

The School Board of Broward County, Florida
FINANCIAL ADVISORY COMMITTEE

MINUTES OF THE FINANCIAL ADVISORY COMMITTEE MEETING

March 5, 2021

Mr. Raymond Monteleone, Chair, called the Financial Advisory Committee Meeting to order at approximately 10:00 A.M. The meeting was conducted through WebEx with some Committee members physically present in the KCW Pre-Function room. Roll call was done and a quorum was determined to be physically present.

Those in Attendance:

Committee Members

Ray Monteleone - Chair, Community
Henry Robinson – Vice Chair, Community
Dane Sheldon - Community
Ian Thomas – Community
Judith Marte – District Staff
Ivan Perrone – District Staff
Shelley Meloni – District Staff

Public

Steven Lenehan – Wells Fargo
JW Howard – Morgan Stanley
Patricia Loomis - Public

Invited Guests

Steven Alexander – Investment Advisor, PFM
Scott Sweeten – Investment Advisor, PFM
Sean Gannon - Investment Advisor, PFM
Laura Howe – Financial Advisor, PFM
Mara Lugo – Financial Advisor, PFM

For more details regarding this Financial Advisory Committee meeting, please refer to <https://www.browardschools.com/Page/35396>.

The purpose of the meeting:

- Approve Minutes of October 8, October 13, November 20, December 7 and December 14, 2020 Meetings
- Old Business
- New Business
- Investment Advisor – Asset Management (AM) - PFM
 - AM – Market Update
 - AM – Quarterly Investment Report
- Financial Advisor – Financial Management (FM) - PFM
 - FM – Economic Update
 - FM – GOB Series 2021
 - FM – Forward Refinancing Agreement (COPs Series 2012A)
- Other Matters that May Come Before the Committee
- Public Questions/Comments

The first item of business on the agenda was the approval of minutes from October 8, October 13, November 20, December 7 and December 14, 2020 Meetings. The Chair, Mr. Monteleone, postponed the approval of minutes until the next meeting scheduled for May 21, 2021.

The second item of business on the agenda was presented by Mr. Steven Alexander, Investment Advisor with PFM. Mr. Alexander gave a thorough monthly market update. He discussed COVID-19's impact on the current economy, the vaccine, GDP forecasts, unemployment, the housing market, the 46th President, inflation, treasury yields, sector performance, the US dollar, the US trade deficit, oil, commodity prices and index returns.

The next item on the agenda was presented by Mr. Steven Alexander, Investment Advisor with PFM. Mr. Alexander presented the quarterly investment report to the Committee. He reviewed the quarterly market update, asset allocation, long term operating 1-3 year Fund and long term operating 1-5 year Fund.

The next item on the agenda was presented by Ms. Mara Lugo, Financial Advisor with PFM. Ms. Lugo presented a municipal market update to the Committee. She discussed tax-exempt interest rates, taxable interest rates and market conditions over the past year.

The next item on the agenda was presented by Ms. Laura Howe, Financial Advisor with PFM. She presented an overview of the General Obligation Bond, Series 2021 in the amount of \$207,465,000.00. The bonds were issued on February 16, 2021 to finance improvements to school buildings, school grounds, safety enhancements, instructional technology upgrades and to pay the issuance costs. The bonds were sold via competitive sale on February 2, 2021 with Citigroup Global Markets Inc. as the winning bidder. Under the 2014 voter referendum and pursuant to the Master Resolution, the District was authorized to issue general obligation bonds in an aggregate principal amount not to exceed \$800,000,000. Following the issuance of GOB Series 2021, the District can issue an additional \$262,730,000 of general obligation bonds.

The last item on the agenda was presented by Ms. Laura Howe, Financial Advisor with PFM. She presented an overview of the Forward Refunding for Certificates of Participation, Series 2012A (COPs 2022A). The 7/1/2022 through 7/1/2038 maturities of COPs 2012A are outstanding in the principal amount of \$74,020,000 with an optional call date starting on 7/1/2022. After re-circulating an RFP on behalf of the District with a deadline of January 12, 2021 the District received (8) proposals with different interest rates and structuring options. After the initial review, the proposals from Wells Fargo and Morgan Stanley were both attractive. The District then reached out to each of the banks for a best and final offer. PFM recommended moving forward with Morgan Stanley. This Forward Refunding will save the District approximately \$7,300,000 and the cost of issuance of \$350,000 will be covered by the bond proceeds. After a thorough review, the Chair, made a motion to move forward with Morgan Stanley, it was seconded and passed unanimously.

Lastly, comments and/or questions from the public.

Being no further business, the Chair adjourned the meeting at approximately at 12:00PM.