/30/2015	815,000	5.750%	3,139,068.75	3,954,068.75
06/30/2016	860,000	5.750%	3,090,912.50	3,950,912.50
06/30/2017	910,000	5.750%	3,040,025.00	3,950,025.00
06/30/2018	965,000	5.750%	2,986,118.75	3,951,118.75
06/30/2019	1,025,000	5.750%	2,928,906.25	3,953,906.25
06/30/2020	1,085,000	5.750%	2,868,243.75	3,953,243.75
06/30/2021	1,150,000	5.750%	2,803,987.50	3,953,987.50
06/30/2022	1,215,000	5.750%	2,735,993.75	3,950,993.75
06/30/2023	1,290,000	5.750%	2,663,975.00	3,953,975.00
06/30/2024	1,365,000	5.750%	2,587,643.75	3,952,643.75
06/30/2025	1,445,000	5.750%	2,506,856.25	3,951,856.25
06/30/2026	1,530,000	5.750%	2,421,325.00	3,951,325.00
06/30/2027	1,620,000	5.750%	2,330,762.50	3,950,762.50
06/30/2028	1,720,000	5.750%	2,234,737.50	3,954,737.50
06/30/2029	1,820,000	5.750%	2,132,962.50	3,952,962.50
06/30/2030	1,925,000	5.750%	2,025,293.75	3,950,293.75
06/30/2031	2,040,000	5.750%	1,911,300.00	3,951,300.00
06/30/2032	2,160,000	5.750%	1,790,550.00	3,950,550.00
06/30/2033	2,290,000	5.750%	1,662,612.50	3,952,612.50
06/30/2034	2,425,000	5.750%	1,527,056.25	3,952,056.25
06/30/2035	2,570,000	5.750%	1,383,450.00	3,953,450.00
06/30/2036	2,720,000	5.750%	1,231,362.50	3,951,362.50
06/30/2037	2,880,000	5.750%	1,070,362.50	3,950,362.50
06/30/2038	3,050,000	5.750%	899,875.00	3,949,875.00
06/30/2039	3,235,000	5.750%	719,181.25	3,954,181.25
06/30/2040	3,425,000	5.750%	527,706.25	3,952,706.25
06/30/2041	3,625,000	5.750%	325,018.75	3,950,018.75
06/30/2042	3,840,000	5.750%	110,400.00	3,950,400.00
	55,000,000		62,507,770.83	117,507,770.83

## **Attachment 4B**



**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

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**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency  
**DATE:** January 5, 2012

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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$27,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED):**

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$27,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) (the "Bonds"), for the purpose of refunding all or a portion of the outstanding Series 2000 Bonds, to fund a reserve account, if necessary, to provide for capitalized interest, if any, and to pay costs associated with the issuance and sale of the proposed Bonds.

The Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as amended by resolutions adopted on May 29, 1996, November 26, 2002 and September 19, 2007, and the Eighth Supplemental Resolution anticipated to be adopted by the Governor and Cabinet on January 18, 2012 (collectively referred to herein as the "Resolution"). The Division has heretofore issued University of Central Florida Dormitory Revenue Bonds, Series 1992 through 2007A (the "Previous Bonds"). The Division has submitted for approval as to fiscal sufficiency a proposal to issue not exceeding \$55,000,000 University of Central Florida Dormitory Revenue Bonds, Series (to be determined) (the "Proposed New Money Bonds") for approval at the January 18, 2012, meeting of the State Board of Administration. The Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Previous Bonds and the Proposed New Money Bonds, when and if approved and issued.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

**RECOMMENDATION:** It is recommended that the Board approve the proposal outlined above.

cc: Janie knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT  
EXCEEDING \$27,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS,  
UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE REFUNDING  
BONDS, SERIES (TO BE DETERMINED)**

**WHEREAS**, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding \$27,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) (the "Bonds"), for the purpose of refunding all or a portion of the outstanding Series 2000 Bonds, to fund a reserve account, if necessary, to provide for capitalized interest, if any, and to pay costs associated with the issuance and sale of the proposed Bonds; and,

**WHEREAS**, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73, Florida Statutes; and,

**WHEREAS**, the Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as amended by resolutions adopted on May 29, 1996, November 26, 2002 and September 19, 2007, and the Eighth Supplemental Resolution anticipated to be adopted by the Governor and Cabinet on January 18, 2012 (collectively referred to herein as the "Resolution"); and,

**WHEREAS**, the Division has heretofore issued University of Central Florida Dormitory Revenue Bonds, Series 1992 through 2007A (the "Previous Bonds"); and,

**WHEREAS**, the Division has submitted for approval as to fiscal sufficiency a proposal to issue not exceeding \$55,000,000 University of Central Florida Dormitory Revenue Bonds, Series (to be determined) (the "Proposed New Money Bonds") for approval at the January 18, 2012, meeting of the State Board of Administration; and,

**WHEREAS**, the Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Previous Bonds, and the Proposed New Money Bonds when and if approved and issued; and,

**WHEREAS**, the principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefor, as described in the Resolution; and,

**WHEREAS**, the Bonds do not constitute an obligation, either general or special, of the State of Florida or any of its units of local government and shall not be a debt of the State or of any unit of local government, and neither the State nor any unit of local government shall be liable thereon; and,

**WHEREAS**, the University of Central Florida shall not have the power to pledge the credit, the revenues, or the taxing power of the State or of any unit of local government, and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government shall be deemed to be pledged to the payment of the Bonds; and,

**WHEREAS**, the proceeds of the Bonds shall be and constitute trust funds and shall be used and applied solely in the manner and for the purposes provided in the Resolution; and,

**WHEREAS**, the estimate of funds pledged to the issue indicates that in no State fiscal year will the debt service requirements of the Bonds and all other issues secured by the same pledged revenues exceed the Pledged Revenues available for payment of such debt service requirements and that in no State fiscal year will the moneys pledged for the debt service requirements be less than the required coverage amount; and,

**WHEREAS**, the Division, has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

**WHEREAS**, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body created by Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding \$27,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

**ADOPTED** January 18, 2012



**J. BEN WATKINS III**  
DIRECTOR

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**

December 29, 2011

**RICK SCOTT**  
GOVERNOR  
AS CHAIRMAN

**PAM BONDI**  
ATTORNEY GENERAL  
AS SECRETARY

**JEFF ATWATER**  
CHIEF FINANCIAL OFFICER  
AS TREASURER

**ADAM H. PUTNAM**  
COMMISSIONER OF AGRICULTURE

Mr. Ashbel C. Williams  
Executive Director & CIO  
State Board of Administration  
Post Office Box 13300  
Tallahassee, Florida 32317-3300

RE: Not Exceeding \$27,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of January 18, 2012.

The proposed bonds will be secured by the revenues of the housing system after deducting operating expenses. Housing system revenues are derived primarily from student housing rental income. The proposed bonds will be payable on a parity with the previously issued University of Central Florida Dormitory Revenue Bonds, Series 1992 through 2007A remaining outstanding after the refunding and the \$55,000,000 dormitory revenue bonds expected to be approved for fiscal sufficiency on January 18, 2012.

The proposed bonds will be issued to refund all or a portion of the outstanding Series 2000, Bonds, to fund a reserve account, if necessary, to provide for capitalized interest, if any, and to pay costs associated with the issuance and sale of the proposed bonds. The bonds will only be issued if there is a savings.

Enclosed for your review are the following:

- Enclosure 1: an estimated coverage table for the program, without considering the potential savings from the proposed \$27,000,000 refunding bonds but including the \$55,000,000 bonds;
- Enclosure 2: an estimated debt service and savings schedule from a recent sizing of the proposed bonds; and,
- Enclosure 3: a draft of the Eighth Supplemental Resolution, which is anticipated to be adopted by the Governor and Cabinet on January 18, 2012, authorizing the issuance and sale of the proposed Refunding Bonds.

December 29, 2011

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The bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as amended by the First, Third and Sixth Supplemental Resolutions adopted on May 29, 1996, November 26, 2002 and September 19, 2007, respectively. On January 18, 2012, the Governing Board of the Division of Bond Finance is expected to adopt the Eighth Supplemental Resolution authorizing the issuance and sale of \$27,000,000 refunding bonds. Also on January 18, 2012, the Governing Board of the Division of Bond Finance is expected to adopt the Seventh Supplemental Resolution, which will authorize \$55,000,000 dormitory revenue bonds. The Original Resolution and the First and Third Supplemental Resolutions were previously provided; the sixth and seventh amending and supplementing resolutions are being provided with the fiscal sufficiency request for the \$55,000,000 dormitory revenue bonds.

A draft of the fiscal sufficiency resolution should be sent to Toni Egan and Carol Bagley of this office for review. Should you have any questions, please contact either myself, Toni Egan or Carol Bagley at 488-4782. Your consideration of this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Ben Watkins III". The signature is fluid and cursive, with a large initial "J" and a stylized "W".

J. Ben Watkins III  
Director

JBW:cb

Enclosures

cc: Anthony Doheny  
Robert Copeland

**Not Exceeding \$27,000,000**  
**State of Florida, Board of Governors, University of Central Florida**  
**Dormitory Revenue Refunding Bonds, Series (to be determined)**

**Estimated Debt Service Coverage Table**

Fiscal Year Ended June 30	Gross Revenues	O & M Expenses	Pledged Revenue	Outstanding Debt Service	Estimated Debt Service				Total Debt Service	Coverage
					Principal	Interest	Capitalized Interest	Total		
	(1)	(1)				(2)	(3)			(4)
<b>Historical</b>										
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2011	23,535,761	13,053,087	10,482,674	6,505,436					6,505,436	1.61x
<b>Projected</b>										
2012	24,241,834	13,586,980	10,654,854	6,501,604	-	527,083	527,083	-	6,501,604	1.64x
2013	24,969,089	13,989,790	10,979,299	6,504,725	-	3,162,500	3,162,500	-	6,504,725	1.69x
2014	31,123,450	15,690,053	15,433,397	6,495,021	-	3,162,500	1,581,250	1,581,250	8,076,271	1.91x
2015	32,054,153	16,163,868	15,890,285	6,498,719	815,000	3,139,069		3,954,069	10,452,788	1.52x
2016	33,012,778	16,648,784	16,363,994	6,503,197	860,000	3,090,913		3,950,913	10,454,110	1.57x
2017	34,000,161	17,148,247	16,851,914	6,502,094	910,000	3,040,025		3,950,025	10,452,119	1.61x
2018	34,000,161	17,148,247	16,851,914	6,494,289	965,000	2,986,119		3,951,119	10,445,408	1.61x
2019	34,000,161	17,148,247	16,851,914	6,496,491	1,025,000	2,928,906		3,953,906	10,450,398	1.61x
2020	34,000,161	17,148,247	16,851,914	6,493,977	1,085,000	2,868,244		3,953,244	10,447,221	1.61x
2021	34,000,161	17,148,247	16,851,914	6,493,436	1,150,000	2,803,988		3,953,988	10,447,424	1.61x
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2024	34,000,161	17,148,247	16,851,914	5,216,289	1,365,000	2,587,644		3,952,644	9,168,933	1.84x
2025	34,000,161	17,148,247	16,851,914	5,216,769	1,445,000	2,506,856		3,951,856	9,168,625	1.84x
2026	34,000,161	17,148,247	16,851,914	5,210,994	1,530,000	2,421,325		3,951,325	9,162,319	1.84x
2027	34,000,161	17,148,247	16,851,914	5,218,538	1,620,000	2,330,763		3,950,763	9,169,300	1.84x
2028	34,000,161	17,148,247	16,851,914	3,954,963	1,720,000	2,234,738		3,954,738	7,909,700	2.13x
2029	34,000,161	17,148,247	16,851,914	3,951,956	1,820,000	2,132,963		3,952,963	7,904,919	2.13x
2030	34,000,161	17,148,247	16,851,914	3,954,606	1,925,000	2,025,294		3,950,294	7,904,900	2.13x
2031	34,000,161	17,148,247	16,851,914	2,121,750	2,040,000	1,911,300		3,951,300	6,073,050	2.77x
2032	34,000,161	17,148,247	16,851,914		2,160,000	1,790,550		3,950,550	3,950,550	4.27x
2033	34,000,161	17,148,247	16,851,914		2,290,000	1,662,613		3,952,613	3,952,613	4.26x
2034	34,000,161	17,148,247	16,851,914		2,425,000	1,527,056		3,952,056	3,952,056	4.26x
2035	34,000,161	17,148,247	16,851,914		2,570,000	1,383,450		3,953,450	3,953,450	4.26x
2036	34,000,161	17,148,247	16,851,914		2,720,000	1,231,363		3,951,363	3,951,363	4.26x
2037	34,000,161	17,148,247	16,851,914		2,880,000	1,070,363		3,950,363	3,950,363	4.27x
2038	34,000,161	17,148,247	16,851,914		3,050,000	899,875		3,949,875	3,949,875	4.27x
2039	34,000,161	17,148,247	16,851,914		3,235,000	719,181		3,954,181	3,954,181	4.26x
2040	34,000,161	17,148,247	16,851,914		3,425,000	527,706		3,952,706	3,952,706	4.26x
2041	34,000,161	17,148,247	16,851,914		3,625,000	325,019		3,950,019	3,950,019	4.27x
2042	34,000,161	17,148,247	16,851,914	-	3,840,000	110,400		3,950,400	3,950,400	4.27x
					110,267,862	55,000,000	62,507,771	5,270,833	112,236,938	222,504,800

(1) Actual revenue and expense information was provided by the University of Central Florida and has not been audited. Projected revenues and expenses for fiscal years 2012 through 2017 were provided by the University and include revenues and expenses from a fraternity/sorority house being constructed by the Housing System from funds on hand and the dormitories and fraternity/sorority house being financed. The new facilities being constructed are scheduled to open for the fall semester of Fiscal Year 2014. Projections for fiscal year 2017 and thereafter are held constant; however, no representation is made that the amounts shown in any fiscal year will be collected.

(2) Debt service on the proposed bonds has been calculated at 5.75%.

(3) Assumes interest payments through and including October 1, 2013, are capitalized from bond proceeds.

(4) Coverage of Pledged Revenues is determined by dividing Pledged Revenues by Total Outstanding Debt Service.

## SAVINGS

Proposed UCF Dormitory Issue  
UCF Dormitory Revenue Bonds, Series 2012A

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings
06/30/2012	659,894.06	494,926.00	164,968.06	135,516.88	29,451.18
06/30/2013	2,123,138.75		2,123,138.75	1,867,210.00	255,928.75
06/30/2014	2,118,776.25		2,118,776.25	1,863,060.00	255,716.25
06/30/2015	2,122,051.25		2,122,051.25	1,868,835.00	253,216.25
06/30/2016	2,119,633.46		2,119,633.46	1,864,235.00	255,398.46
06/30/2017	2,120,982.50		2,120,982.50	1,868,510.00	252,472.50
06/30/2018	2,119,232.50		2,119,232.50	1,866,135.00	253,097.50
06/30/2019	2,119,300.00		2,119,300.00	1,866,385.00	252,915.00
06/30/2020	2,120,759.30		2,120,759.30	1,864,135.00	256,624.30
06/30/2021	2,118,230.00		2,118,230.00	1,864,260.00	253,970.00
06/30/2022	2,122,371.93		2,122,371.93	1,866,510.00	255,861.93
06/30/2023	2,118,310.00		2,118,310.00	1,860,885.00	257,425.00
06/30/2024	2,120,120.00		2,120,120.00	1,867,135.00	252,985.00
06/30/2025	2,122,518.75		2,122,518.75	1,865,010.00	257,508.75
06/30/2026	2,120,356.25		2,120,356.25	1,864,510.00	255,846.25
06/30/2027	2,118,862.50		2,118,862.50	1,865,385.00	253,477.50
06/30/2028	2,120,000.00		2,120,000.00	1,862,510.00	257,490.00
06/30/2029	2,118,750.00		2,118,750.00	1,865,635.00	253,115.00
06/30/2030	2,122,750.00		2,122,750.00	1,868,875.00	253,875.00
06/30/2031	2,121,750.00		2,121,750.00	1,867,057.50	254,692.50
	40,947,787.50	494,926.00	40,452,861.50	35,581,794.38	4,871,067.12

Savings Summary


Dated Date	02/16/2012
Delivery Date	02/16/2012
Savings PV rate	3.808552%
PV of savings from cash flow	3,449,508.09
Plus: Refunding funds on hand	1,926.07
Net PV Savings	3,451,434.16

## **Attachment 5**



**STATE BOARD OF ADMINISTRATION  
1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308**

---

**TO:** Ash Williams  
**FROM:** Robert Copeland  
**SUBJECT:** Fiscal Sufficiency   
**DATE:** January 5, 2012

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**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$12,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF CENTRAL FLORIDA PARKING FACILITY REVENUE BONDS, SERIES (TO BE DETERMINED):**

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$12,000,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Bonds, Series (to be determined) (the "Bonds"), for the purpose of financing the construction of a parking garage on the main campus of the University of Central Florida, to fund a reserve account, if necessary, and to pay costs associated with the issuance of the proposed Bonds.

The Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on November 22, 1994, as amended and supplemented on May 25, 2004, November 17, 2009 and September 20, 2011, respectively, and the Eighth Supplemental Resolution and a sale resolution which are anticipated to be adopted by the Governor and Cabinet on January 18, 2012 (collectively referred to herein as the "Resolution"). The Division has heretofore issued University of Central Florida Parking Facility Revenue and Revenue Refunding Bonds, Series 1997 through 2011A (the "Previous Bonds"). The Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues as defined in the Resolution and in all other respects, with the Previous Bonds.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

**RECOMMENDATION:** It is recommended that the Board approve the proposal outlined above.

cc: Janie knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION  
APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT  
EXCEEDING \$12,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS,  
UNIVERSITY OF CENTRAL FLORIDA PARKING FACILITY REVENUE BONDS,  
SERIES (TO BE DETERMINED)**

**WHEREAS**, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding \$12,000,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Bonds, Series (to be determined) (the "Bonds"), for the purpose of financing the construction of a parking garage on the main campus of the University of Central Florida, to fund a reserve account, if necessary, and to pay costs associated with the issuance of the proposed Bonds; and,

**WHEREAS**, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73, Florida Statutes; and,

**WHEREAS**, the Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on November 22, 1994, as amended and supplemented on May 25, 2004, November 17, 2009 and September 20, 2011, respectively, and the Eighth Supplemental Resolution and a sale resolution which are anticipated to be adopted by the Governor and Cabinet on January 18, 2012 (collectively referred to herein as the "Resolution"); and,

**WHEREAS**, the Division has heretofore issued University of Central Florida Parking Facility Revenue and Revenue Refunding Bonds, Series 1997 through 2011A (the "Previous Bonds"); and,

**WHEREAS**, the Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Previous Bonds; and,

**WHEREAS**, the principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefor, as described in the Resolution; and,

**WHEREAS**, the Bonds do not constitute an obligation, either general or special, of the State of Florida or any of its units of local government and shall not be a debt of the State or of any unit of local government, and neither the State nor any unit of local government shall be liable thereon; and,

**WHEREAS**, the University of Central Florida shall not have the power to pledge the credit, the revenues, or the taxing power of the State or of any unit of local government, and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government shall be deemed to be pledged to the payment of the Bonds; and,

**WHEREAS**, the proceeds of the Bonds shall be and constitute trust funds and shall be used and applied solely in the manner and for the purposes provided in the Resolution; and,

**WHEREAS**, the estimate of funds pledged to the issue indicates that in no State fiscal year will the debt service requirements of the Bonds and all other issues secured by the same pledged revenues exceed the Pledged Revenues available for payment of such debt service requirements and that in no State fiscal year will the moneys pledged for the debt service requirements be less than the required coverage amount; and,

**WHEREAS**, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

**WHEREAS**, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

**WHEREAS**, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement;  
**Now, Therefore,**

**BE IT RESOLVED**, by the State Board of Administration of Florida, a constitutional body created by Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding \$12,000,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Bonds, Series (to be determined) for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

**ADOPTED** January 18, 2012



**J. BEN WATKINS III**  
DIRECTOR

STATE OF FLORIDA

**DIVISION OF BOND FINANCE**  
OF THE STATE BOARD OF ADMINISTRATION

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**RICK SCOTT**  
GOVERNOR  
AS CHAIRMAN

**PAM BONDI**  
ATTORNEY GENERAL  
AS SECRETARY

**JEFF ATWATER**  
CHIEF FINANCIAL OFFICER  
AS TREASURER

**ADAM H. PUTNAM**  
COMMISSIONER OF AGRICULTURE

December 29, 2011

Mr. Ashbel C. Williams  
Executive Director & CIO  
State Board of Administration  
Post Office Box 13300  
Tallahassee, Florida 32317-3300

RE: Not Exceeding \$12,000,000 State of Florida, Board of Governors, University of Central  
Florida Parking Facility Revenue Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of January 18, 2012.

The proposed bonds will be secured by the revenues of the parking system after deducting operating expenses. Parking system revenues are derived primarily from a per credit hour transportation access fee, decal sales and fines. The proposed bonds will be payable on a parity with the previously issued University of Central Florida Parking Facility Revenue Bonds, Series 1997 through 2011A.

The proposed bonds will be issued to finance the construction of a parking garage on the main campus of the University of Central Florida, to fund a reserve account, if necessary, and to pay costs associated with the issuance and sale of the proposed bonds.

Enclosed for your review are the following:

Enclosure 1: an estimated coverage table for the program;

Enclosure 2: an estimated debt service schedule for the proposed bonds; and

Enclosure 4: a draft of the Eighth Supplemental Resolution, which is anticipated to be adopted by the Governor and Cabinet on January 18, 2012, authorizing the issuance of the proposed bonds.

December 29, 2011

Page Two

The bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on November 22, 1994, as amended and supplemented by the Fourth, Sixth and Seventh Supplemental Resolutions adopted on May 25, 2004, November 17, 2009 and September 20, 2011, respectively; the Eighth Supplemental Resolution anticipated to be adopted on January 18, 2012; and a sale resolution also anticipated to be adopted on January 18, 2012. The Original Resolution and the fourth, sixth and seventh amending and supplemental resolutions were previously provided to you.

A draft of the fiscal sufficiency resolution should be sent to Toni Egan and Kim James of this office for review. Should you have any questions, please contact either myself, Toni Egan or Kim James at 488-4782. Your consideration of this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Ben Watkins III", written in a cursive style.

J. Ben Watkins III  
Director

JBW:kj

Enclosures

cc: Anthony Doheny  
Robert Copeland

Not Exceeding \$12,000,000  
State of Florida, Board of Governors  
University of Central Florida  
Parking Facility Revenue Bonds [Series to be determined]

Estimated Debt Service Coverage Table								
Fiscal Year Ended June 30	Pledged Revenues <sup>1</sup>		Net Revenues	Outstanding Debt Service <sup>2</sup>	Estimated Debt Service		Estimated Total Outstanding Debt Service	Coverage <sup>4</sup>
	Gross Revenues	Less Current Expenses			Principal	Interest <sup>3</sup>		
<u>Historical</u>								
2007	\$11,863,540	\$3,700,428	\$8,163,112	\$3,432,342			\$3,432,342	2.38x
2008	13,851,661	3,349,561	10,502,100	3,437,077			3,437,077	3.06x
2009	15,005,696	3,221,662	11,784,034	3,434,101			3,434,101	3.43x
2010	16,180,628	3,379,280	12,801,348	3,902,276			3,902,276	3.28x
2011	16,771,320	3,052,984	13,718,336	4,755,234			4,755,234	2.88x
<u>Projected</u>								
2012	18,886,786	3,680,636	15,206,150	4,747,829	0	172,512	4,920,341	3.09x
2013	19,346,685	3,790,918	15,555,767	4,750,084	335,000	690,000	5,775,084	2.69x
2014	19,989,204	3,959,214	16,029,990	4,751,381	355,000	670,738	5,777,119	2.77x
2015	20,669,921	4,135,924	16,533,997	4,761,101	375,000	650,325	5,786,426	2.86x
2016	21,346,218	4,321,471	17,024,747	4,753,573	395,000	628,763	5,777,335	2.95x
2017	21,346,218	4,321,471	17,024,747	4,208,452	420,000	606,050	5,234,502	3.25x
2018	21,346,218	4,321,471	17,024,747	4,194,083	445,000	581,900	5,220,983	3.26x
2019	21,346,218	4,321,471	17,024,747	3,538,246	470,000	556,313	4,564,558	3.73x
2020	21,346,218	4,321,471	17,024,747	3,527,561	495,000	529,288	4,551,848	3.74x
2021	21,346,218	4,321,471	17,024,747	2,870,665	525,000	500,825	3,896,490	4.37x
2022	21,346,218	4,321,471	17,024,747	2,852,835	555,000	470,638	3,878,473	4.39x
2023	21,346,218	4,321,471	17,024,747	2,229,833	585,000	438,725	3,253,558	5.23x
2024	21,346,218	4,321,471	17,024,747	2,215,830	620,000	405,088	3,240,918	5.25x
2025	21,346,218	4,321,471	17,024,747	1,196,948	655,000	369,438	2,221,385	7.66x
2026	21,346,218	4,321,471	17,024,747	1,180,815	695,000	331,775	2,207,590	7.71x
2027	21,346,218	4,321,471	17,024,747	1,160,825	730,000	291,813	2,182,638	7.80x
2028	21,346,218	4,321,471	17,024,747	1,142,325	775,000	249,838	2,167,163	7.86x
2029	21,346,218	4,321,471	17,024,747	1,120,410	820,000	205,275	2,145,685	7.93x
2030	21,346,218	4,321,471	17,024,747	1,120,410	865,000	158,125	2,143,535	7.94x
2031	21,346,218	4,321,471	17,024,747	1,120,410	915,000	108,388	2,143,798	7.94x
2032	21,346,218	4,321,471	17,024,747	1,120,410	970,000	55,775	2,146,185	7.93x
				\$77,525,051	\$12,000,000	\$8,671,587	\$98,196,638	

(1) The historical revenue and expense information has been provided by the University of Central Florida and has not been audited. The projected revenue and expenditure information through fiscal year 2015-16 has also been provided by the University of Central Florida. The projected revenue and expenditures for fiscal year 2015-16 are held constant for coverage purposes.

Projections of revenues assume a 5% increase in decal fees per year plus annual increases in the transportation access fee of 9.9% in 2011-12, 1% in 2012-13 and approximately 2.8% from 2014 through 2016. The enrollment growth assumptions used for the projections of the transportation access fee are the official University student credit hour projections. No representation is made that the projected amounts will be collected.

(2) Includes debt service on the 1997 through 2011A Bonds. Historical debt service is shown net of any capitalized and accrued interest.

(4) Coverage of Pledged Revenues is determined by dividing Pledged Revenues by Estimated Total Outstanding Debt Service.

## **Attachment 6**

**Text of Proposed Amendment to Rule 19-7.001(Purpose):**

**19-7.001 Purpose.**

~~These rules are promulgated to provide guidance and to establish general operating procedures for the administration of the Local Government Surplus Funds Trust Fund.~~

*Rulemaking Specific Authority 218.405, 218.412 FS. Law Implemented Ch. 218, Part IV FS. History–New 8-24-82, Formerly 19-7.01, Amended 3-26-02, Repealed\_\_\_\_\_.*

.



## **Attachment 7**

## **Text of Proposed Amendment to Rule 19-7.002:**

### **19-7.002 Investment Policy Statements Guidelines.**

The Local Government Surplus Funds Trust Fund ~~Investment Pool~~ (Non-Qualified) Investment Policy Statement ~~Guidelines~~, as approved by the Trustees of the State Board of Administration and made effective July 1, 2011 ~~2008~~, is hereby adopted and incorporated by reference. The Fund B Surplus Funds Trust Fund (Non-Qualified) Investment Policy Statement as approved by the Trustees of the State Board of Administration and made effective July 1, 2011, is hereby adopted and incorporated by reference. The Investment Policy Statements ~~Guidelines~~ may be obtained by contacting: State Board of Administration, 1801 Hermitage Blvd., Suite 100, Tallahassee, Florida 32308, Attn.: Local Government Investment Pool Program, or by accessing the sbafla.com website, and clicking on Florida PRIME ~~Local Government Investment Pool under the Related Websites section and then clicking on Investment Policy Guidelines under the Documents section.~~ The Investment Policy Statement for the Local Government Surplus Funds Trust Fund (Non-Qualified) can be obtained under the Risk Management and Oversight section. The Investment Policy Statement for the Fund B Surplus Funds Trust Fund (Non-Qualified) can be obtained under the Fund B section.

*Rulemaking Authority 218.412, 218.421(1) FS. Law Implemented 218.405(1), (2), (3), (4), 218.409(2), (9), 218.415(17), 218.418, 218.421(2) FS. History--New 12-13-09, Amended \_\_\_\_\_.*

**Investment Policy Statement  
Local Government Surplus Funds Trust Fund (Non-Qualified)  
Effective July 1, 2011**

***I. Purpose and Scope***

The purpose of this Investment Policy Statement (“Policy”) is to set forth the investment objective, investment strategies, and authorized portfolio securities for the Local Government Surplus Funds Trust Fund (“Florida PRIME”). The Policy also describes the risks associated with an investment in Florida PRIME. This Policy does not relate to Fund B as defined at Section 218.421, Florida Statutes.

***II. Overview of Florida PRIME***

The Local Government Surplus Funds Trust Fund was created by an Act of the Florida Legislature effective October 1, 1977 (Chapter 218, Part IV, Florida Statutes). The State Board of Administration (“SBA”) is charged with the powers and duties to administer and invest Florida PRIME, in accordance with the statutory fiduciary standards of care as contained in Section 215.47(9), Florida Statutes. The SBA has contracted with Federated Investment Counseling (the “Investment Manager”) to provide investment advisory services for Florida PRIME.

Florida PRIME is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, “Applicable Florida Law”).

***III. Roles and Responsibilities***

The Board of Trustees of the SBA (“Trustees”) consists of the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. The Trustees will annually certify that Florida PRIME is in compliance with the requirements of Chapter 218, Florida Statutes, and that the management of Florida PRIME is in accord with best investment practices.

The Trustees delegate the administrative and investment authority to manage Florida PRIME to the Executive Director of the SBA, subject to Applicable Florida Law. The Trustees appoint an Investment Advisory Council and a Participant Local Government Advisory Council. Both Councils will at least annually review this Policy and any proposed changes prior to its presentation to the Trustees and will undertake other duties set forth in Applicable Florida Law.

***IV. Amortized Cost Accounting***

In March 1997, the Governmental Accounting Standards Board (“GASB”) issued Statement 31, titled “Accounting and Financial Reporting for Certain Investments and for External Investment Pools.” GASB 31 applies to Florida PRIME.

GASB 31 outlines the two options for accounting and reporting for money market investment pools as either “2a-7 like” or fluctuating net asset value (“NAV”). GASB 31 describes a “2a-7

like” pool as an “external investment pool that is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the “1940 Act”).” Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions.

Florida PRIME will operate in a manner consistent with the diversification, credit quality and maturity conditions of Rule 2a-7. Accordingly, it qualifies for “2a-7 like” status under GASB 31, and is thereby permitted to use the amortized cost method to maintain a stable NAV of \$1.00 per share.

#### ***V. Investment Objective***

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poor’s U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in this Policy.

#### ***VI. Investment Strategies & Specific Limitations***

The Investment Manager will invest Florida PRIME’s assets in short-term, high-quality fixed income securities. To be considered high-quality, a security must be rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations (“NRSROs”), or be deemed to be of comparable quality thereto by the Investment Manager, subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager also may enter into special transactions for Florida PRIME, like repurchase agreements. Certain of the fixed-income securities in which Florida PRIME invests pay interest at a rate that is periodically adjusted (“Adjustable Rate Securities”).

The Investment Manager will manage credit risk by purchasing only high quality securities. The Investment Manager will perform a credit analysis to develop a database of issuers and securities that meet the Investment Manager’s standard for minimal credit risk. The Investment Manager monitors the credit risks of all Florida PRIME’s portfolio securities on an ongoing basis by reviewing periodic financial data, issuer news and developments, and ratings of certain NRSROs. The Investment Manager will utilize a “new products” or similar committee to review and approve new security structures prior to an investment of Florida PRIME’s assets in such securities. The Investment Manager will periodically consider and follow best practices in connection with minimal credit risk determinations (e.g., such as those described in Appendix I of the Investment Company Institute’s 2009, *Report of the Money Market Working Group*).

The Investment Manager will manage interest rate risk by purchasing only short-term fixed income securities. The Investment Manager will target a dollar-weighted average maturity range for Florida PRIME based on its interest rate outlook. The Investment Manager will formulate its interest rate outlook by analyzing a variety of factors, such as current and expected U.S. economic growth; current and expected interest rates and inflation; and the

Federal Reserve Board's monetary policy. The Investment Manager will generally shorten Florida PRIME's dollar-weighted average maturity when it expects interest rates to rise and extend Florida PRIME's dollar-weighted average maturity when it expects interest rates to fall. The remaining maturity of securities purchased by the Investment Manager shall not exceed 762 days for government floating rate notes/variable rate notes and will not exceed 397 days for other securities.

The Investment Manager will exercise reasonable care to (i) maintain a dollar weighted average maturity ("DWAM") of 60 days or less; and (ii) maintain a weighted average life (WAL) of 120 days or less. For purposes of calculating DWAM, the maturity of an Adjustable Rate Security generally will be the period remaining until its next interest rate adjustment. For purposes of calculating WAL, the maturity of an Adjustable Rate Security will be its stated final maturity, without regard to interest rate adjustments; accordingly, the 120-day WAL limitation could serve to limit Florida PRIME's ability to invest in Adjustable Rate Securities.

The Investment Manager will exercise reasonable care to limit exposure to not more than 25% of Florida PRIME's assets in a single industry sector, except that the Investment Manager may invest more than 25% in the financial services industry sector, which includes banks, broker-dealers, and finance companies. This higher limit is in recognition of the large outstanding value of money fund instruments issued by financial services firms. Government securities are not considered to be an industry.

The Investment Manager will exercise reasonable care to not acquire a security, other than (i) a Daily Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 10% of its total assets in Daily Liquid Assets; (ii) a Weekly Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 30% of its total assets in Weekly Liquid Assets. Daily Liquid Assets include cash, direct obligations of the U.S. government; and securities that convert to cash in one business day. Weekly Liquid Assets include cash, direct obligations of the U.S. government, certain government securities with remaining maturities of 60 business days or less, and securities that convert to cash in five business days.

The Investment Manager will exercise reasonable care to not acquire securities that cannot be sold or disposed of in the ordinary course of business within seven days at approximately the value ascribed to them by Florida PRIME if, immediately after the acquisition, Florida PRIME would have invested more than 5% of its total assets in such securities.

In buying and selling portfolio securities for Florida PRIME, the Investment Manager will comply with the diversification, maturity and credit quality conditions imposed by Rule 2a-7 under the 1940 Act; with the requirements imposed by any NRSRO that rates Florida PRIME to ensure that it maintains a AAAM rating (or the equivalent); and with the investment limitations imposed by Section 215.47, Florida Statutes.

The Investment Manager generally will comply with the following diversification limitations that are additional to those set forth in Rule 2a-7. First, at least 50% of Florida PRIME assets will be invested in securities rated "A-1+" or those deemed to be of comparable credit quality thereto by the Investment Manager (i.e., so long as such deeming is consistent with the

requirements of the NRSRO's AAAM (or equivalent) rating criteria), subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager will document each instance in which a security is deemed to be of comparable credit quality and its basis for such a determination. Second, exposure to any single non-governmental issuer will not exceed 5% and exposure to any single money market mutual fund will not exceed 10% of Florida PRIME assets.

### ***VII. Portfolio Securities and Special Transactions***

The Investment Manager will purchase only fixed income securities for Florida PRIME, and may engage in special transactions, for any purpose that is consistent with Florida PRIME's investment objective.

Fixed income securities are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a short-term fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which Florida PRIME may invest include corporate debt securities, bank instruments, asset backed securities, U.S. Treasury securities, U.S. government agency securities, insurance contracts, municipal securities, foreign securities, mortgage backed securities, and shares of money market mutual funds. However, Florida PRIME is not permitted to buy such fixed income securities to the extent that they require Florida PRIME to be a qualified institutional buyer.

Special transactions are transactions into which Florida PRIME may enter, including repurchase agreements and delayed delivery transactions.

For a more detailed description of Florida PRIME's portfolio securities and special transactions, please see "Additional Information Regarding Florida PRIME's Principal Securities" at Appendix A.

### ***VIII. Risks Associated with Florida PRIME***

An investment in Florida PRIME is subject to certain risks. Any investor in Florida PRIME should specifically consider, among other things, the following principal risks before making a decision to purchase shares of Florida PRIME.

#### ***Risk that Florida PRIME will not Maintain a Stable Net Asset Value***

Although the Investment Manager attempts to manage Florida PRIME such that it maintains a stable NAV of \$1.00 per share, there is no guarantee that it will be able to do so. Florida PRIME is not registered under the 1940 Act or regulated by the SEC.

### *Interest Rate Risks*

The prices of the fixed income securities in which Florida PRIME will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

### *Credit Risks*

Credit risk is the possibility that an issuer of a fixed income security held by Florida PRIME will default on the security by failing to pay interest or principal when due. If an issuer defaults, Florida PRIME will lose money.

### *Liquidity Risks*

Trading opportunities are more limited for fixed income securities that are not widely held. These features make it more difficult to sell or buy securities at a favorable price or time. Consequently, Florida PRIME may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on Florida PRIME's performance.

### *Concentration Risks*

A substantial part of Florida PRIME may be comprised of securities issued by companies in the financial services industry or companies with similar characteristics; or securities credit enhanced by banks or companies with similar characteristics. As a result, Florida PRIME may be more susceptible to any economic, business, political or other developments that generally affect finance companies. Developments affecting companies in the financial services industry or companies with similar characteristics might include changes in interest rates, changes in the economic cycle affecting credit losses and regulatory changes.

### *Risks of Foreign Investing*

Foreign securities pose additional risks because foreign economic or political conditions may be less favorable than those of the United States. Securities in foreign markets also may be subject to taxation policies that reduce returns for U.S. investors.

### *Call Risks*

If a fixed income security is called, Florida PRIME may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks, or other less favorable characteristics.

### *Prepayment Risks*

Unlike traditional fixed income securities, which pay a fixed rate of interest until maturity (when the entire principal amount is due), payments on asset-backed securities include both interest and a partial payment of principal. Partial payment of principal may be comprised of scheduled principal payments as well as unscheduled payments from voluntary prepayment, refinancing, or foreclosure of the underlying loans. If Florida PRIME receives unscheduled prepayments, it may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

### *Risks Associated with Amortized Cost Method of Valuation*

Florida PRIME will use the amortized cost method to determine the value of its portfolio securities. Under this method, portfolio securities are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. Accordingly, neither the amount of daily income nor the NAV is affected by any unrealized appreciation or depreciation of the portfolio. In periods of declining interest rates, the indicated daily yield on shares computed by dividing the annualized daily income on Florida PRIME's portfolio by the NAV as computed above may tend to be higher than a similar computation made by using a method of valuation based on market prices and estimates. In periods of rising interest rates, the opposite may be true.

### *Changing Distribution Levels Risk*

There is no guarantee that Florida PRIME will provide a certain level of income or that any such income will exceed the rate of inflation. Further, Florida PRIME's yield will vary. A low interest rate environment may prevent Florida PRIME from providing a positive yield or paying expenses out of current income.

Throughout this section, it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

For additional information regarding Florida PRIME's principal securities and associated risks, please see Appendix A.

## ***IX. Controls and Escalation Procedures***

Section 218.409(2), Florida Statutes requires this Policy to document a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls include formal escalation reporting guidelines for all employees to address material impacts on Florida PRIME that require reporting and action.

The SBA has engaged BNY Mellon ("Custodian") to provide asset safekeeping, custody, fund accounting and performance measurement services to Florida PRIME. The Custodian will mark to market the portfolio holdings of Florida PRIME on a daily basis and will daily



communicate both amortized cost price and mark to market price, so that the SBA and the Investment Manager can monitor the deviations between the amortized cost price and market price. By contractual agreement, the Investment Manager will reconcile accounting and performance measurement reports with the Custodian on a regular basis, under the supervision of the SBA.

The NRSRO that rates Florida PRIME will perform regular independent surveillance of Florida PRIME. The SBA and an independent investment consultant will regularly monitor the Investment Manager with respect to performance and organizational factors according to SBA manager monitoring policies.

The SBA and third parties used to materially implement Florida PRIME will maintain internal control, fraud and ethics policies and procedures designed to prevent the loss of public funds.

Pursuant to written SBA policy, the Executive Director will organize an Investment Oversight Group to regularly review, document and formally escalate compliance exceptions and events that may have a material impact on Florida PRIME. Minutes of the Investment Oversight Group's meetings and a listing of meeting participants shall be timely posted on the Florida PRIME website.

The Investment Oversight Group will meet and report monthly to the Executive Director, except upon the occurrence of a material event. The SBA and the Investment Manager have an affirmative duty to immediately disclose any material impact on Florida PRIME to the participants.

1. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.25%, according to pricing information provided by the Custodian, the Investment Manager will establish a formal action plan. The Investment Oversight Group will review the formal action plan and prepare a recommendation for the Executive Director's consideration.
2. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.50%, according to pricing information provided by the Custodian, the Executive Director will promptly consider what action, if any, will be initiated. Where the Executive Director believes the extent of any deviation from Florida PRIME's amortized cost price per share may result in material dilution or other unfair results to investors or existing shareholders, he will cause Florida PRIME to take such action as he deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.
3. The Investment Manager will perform daily compliance monitoring to ensure that investment practices comply with the requirements of this Policy, according to documented compliance procedures. The Investment Manager will provide regular compliance reports and will communicate compliance exceptions within 24 hours of identification to the Investment Oversight Group. Additionally, the Investment Oversight Group will periodically conduct independent compliance reviews.
4. In the event that a security receives a credit rating downgrade and ceases to be in the highest rating category, or the Investment Manager determines that the security is no longer of comparable quality to the highest short-term rating category (in either case, a "Downgrade"), the Investment Manager will reassess whether the security

continues to present minimal credit risk and will cause Florida PRIME to take any actions determined by the Investment Manager to be in the best interest of Florida PRIME; provided however that the Investment Manager will not be required to make such reassessments if Florida PRIME disposes of the security (or the security matures) within five business days of the Downgrade.

5. In the event that a security no longer meets the criteria for purchase due to default, event of insolvency, a determination that the security no longer presents minimal credit risks, or other material event (“Affected Security”), the Investment Manager must dispose of the security as soon as practical consistent with achieving an orderly disposition of the security, by sale, exercise of a demand feature or otherwise. An Affected Security may be held only if the Executive Director has determined, based upon a recommendation from the Investment Manager and the Investment Oversight Group, that it would not be in the best interest of Florida PRIME to dispose of the security taking into account market conditions that may affect an orderly disposition.

6. The Investment Manager will periodically stress test Florida PRIME and at least quarterly report the results of the stress tests to the Investment Oversight Group. Stress tests must be conducted for at least the following events, or combinations of events (i) a change in short-term interest rates; (ii) an increase in net shareholder redemptions; (iii) downgrades or defaults; and (iv) changes between a benchmark overnight interest rate and the interest rates on securities held by Florida PRIME.

The Investment Manager will at least annually provide the Investment Oversight Group with: (i) their documented compliance procedures; (ii) an assessment of Florida PRIME's ability to withstand events reasonably likely to occur in the coming year and (iii) their list of NRSROs utilized as a component of the credit risk monitoring process.

The Executive Director's delegated authority as described in this section is intended to provide him with sufficient authority and operating flexibility to make professional investment decisions in response to changing market and economic conditions. Nonetheless, the Trustees will at least monthly review and approve management summaries of material impacts on Florida PRIME, any actions or escalations taken thereon, and carry out such duties and make such determinations as are otherwise necessary under applicable law, regulation or rule.

Pursuant to Florida law, the Auditor General will conduct an annual financial audit of Florida PRIME, which will include testing for compliance with this Policy.

### ***X. Deposits and Withdrawals***

Investors should refer to the separate Florida PRIME Operating Procedures for detailed descriptions regarding how to make deposits in and withdrawals from Florida PRIME, including (1) any fees and limitations that may be imposed with respect thereto; and (2) reports provided to participants.

### ***XI. Management Reporting***

The Executive Director will be responsible for providing the formal periodic reports to the Trustees, legislative committees and other entities:

1. An annual report on the SBA and its investment portfolios, including that of Florida PRIME.
2. A monthly report on performance and investment actions taken.
3. Special reports pursuant to Chapter 218, Florida Statutes.

## **Appendix A**

### **Additional Information Regarding Florida PRIME's Principal Securities**

Throughout this appendix it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

#### **FIXED INCOME SECURITIES**

##### **Corporate Debt Securities**

Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. Florida PRIME also may purchase interests in bank loans to companies.

##### **COMMERCIAL PAPER**

Commercial paper is an issuer's obligation with a maturity of less than nine months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

##### **DEMAND INSTRUMENTS**

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. Florida PRIME treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

##### **Bank Instruments**

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, time deposits, certificates of deposit and banker's acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

Florida PRIME will not invest in instruments of domestic and foreign banks and savings and loans unless they have capital, surplus, and undivided profits of over \$100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund or the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation. These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Euro-dollar Time Deposits.

##### **Asset Backed Securities**

Asset backed securities are payable from pools of obligations, most of which involve consumer or commercial debts. However, almost any type of fixed income assets (including other fixed

income securities) may be used to create an asset backed security. Asset backed securities may take the form of commercial paper, notes or pass-through certificates.

### **Government Securities**

Government security means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing.

### **U.S. Treasury Securities**

U.S. Treasury securities are direct obligations of the federal government of the United States. U.S. Treasury securities are generally regarded as having the lowest credit risks.

### **Agency Securities**

Agency securities are issued or guaranteed by a federal agency or other government sponsored entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Farm Credit System Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans or other benefits. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support, but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Investors regard agency securities as having low credit risks, but not as low as Treasury securities. Florida PRIME treats mortgage-backed securities guaranteed by a GSE as if issued or guaranteed by a federal agency. Although such a guarantee protects against credit risks, it does not reduce market risks.

### **Insurance Contracts**

Insurance contracts include guaranteed investment contracts, funding agreements and annuities. Florida PRIME treats these contracts as fixed income securities.

### **Municipal Securities**

Municipal securities are issued by states, counties, cities and other political subdivisions and authorities.

### **Foreign Securities**

Foreign securities are U.S. dollar-denominated securities of issuers based outside the United States. Florida PRIME considers an issuer to be based outside the United States if:

- it is organized under the laws of, or has a principal office located in, another country;
- the principal trading market for its securities is in another country; or
- it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country.

### **Mortgage Backed Securities**

Mortgage backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities and other terms. Mortgages may have fixed or adjustable interest rates. Interests in pools of adjustable rate mortgages are known as ARMs.

### **Zero Coupon Securities**

Certain of the fixed income securities in which Florida PRIME invests are zero coupon securities. Zero coupon securities do not pay interest or principal until final maturity unlike debt securities that provide periodic payments of interest (referred to as a “coupon payment”). Investors buy zero coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero coupon security.

### **Callable Securities**

Certain of the fixed income securities in which Florida PRIME invests are callable at the option of the issuer. Callable securities are subject to reinvestment risks.

### **144A Securities**

The SBA has determined that Florida PRIME constitutes (i) an “accredited investor” as defined in Rule 501(a)(7) promulgated under the Securities Act of 1933, as amended (the “Securities Act”), as long as Florida PRIME has total assets in excess of \$5,000,000 and (ii) a “qualified purchaser” as defined in Section 2(a)(51)(A)(iv) of the 1940 Act, as long as Florida PRIME in the aggregate owns and invests on a discretionary basis not less than \$25,000,000 in investments, but does not constitute a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act. Florida PRIME is restricted from purchasing or acquiring securities or investments that would require Florida PRIME to represent in connection with such purchase or acquisition that it is a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act.

### **Money Market Mutual Funds**

Florida PRIME may invest in shares of registered investment companies that are money market mutual funds, including those that are affiliated with the Investment Manager, as an efficient

means of implementing its investment strategies and/or managing its uninvested cash. These other money market mutual funds are managed independently of Florida PRIME and incur additional fees and/or expenses that would, therefore, be borne indirectly by Florida PRIME in connection with such investment. However, the Investment Manager believes that the benefits and efficiencies of this approach should outweigh the potential additional fees and/or expenses. The Investment Manager must obtain prior written consent of the SBA to invest Florida PRIME in money market mutual funds that are “affiliated persons” of the Investment Manager.

## **SPECIAL TRANSACTIONS**

The Investment Manager on behalf of Florida PRIME may engage in the following special transactions.

### **Repurchase Agreements**

Repurchase agreements involve transactions in which Florida PRIME buys a security from a dealer or bank and agrees to sell the security back at a mutually agreed-upon time and price. The repurchase price exceeds the sale price, reflecting Florida PRIME’s return on the transaction. This return is unrelated to the interest rate on the underlying security. Florida PRIME will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Investment Manager.

Florida PRIME’s custodian or subcustodian will take possession of the securities subject to repurchase agreements. The Investment Manager or subcustodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price.

Repurchase agreements are subject to credit risks.

### **Delayed Delivery Transactions**

Delayed delivery transactions, including when-issued transactions, are arrangements in which Florida PRIME buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by Florida PRIME to the issuer and no interest accrues to Florida PRIME. Florida PRIME records the transaction when it agrees to buy the securities and reflects their value in determining the price of its units. Settlement dates may not be more than seven business days after entering into these transactions; nonetheless, the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for Florida PRIME. Delayed delivery transactions also involve credit risks in the event of a counterparty default.

### **Asset Coverage**

In order to secure its obligations in connection with special transactions, Florida PRIME will either own the underlying assets, enter into an offsetting transaction or set aside readily marketable securities with a value that equals or exceeds Florida PRIME’s obligations. Unless Florida PRIME has other readily marketable assets to set aside, it cannot trade assets used to secure such obligations without terminating a special transaction. This may cause Florida PRIME to miss favorable trading opportunities or to realize losses on special transactions.

**Investment Policy Statement  
Fund B Surplus Funds Trust Fund  
(Non-Qualified)  
Effective July 1, 2011**

***I. Purpose and Scope***

The purpose of this Investment Policy Statement (“Policy”) is to set forth the investment objective, investment strategies, and authorized portfolio securities for the Fund B Surplus Funds Trust Fund (“Fund B”). This Policy does not relate to the Local Government Surplus Funds Trust Fund (“Florida PRIME”) created by an Act of the Florida Legislature effective October 1, 1977 (Chapter 218, Part IV, Florida Statutes).

***II. Overview of Fund B***

Fund B was created by an Act of the Florida Legislature effective June 1, 2008 (Section 218.421, Florida Statutes). The State Board of Administration (“SBA”) is charged with the powers and duties to administer and invest Fund B.

Fund B is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, “Applicable Florida Law”).

***III. Roles and Responsibilities***

The Board of Trustees of the SBA (“Trustees”) consists of the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. The Trustees will annually certify that Fund B is in compliance with the requirements of Florida law.

The Trustees delegate the administrative and investment authority to manage Fund B to the Executive Director of the SBA, subject to Applicable Florida Law. The Trustees appoint an Investment Advisory Council and a Participant Local Government Advisory Council. Both Councils will at least annually review this Policy and any proposed changes prior to its presentation to the Trustees and will undertake other duties as set forth in Applicable Florida Law.

***IV. Fluctuating Net Asset Value Accounting***

In March 1997, the Governmental Accounting Standards Board (“GASB”) issued Statement 31, titled “Accounting and Financial Reporting for Certain Investments and for External Investment Pools.” GASB 31 applies to Fund B. GASB 31 outlines the two options for accounting and reporting for money market investment pools as either “2a-7 like” or fluctuating net asset value (“NAV”). Fund B will be accounted for as a fluctuating NAV pool.

***V. Investment Objective***

The primary investment objective of Fund B is to maximize the present value of distributions to participants. Fund B principally consists of segregated securities, which



are securities originally purchased for Florida PRIME that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of the nationally recognized statistical rating organization (“NRSRO”) that provides Florida PRIME’s AAAM rating (the “Segregated Securities”).

Each of the Segregated Securities is currently a note issued by Florida East Funding, LLC, Florida West Funding, LLC, Florida Funding I, LLC, and Florida Funding II, LLC (the “Special Purpose Entities”) that holds collateral securities as security for repayment of the Segregated Securities (the “Collateral Securities”). The SBA has contracted with Stone Tower (the “Collateral Manager”) to provide investment advisory services to the Special Purpose Entities with the objective of maximizing the present value of distributions to the Segregated Securities from Collateral Securities. The Collateral Manager has been contractually charged with the responsibility to develop and implement a prudent "work out" or liquidation strategy consistent with the investment objective. The Collateral Manager may, in its sole discretion, sell, exchange, or otherwise dispose of, or agree to the extension, workout or restructuring of the Collateral Securities to meet the investment objective. Proceeds received from any sale, exchange or other disposition of securities may be invested in AAAM-rated money market funds prior to distribution to Fund B participants.

Past performance is no guarantee of future performance. An investment in the Fund B is not a bank deposit and is not insured or guaranteed by the FDIC or any other government entity. Investors may lose money investing in Fund B, and returns may not keep pace with inflation.

## ***VI. Controls and Escalation Procedures***

Section 218.421(2), Florida Statutes requires this Policy to document a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls include formal escalation reporting guidelines for all employees to address material impacts on Fund B that require reporting and action.

The SBA has engaged BNY Mellon (“Custodian”) to provide asset safekeeping, custody, fund accounting and performance measurement services to Fund B. The Custodian will mark to market the portfolio holdings of Fund B on a monthly basis. The SBA will reconcile accounting and performance measurement reports with the Custodian on a regular basis.

The SBA and third parties used to materially implement the investment objective of Fund B will maintain internal control, fraud and ethics policies and procedures.

The Executive Director will organize an Investment Oversight Group to regularly review, document and formally escalate compliance exceptions and events that may have a material impact on Fund B. The Investment Oversight Group will meet and report monthly to the Executive Director, except upon the occurrence of a material event. SBA Risk Management and Compliance will provide regular compliance reports and will communicate compliance exceptions within 24 hours of identification to the Investment Oversight Group. The SBA has an affirmative duty to immediately disclose any material impact on Fund B to the participants.

The Executive Director's delegated authority as described in this section is intended to provide him with sufficient authority and operating flexibility to make professional investment decisions in response to changing market and economic conditions. Nonetheless, the Trustees will at least monthly review and approve management summaries of material impacts on Fund B, any actions or escalations taken thereon, and carry out such duties and make such determinations as are otherwise necessary under law, regulation or rule. The Trustees will also review progress in returning the principal in Fund B to the participants at each meeting of the Trustees until Fund B self-liquidates or is terminated by law.

### ***VII. Distributions***

Participants in Fund B will receive periodic distributions to the extent that Fund B receives proceeds deemed material by the SBA from (1) the natural maturities of securities, coupon interest collections, or distributions from Collateral Securities resulting in interest payments and principal paydowns of the Segregated Securities; or (2) the sale of Collateral Securities, Collateral Securities liquidation, or other restructure and workout activities undertaken by the Collateral Manager resulting in principal paydowns of the Segregated Securities.

To effect the distribution, the SBA will transfer cash or securities to Florida PRIME for the benefit of Fund B shareholders. Such transfers will be consistent with the pro rata allocation of Fund B shareholders of record as of the initial partition of Segregated Securities within Florida PRIME.

### ***VIII. Deposits and Withdrawals***

Participants cannot make additional deposits into, or any withdrawals from, Fund B.

### ***XI. Management Reporting***

The Executive Director will be responsible for providing formal periodic reports to the Trustees, legislative committees and other entities:

1. An annual report on the SBA and its investment portfolios, including that of Florida PRIME and Fund B.
2. A monthly report on performance and investment actions taken.
3. Special reports pursuant to Chapter 218, Florida Statutes.

## **Attachment 8**

# Memo

**TO:** Ashbel C. Williams, Executive Director & CIO

**THRU:** Jack E. Nicholson, Chief Operating Officer, FHCF

**FROM:** Tracy Allen, Senior Attorney, FHCF

**DATE:** January 3, 2012

**SUBJECT:** Cabinet Meeting for January 18, 2012  
Florida Hurricane Catastrophe Fund Advisory Council Appointment

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## **ITEM 1. Florida Hurricane Catastrophe Fund Advisory Council Appointment**

**ACTION REQUESTED:** Request approval of the appointment of Dr. Kurt Gurley as the engineer member of the Advisory Council of the Florida Hurricane Catastrophe Fund.

Pursuant to Section 215.555(8), F.S., the State Board of Administration must appoint a nine-member Advisory Council. One of the appointees must be an engineer. Members of the Advisory Council serve at the pleasure of the State Board of Administration.

### **ATTACHMENTS TO BE INCLUDED WITH THE SBA AGENDA ITEM 1:**

- Dr. Gurley's Biography
- List of Current Advisory Council Members

# Kurtis R. Gurley

University of Florida  
Department of Civil and Coastal Engineering  
PO Box 116580  
Gainesville, FL 32611-6580

Born: October 3, 1969  
office: (352) 392-9537-1508  
email: kgurl@ce.ufl.edu

## EDUCATION

Ph.D., Civil Engineering May 1997  
University of Notre Dame, Notre Dame, IN  
Dissertation: *Modeling and Simulation of Non-Gaussian Processes*  
M.S., Civil Engineering January 1994  
University of Notre Dame, Notre Dame, IN  
Thesis: *Stochastic Response of a Tension Leg Platform to Wind and Wave Fields*  
B.S., Aeronautical and Astronautical Engineering May 1991  
University of Illinois, Urbana-Champaign, IL

## PROFESSIONAL EXPERIENCE

**Assistant Professor:** University of Florida, Dept. of Civil and Coastal Engineering,  
August 1997 - May 2003

**Associate Professor:** University of Florida, Dept. of Civil and Coastal Engineering,  
May 2003 - present

### **Research interests:**

- Probabilistic natural hazard modeling and damage mitigation
- Wind engineering, random vibration, structural reliability
- Vulnerability of residential structures in hurricane winds
- Simulation of stochastic environmental processes, signal processing

## COMMITTEES / SERVICE / PROFESSIONAL DEVELOPMENT

- FLASH (Federal Alliance for Safe Homes) Technical Advisory Committee – 2011 - present
- 2 AAWE Workshop (American Association for Wind Engineering) – conference organizer, Aug. 2010
- Applied Technology Council: member of Board of Directors. 2011 - present
- Associate Editor for ASCE Structures - Wind Effects Committee (July 2003 - present)
- American Association of Wind Engineering (AAWE) – Board member (2007 - 2010)
- ASCE Journal of Engineering Mechanics - Probabilistic methods committee member
- ASCE / SEI Wind Effects Committee
- NSF – Review Panel Member
- Scholarly Journal Reviews – 60+ reviews for 10+ journals
- 3<sup>rd</sup> Joint Workshop of the U.S.-Japan Cooperative Program on Natural Resources (NSF sponsored) – Invited participant, October 2-5, 2002.

## JOURNAL ARTICLES IN REVIEW

Balderrama, A.J., Masters, F.J., Gurley, K.R. "Peak factor estimation in hurricane surface winds," submitted to JWEIA, July 25, 2011.

Pita, L.G., Pinelli, J.P., Gurley, K. and Hamid S. "Hurricane vulnerability modeling: evolution and future trends," submitted to JWEIA, Sept. 5, 2011.

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Kareem, A. and Gurley, K. "Gust Loading Factors for Offshore and Coastal Facilities", The International Workshop on Wind and Earthquake Engineering for Offshore and Coastal Facilities, UJNR (Unites States Japan Natural Resource), Port and Harbor Research Institute, Yokosuka, Japan, May 12-14, 1993.

## **PRESENTATIONS (invited speaker, no paper produced)**

Southeast Coastal Ocean Observing Regional Association (SECOORA) meeting: Coastal hazards panel member. May 12, 2010, Savannah, GA

National Hurricane Conference 2010 - National Hurricane Conference 2010 - Performance of Windows and Impact Protection Systems subjected to a Variety of Windborne Debris Impacts

AAWE Workshop, Vail Colorado 8/2008 – keynote speaker on full-scale wind research

Multi-State Cat Fund Meeting, Atlanta, 2/15/07 – UF *Hurricane mitigation research*

Windstorm Mitigation Study Committee, Tallahassee, 2/8/07 – testimony: *Residential Wind Damage Mitigation Research*

University of New Hampshire Invited Lecture Series, fall, 2006 – *Hurricanes and the infrastructure*

Governors Hurricane Conference, May 2006

National Hurricane Conference, April 2006

American Architectural Manufacturers Association, spring 2006

Mutual Assistance Workshop for National Utilities, spring 2006, Orlando

Canadian Society of Civil Engineering, March 8, 2006, London Ontario

State of Florida Utilities Commission Meeting, 2005

Florida Building Commission, Fall 2005, Spring 2006, Summer 2006

South Florida Forum – Bank of America (for UFF), Ft. Lauderdale, June 2006

South Florida Forum – (UFF), Naples, April 2006

Gurley, Masters, Prevatt and Reinhold, “*Hurricane wind data collection: methods and analysis*,” Flow in Tornadoes and Hurricanes panel session, International Mechanical Engineering Congress and R&D Expo, Orlando, Florida, November 5-11, 2005. Invited talk.

Gurley, Masters, Prevatt, Reinhold, “*Florida Coastal Monitoring Program: 2004 Hurricane Dataset*”, Invited talk, Florida Building Commission meeting, Orlando, December 2004.

Gurley, “*Florida Post 2004 Hurricane Field Survey*”, Invited talk, Florida Building Commission meeting, Orlando, May 2005.

Gurley et al., “*Florida Post 2004 Hurricane Field Survey*”, Invited talk, Governors Hurricane Conference, Tampa, May, 2005.

Gurley et al., “*Florida Post 2004 Hurricane Field Survey*”, Invited talk, ICC Hurricane Symposium, Orlando, March, 2005.

Pinelli, Gurley and Hamid, “*A Model to Predict Hurricane-Induced Losses for Residential Structures in Florida*”, Invited talk, National Hurricane Conference, Orlando, April 2004.

Masters, Gurley and Reinhold, “*Real-Time Measurement of Hurricane Isabel*”, Invited talk, National Hurricane Conference, Orlando, April 2004.

Gurley et al., “*A Model to Predict Hurricane-Induced Losses for Residential Structures in*

*Florida*”, Invited talk, Governors Hurricane Conference, Tampa, May, 2004.

Pinelli, Gurley and Hamid, “*A Model to Predict Hurricane-Induced Losses for Residential Structures in Florida*”, Invited, National Hurricane Conference, April 2004.

Gurley et al., “*A Model to Predict Hurricane-Induced Losses for Residential Structures in Florida*”, Invited talk, Governors Hurricane Conference, Tampa, May, 2004.

Gurley, K., Reinhold, T. and Masters, F. “*Real-time full-scale observations of ground level hurricane winds*”, University of Western Ontario Department of Civil Engineering Graduate Seminar, invited talk, Feb. 3, 2004.

Gurley, Reinhold and Pinelli, “*Chasing Isabel: Engineers’ Efforts to Quantify Risk*”, Invited Talk, Institute for Business and Home Safety Conference, November 2003.

Gurley, K. and Reinhold, T. “*Wind Measurements in Hurricane Gordon: A Preliminary Look at Wind Field Variations for Beach-Front and Inland Locations*”, National Hurricane Conference, Washington, D.C., April 2001.

Reinhold, T., Gurley, K. and Buzbee, T. “*Florida Coastal Monitoring Program: Home Instrumentation Project and Wind Field Monitoring*”, National Hurricane Conference, New Orleans, LA, April 2000.

#### **ARTICLES - invited (not reviewed)**

Gurley, K. and Reinhold, T. “*Measurement of Ground Level Hurricane Winds*”, The Wind Engineer, Newsletter for the American Association for Wind Engineering (AAWE), November 2002.

Gurley, K. and Reinhold T., “*Measurement of Ground Level Hurricane Winds to Evaluate and Mitigate Structural Vulnerability*”, Disaster Safety Review, Institute for Business and Home Safety, 3(2), p. 8-9, 2004.

#### **BOOK CHAPTERS**

Kareem, A., Tognarelli, M.A., Gurley, K., and Kijewski, T.L. “*Modeling of Nonlinear Ocean Systems*”, In: Shlesinger, M.F. and Swean, T., eds., *Stochastically Excited Nonlinear Ocean Structures*, World Scientific, 1998.

Kareem, A., Zhao, J., Tognarelli, M.A., and Gurley, K. “*Dynamics of Nonlinear Stochastic Systems: A Frequency Domain Approach*”, In: Halder, A. and Ayyub, B., eds., *Uncertainty Modeling in Stability, Vibration and Control of Structural Systems*, World Scientific, 1996.

#### **PATENTS**

- Inertial Roadway Safety Barrier System - Designed new low profile concrete barriers for protection of roadside work zone occupants from high speed vehicle impact.

#### **HONORS / AWARDS**

- Junior award (under 40 years of age) for significant and original contributions to wind engineering research - International Association for Wind Engineering (IAWE), 2007
- Munro Prize, 2000 - Awarded by International Editorial Board for best paper of 1999 (Vol. 21) in *Engineering Structures*: “*Applications of Wavelet Transforms in Earthquake, Wind and Ocean Engineering*”.
- NSF CAREER Award – 2000-2005



# Florida Hurricane Catastrophe Fund

## Advisory Council Members

<b>Name</b>	<b>Representing</b>	<b>Recommended By</b>
<b>John Auer, Chair</b> <small>Appointed June, 2002</small>	<b>Insurers</b>	<b>CFO</b>
<b>Don Brown</b> <small>Appointed November, 2011</small>	<b>Reinsurers</b>	<b>Governor</b>
<b>M. Campbell Cawood</b> <small>Appointed November, 2008</small>	<b>Consumers</b>	<b>Governor</b>
<b>Judy Curry</b> <small>Appointed May, 2009</small>	<b>Meteorologist</b>	<b>Governor</b>
<b>Jeff Evans</b> <small>Appointed November, 2011</small>	<b>Agents</b>	<b>CFO</b>
<b>William Huffcut</b> <small>Appointed January, 1995</small>	<b>Consumers</b>	<b>Attorney General</b>
<b>David Walker</b> <small>Appointed September, 2007</small>	<b>Consumers</b>	<b>CFO</b>
<b>Floyd Yager</b> <small>Appointed September, 2009</small>	<b>Actuary</b>	<b>Attorney General</b>
<b>Vacant</b>	<b>Engineer</b>	<b>Attorney General</b>

Updated 11/1/11

## **Attachment 9**



**STATE BOARD OF ADMINISTRATION  
OF FLORIDA**

**1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308  
(850) 488-4406**

**POST OFFICE BOX 13300  
32317-3300**

**RICK SCOTT  
GOVERNOR  
AS CHAIRMAN**  
**JEFF ATWATER  
CHIEF FINANCIAL OFFICER  
AS TREASURER**  
**PAM BONDI  
ATTORNEY GENERAL  
AS SECRETARY**  
**ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO**

**MEMORANDUM**

**To:** CFO Jeff Atwater, Rob Gidel, Rolf Engmann, Abby Vail  
**From:** Ash Williams  
**Date:** 1/5/12  
**Subject:** Crowe Horwath report follow-up  
**CC:** Kevin SigRist, Kathy Whitehead, Eric Nelson

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**Background**

At the December 2011 IAC and Trustees meetings, there was discussion of the Crowe Horwath October 21, 2011 report to the SBA, "Evaluation and Recommendations Related to the Compliance Program." By memo dated November 4, 2011, SBA staff accepted or partially accepted 58 of 63 of Crowe's recommendations. The remaining five recommendations were directed to the Audit Committee, Investment Advisory Council or Trustees because they addressed governance matters such as potentially separating the Executive Director and Chief Investment Officer duties and changing the reporting relationship of the Chief Risk and Compliance Officer (CRCO). The IAC chair reported to the Trustees regarding the IAC's review of Crowe's report; the IAC took a view that SBA's current risk management and compliance governance structure is functioning effectively, properly establishes accountability and mitigates any potential conflict issues through the practice of having the CRCO provide written and oral reports to the Audit Committee, Trustees and IAC. The Trustees agreed that IAC Chair Robert Gidel would work with CFO Atwater and the SBA Executive Director/CIO to identify any changes that could be made to bring closure to issues identified by Crowe, especially with regard to the independence of the CRCO.

**Current status / action items**

In a series of separate conversations, the CFO, IAC Chair Gidel and Audit Committee member Rolf Engmann and I have identified several steps that could be taken to further ensure the independence of the CRCO. With input from Abby Vail of the CFO's staff, I drafted the following summary of these for your review. Please send any edits you have back to me ASAP; time is of

the essence as some of these items could be added to the Trustees' 1/18/12 meeting (agenda items to be reported tomorrow, 1/6/12).

- Amend SBA's Investment Policy Statement(s) to explicitly require CRCO to provide written and oral reports to the IAC, Audit Committee and Trustees no less than quarterly and authorize the CRCO to directly access these or other bodies as appropriate to ensure the integrity and effectiveness of CRCO functions.
- Selection, compensation and termination of the CRCO will be affirmed by the Trustees. For day-to-day executive and administrative purposes, the CRCO will continue to work with the Executive Director/CIO and SBA management so that issues are promptly and thoroughly addressed.
- While retaining primary reporting to the CRCO, the Director of Enterprise Risk Management would have a secondary reporting relationship ("dotted line") to SBA's Chief Operating Officer/Chief Financial Officer, reflecting the programmatic nature of Enterprise Risk Management.

#### **Key dates**

SBA's Audit Committee is meeting January 10 and February 13. The IAC has a teleconference scheduled for January 20th and Q1 meeting March 19. The Trustees meet January 18, February 9 and March 20 (SBA Q1 meeting). Investment Policy Statement changes require prior approval of the IAC. Other actions may be executed directly by SBA Trustees and staff. Upon finalizing the substance (above), execution steps can be organized.

## **Attachment 10**

**State Board of Administration**  
***Position Description***

Page 1 of 2

<b>Position Number:</b>	<u>00000001</u>	<b><i>Human Resources Use Only</i></b>
<b>Position Title:</b>	<u>Executive Director &amp; CIO</u>	
<b>Department:</b>	<u>100 - Executive Director</u>	
<b>Current Incumbent:</b>	<u>Williams Jr., Ashbel C</u>	
<b>Wage Class:</b>	<u>Executive</u>	
<b>Salary Grade:</b>	<u>023</u>	
<b>Full-Time Salary Range:</b>	<u>\$150,000.00 - \$350,000.00</u>	
<b><u>Hrs/Wk:</u></b>		
		<b>Current Action:</b> _____
		<b>Effective Date:</b> _____
		<b>Last Revision Date:</b> _____

**Job Responsibilities:**

Job Responsibilities Summary

The State Board of Administration (SBA) Trustees are the Governor as Chairman, the Chief Financial Officer as Treasurer, and the Attorney General as Secretary. The SBA has delegated to the Executive Director & CIO the authority and responsibility for all administrative, operational, back office, and investment management functions, in compliance with federal and state laws, administrative rules and policies of the SBA. The Executive Director & CIO responsibilities include the development of investment policies and the prudent investment of assets of the Florida Retirement System (FRS) Pension Plan (defined benefit), FRS Investment Plan (defined contribution), Lawton Chiles Endowment Fund (LCEF), Local Government Investment Pool, miscellaneous trust funds, Debt Service and other mandates and trusts. The Executive Director & CIO must discharge his/her fiduciary duties while adhering to the highest ethical, fiduciary, and professional standards.

**\*\* Leadership Responsibilities \*\***

Maintain effective relationships with Trustees, members of the Investment Advisory Council, Participant Local Government Advisory Council, Audit Committee, legislators, clients, and other stakeholders.

Provide leadership to employees managing and directing the day-to-day operations of the SBA, including the administrative, procurement, personnel, budget and legislative liaison functions of the SBA.

Provide leadership to employees managing and directing the back office, accounting, corporate governance, and investment support functions of the SBA.

**\*\* Investment Responsibilities \*\***

Provide leadership to employees managing and directing all aspects of the implementation and oversight of investment management functions to achieve risk and return objectives, including the strategic and tactical allocation of investment assets.

Provide leadership to employees developing specific individual investment portfolio objectives, policy guidelines and applying analytical models to measure risk tolerance and portfolio performance against appropriate benchmarks.

Provide leadership to employees maintaining diversified portfolios, and maximizing returns with respect to the broadly diversified market standards of individual asset classes, consistent with appropriate risk constraints.

Provide leadership to employees evaluating the appropriateness of the goals and objectives in light of actuarial studies and recommend changes to the Board when appropriate.

Review and approve investment strategies and annual investment work plans.

Provide leadership to employees monitoring investment performance and portfolio risk characteristics.

Oversee investment manager selection, retention, termination, and monitoring.

Consult with investment managers, investment consultants, industry experts, and peers.

Provide the Board with regular reports of investment activities.

**State Board of Administration**  
***Position Description***

Page 2 of 2

**\*\* Enterprise Risk Management Responsibilities \*\***

Identify, monitor and control/mitigate key investment and operational risks.

Maintain an appropriate and effective risk management and compliance program that identifies, evaluates and manages risks within business units and at the enterprise level.

Maintain an appropriate and effective control environment for SBA investment and operational responsibilities.

Approve risk allocations and limits, including total fund and asset class risk budgets.

**Job Requirements:**

A bachelor's degree from an accredited college or university in finance, economics, accounting, or closely related field, 10 years of progressively complex investment related experience, including three years in senior management. Desirable academic qualifications include an MBA or CFA. Experience in the oversight of a multibillion dollar pension plan, preferably in the public sector, with experience in fiduciary responsibilities. Demonstrated senior executive leadership, policymaking experience, and familiarity with the securities and municipal finance industries are required.

1. Physical Demands: Primarily sedentary in nature with lifting of approximately 10 pounds with occasional lifting of small objects; sitting, standing, walking, talking, hearing, keyboarding.

2. General Requirements: Must be capable of executing all terms and conditions set forth in the SBA policies and procedures manual, including, but not limited to:

- a. Works in a safety conscious manner, ensuring that safe work practices are used in order not to pose a risk to self or others in the workplace.
- b. Complies with SBA rules, policies, and procedures which include local, state, and federal regulations.
- c. Interacts in a tactful, diplomatic, and humanistic manner with supervisors, guests/visitors, and co-workers.
- d. Maintains confidentiality of necessary information.
- e. Performs any miscellaneous work assignments as may be required.
- f. Maintains a dependable attendance record.

<b>Supervisor's Position Number:</b>	<u>00000001</u>	<b>Supervisor's Title:</b>	<u>Executive Director &amp; CIO</u>
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Subordinate Position Number	Subordinate Title
00000004	Chief Operating/Financial Off.
00000045	Sr Off-Ivst Prog & Governance
00000062	General Counsel
00000098	Executive Assistant
00000150	Chief Operat Officer, FHCF
00000158	Sr DC Programs Officer
00000160	Dir of Communications
00000196	Chief Audit Executive
00000215	Deputy Executive Dir
00000221	Inspector General
00000242	Chief Risk & Compliance Off
00000256	Mgr of Perf & Risk Analytics