



***SCHOOL DISTRICT OF PALM BEACH COUNTY
BOARD AGENDA ITEM SUMMARY
DIVISION OF FINANCIAL MANAGEMENT***

**CONSIDER ADOPTION OF A RESOLUTION APPROVING SALE OF
CERTIFICATES OF PARTICIPATION, SERIES 2006A**

I recommend the School Board adopt a Resolution authorizing execution of Schedule 2006A Series 1 and 2 to the Master Lease and approve the sale of Certificates of Participation, Series 2006A in an aggregate principal amount not to exceed \$230,000,000.00.

- This Resolution delegates authority to the Superintendent to negotiate the terms of the transaction with the underwriters within the parameters set forth in the Resolution. The Resolution also authorizes the execution and delivery of all instruments and documents necessary to complete the transaction.
- COPs issuance is included in the Five Year Plan and was scheduled to close in July 2006 (FY 2007). The issuance will be expedited by one month to ensure completion prior to the implementation of PeopleSoft and the end of the fiscal year.
- The issue will be sized to net the School District sufficient funds to finance the projects.
- The Finance Committee reviewed the transaction and unanimously approved it at their meeting on April 21, 2006.

Attachments are located in the Board Minutes Office.

BOARD GOAL: #6

KEY RESULTS: #10

LEGAL SIGN-OFF

YES BL N/A

CONTACT: Joseph Moore (jmoore@palmbeach.k12.fl.us)

Financial Impact

The issuance of the 2006A COPs is undertaken to provide the funding needed to finance a portion of the FY2006 Capital Budget. Revenue source of approximately \$230 million.

Executive Summary

Authorizing Resolution for COPS 2006A

- The funds raised by the issuance of the Certificates of Participation will be used to fund the following projects:
 - Barton Elementary School Modernization
 - DD Eisenhower Elementary School Modernization
 - Palm Beach Gardens Area Elementary School (03-X)
 - Palm Beach Gardens High School Modernization
 - Rolling Green Elementary School Modernization
 - Purchase and installation of 200 modular classrooms
 - Voice/Data Equipment for the IP Convergence Project

- To comply with the opening dates required by the Five Year Capital Plan adopted in September 2005 and to meet the requirements of concurrency, funds for these projects must be available for the award of construction contracts during the next few months.

- The issuance of the COP issue has been moved up by a month to ensure completion prior to the PeopleSoft implementation and the end of the fiscal year. While revenues will be available 1 month earlier than planned, the corresponding increase of debt service will remain in FY 2007.

- Based on the advice of the Finance Committee, the School District's Financial Advisor and several national rating agencies, the debt service for these and previously issued Certificates will not exceed 50% of the 2-mil property taxes levied for capital projects.

- During the meeting on April 21, 2006, the Finance Committee reviewed the proposed transaction. The committee unanimously approved the transaction. A draft of the meeting minutes will be available in the Board Minutes Office.

- The Resolution appoints Citigroup as the senior underwriter of the Series 2006A Certificates of Participation.