



School District of Broward County, Florida

Financial Advisory Committee Meeting

May 7, 2020

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Agenda

- I. Market Update
- II. Certificates of Participation



I. Market Update



Taxable Interest Rates

Treasury Yields During Past 5 Years

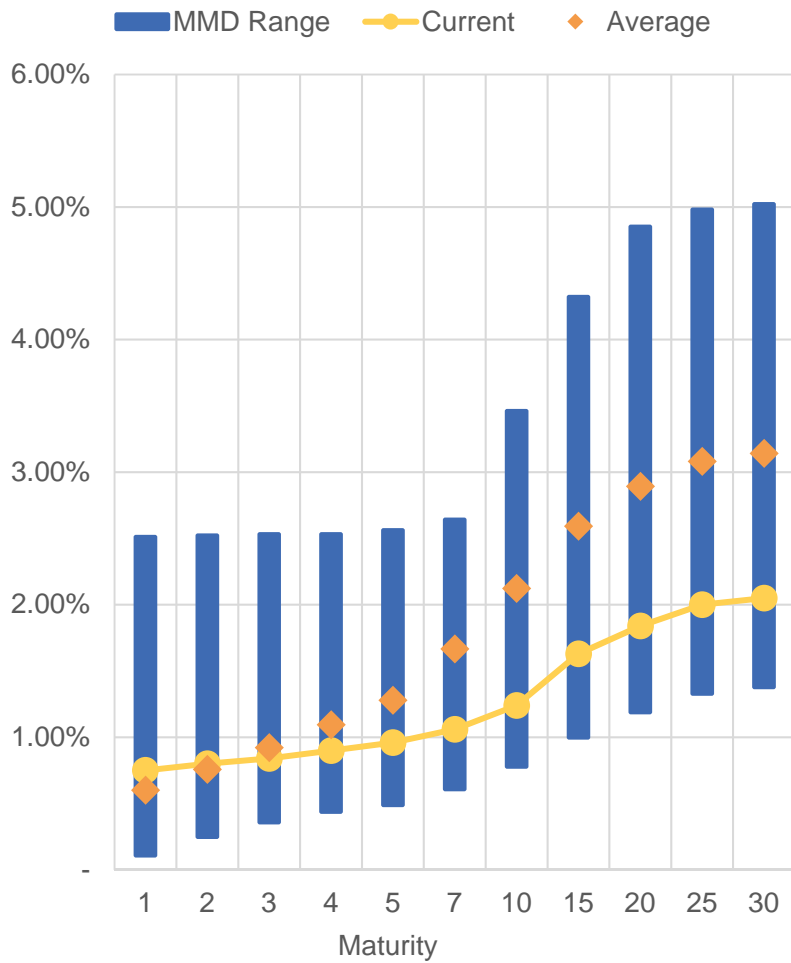


	5 Year UST Note	10 Year UST Bond	30 Year UST Bond
Current (5/6/2020)	0.37%	0.70%	1.40%
Avg. (2015 - 2020)	1.86%	2.21%	2.74%
Difference	-149 bps	-151 bps	-134 bps
Min.	0.34%	0.54%	1.00%
Max.	3.09%	3.24%	3.46%

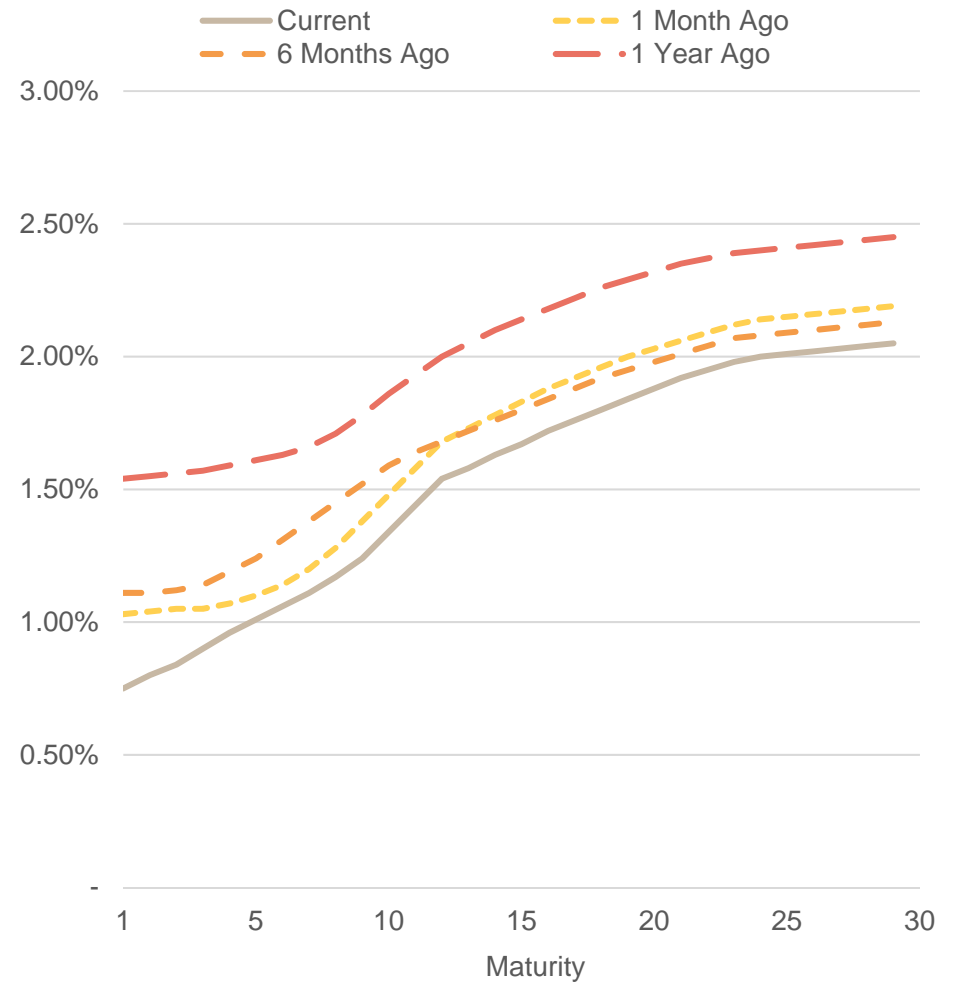


Tax-Exempt Interest Rates

MMD Ranges Over Past 10 Years



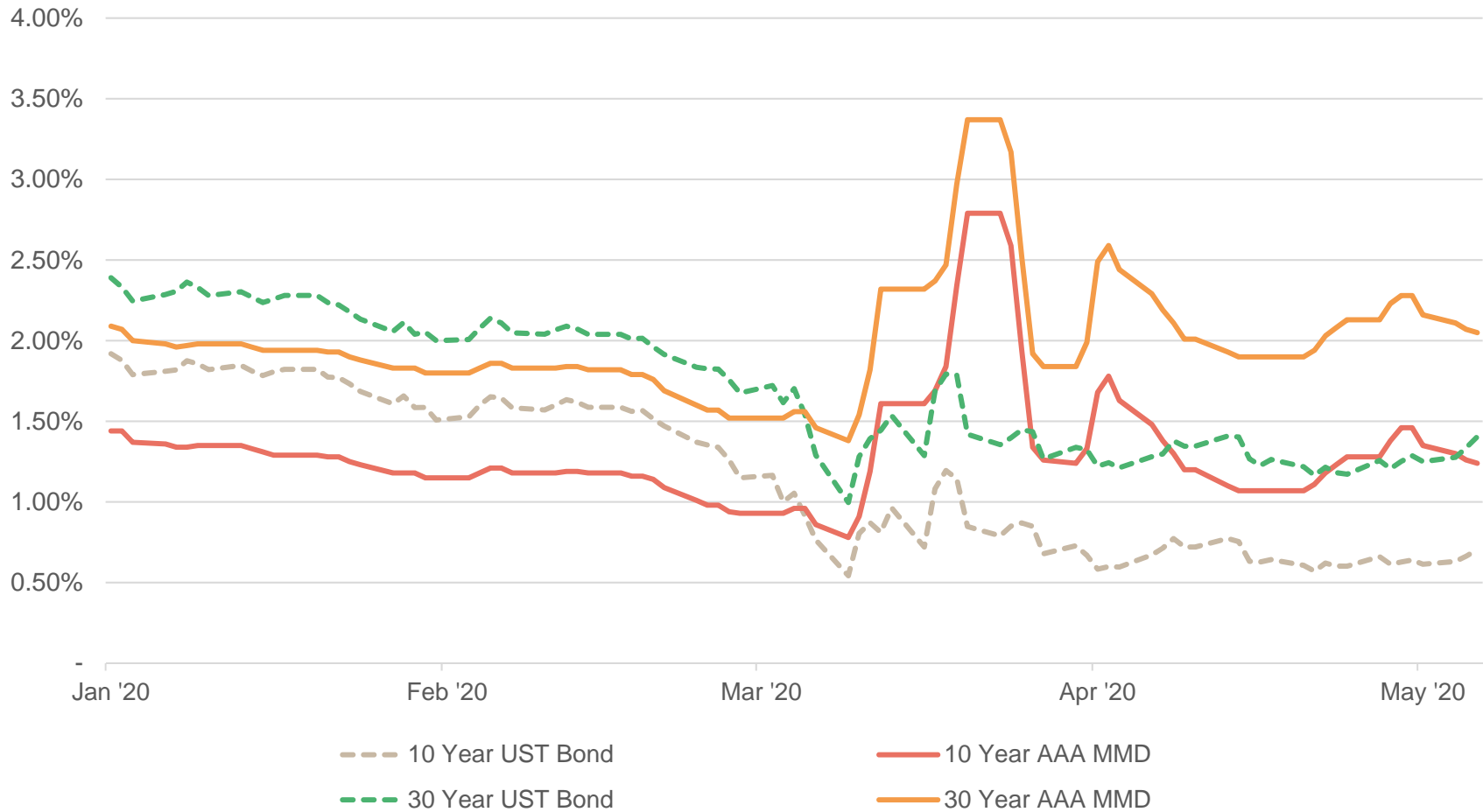
MMA AAA G.O. Curve





Market Dislocation – Conditions YTD

10-Year & 30-Year UST vs. AAA MMD Rates





II. Certificates of Participation



Certificates of Participation, Series 2020A – Overview

- The Certificates of Participation, Series 2020A (the “Series 2020A COPs”) were priced on Wednesday, May 6, 2020 via a negotiated sale with J.P. Morgan serving as bookrunning senior manger
- The proceeds of the Series 2020A COPs will provide funding for major capital projects in the District’s current capital program. In addition to district-wide improvements, listed below are the specific facilities that will benefit:
 - Cypress Bay High
 - Falcon Cove Middle
 - Margate Elementary
 - McArthur High
 - Olsen Middle
 - Plantation High
 - Stranahan High
 - William T. McFatter Technical College



Certificates of Participation, Series 2020A – Overview, cont.

◆ Credit Ratings

- The following ratings were assigned to the Series 2020A COPs:
 - Moody's: "Aa3" (Stable Outlook)
 - Fitch: "A+" (Negative Outlook) - Due to the uncertain nature of COVID-19, the District was placed on a negative outlook by Fitch

◆ Pricing

- The Series 2020A COPs were issued as premium bonds with 5% coupons. The tables below show the preliminary yields that were released to market, as well as the final scale based on the noted adjustments following the order period

Maturity	Interpolated MMD 5/5/2020	Preliminary Scale		Proposed Adjustments	Final Scale	
		Spread	Yield		Spread	Yield
7/1/2030	1.26%	80 bps	2.06%	7 bps	87 bps	2.13%
7/1/2031	1.36%	81 bps	2.17%	7 bps	88 bps	2.24%
7/1/2032	1.46%	82 bps	2.28%	6 bps	88 bps	2.34%
7/1/2033	1.56%	83 bps	2.39%	5 bps	88 bps	2.44%
7/1/2034	1.60%	85 bps	2.45%	5 bps	90 bps	2.50%

- From mid-march through most of April, the municipal market became unstable due to COVID-19. Towards the end of April the market started to stabilize but still had waves of uncertainty. Due to this uncertainty, investors require higher spreads than recently seen. Even with the demand of increased spreads, the District pricing resulted in an All-In True Interest Cost (TIC) of 2.73%



Certificates of Participation – Aggregate Debt Service

- The Series 2020A COPs were structured for principal to amortize in 2030 through 2034, to take advantage of the drop-off in the District’s aggregate COP debt service and enhance future financing capacity

