

Memorandum



Date: (Public Hearing 6-30-09)
May 19, 2009

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

Agenda Item No. 5(J)

From: George M. Burgess
County Manager

Subject: Ordinance Authorizing Issuance of Public Facilities Revenue Bonds

Recommendation

It is recommended that the Board of County Commissioners (Board) enact the attached Ordinance (2009 Ordinance) authorizing the issuance, in one or more Series, of Public Facilities Revenue Bonds (Jackson Health System) in an aggregate principal amount not to exceed \$177,000,000 (Bonds).

This 2009 Ordinance authorizes the issuance of bonds for the purposes of funding with bond proceeds and any available funds of the Public Health Trust: (i) the costs of certain capital additions to the Trust, as described in Exhibit "A" to this 2009 Ordinance; (ii) any deposits, if necessary, into the Debt Service Reserve Fund or, in lieu thereof, providing for a Reserve Facility with respect to the Bonds; and (iii) the costs of issuance of the Bonds, including the costs of a Credit Facility and a Reserve Account Credit Facility, if any. The terms, maturities, interest rates and other bond related details for each series of Bonds will be established in a series resolution adopted by the Board prior to the issuance of each series of Bonds.

Scope

The impact of the projects funded with the proceeds from these Bonds is countywide.

Fiscal Impact/ Funding Source

The Bonds will be a special and limited obligation of the County payable solely from and secured by a pledge of the Pledged Revenues of the Trust as provided in Ordinance No. 05-49 (Master Ordinance). Pledged Revenues are defined as Gross Revenues of the Trust and all monies and investments on deposit to the funds and accounts established under the Master Ordinance.

The Master Ordinance provides added security in the form of a County covenant to annually budget and appropriate from legally available non-ad valorem revenues, funds necessary *to replenish any draws in the Debt Service Reserve Fund*. This covenant provides the County and Trust with a stronger credit which will result in lower financing cost for the Trust. Currently, the Debt Service Reserve Fund is fully funded with cash.

In connection with the financing of these projects, it is deemed to be in the County's best interest to authorize the issuance of Bonds in more than one series in an aggregate amount not to exceed \$177,000,000 to provide for the costs of the projects (approximately \$151 million), and the cash funding of a debt service reserve, if deemed necessary and paying the costs associated with the issuance of each series (\$26 million). The estimated annual debt service payments will be based on the amount issued under each series resolution brought back to the Board for authorization.

Background

Pursuant to the Master Ordinance, the County has issued (i) \$148,535,000 Public Facilities Revenue Bonds, Series 2005A (Series 2005A Bonds), all of which remain outstanding; and (ii) \$151,465,000 Public Facilities Revenue Refunding Bonds, Series 2005B (Series 2005B Bonds) of which \$146,720,000 remain outstanding. Collectively, the outstanding amounts of these bonds constitute the Outstanding Bonds, totaling \$295,255,000. The Bonds, authorized under this 2009 Ordinance, will be issued as Additional Bonds on parity with the Outstanding Bonds pursuant to Section 2.09 of the Master Ordinance.

The projects financed with the Outstanding Series 2005A Bonds included: the construction of new and renovation of existing space of both Jackson Memorial Hospital (JMH) and Jackson South Community Hospital (JSCH) to provide for sufficient inpatient and outpatient capacity to meet the demands for increased volume in future years, including:

- the addition of 100 beds of JSCH;
- renovation of the rehabilitation center at JMH to provide growth to neurological and orthopedic services;
- renovation and expansion of existing facilities to put JMH's full acute care capacity in service;
- modify the current bed mix, expansion of Holtz Children's acute care capacity; and
- improvements to in-patient diagnostic infrastructure through acquisition of digital technology and upgrade of diagnostic equipment.

The Outstanding Series 2005B Bonds were issued to refund, with other available monies of the Trust, all of their prior bonds which included the Public Facilities Revenue Bonds, Series 1993, Public Facilities Revenue Refunding Bonds, Series 1993A, and Public Facilities Revenue Bonds, Series 1998.

The Trust is undertaking certain capital projects, as more fully described in Exhibit "A," between now and FY 2011 totaling approximately \$151 million in project costs. Below is a brief summary of the categories and related costs for these capital projects:

Category	Proposed First Series	Proposed Second Series	Estimated Total Cost
Air Conditioning	\$ 16,433,500	\$ 15,611,000	\$ 32,044,500
ADA Compliance	6,210,000	4,000,000	10,210,000
Electrical	13,856,250	16,446,250	30,302,500
Elevators	16,311,500	20,600,000	36,911,500
IT Projects	6,000,000	6,000,000	12,000,000
Mechanical/Plumbing	250,000	1,417,500	1,667,500
Miscellaneous	282,250	5,701,500	5,983,750
Reserve for Other Projects/ Contingencies	10,000,000	6,000,000	16,000,000
Renovation/Upgrade Examination Rooms	294,000		294,000
Roof Repairs	2,950,000		2,950,000
Fuel Tanks	2,450,000		2,400,000
Grand Total	\$74,987,500	\$75,776,250	\$150,763,750

The first series of such Bonds will be presented to the Board for prior approval in a series resolution, which will identify the specific projects to be initially funded and establish the terms, maturities, interest rates and other bond related details. It is anticipated that the first series of bonds will cover expenditures through the end of FY 2010, while the second series will provide funds through the end of FY 2011, at which time the appropriate series resolution will be presented for Board approval.

In addition to authorizing the issuance of Bonds in one or more series, the 2009 Ordinance limits the maximum maturity to 40 years in the form of either tax-exempt or taxable bonds.



Assistant County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: June 30, 2009

FROM: 
R. A. Suevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 5(J)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Mayor's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 5(J)
6-30-09

ORDINANCE NO. _____

ORDINANCE PROVIDING FOR ISSUANCE OF ADDITIONAL MIAMI-DADE COUNTY, FLORIDA PUBLIC FACILITIES REVENUE BONDS (JACKSON HEALTH SYSTEM) PURSUANT TO ORDINANCE NO. 05-49 IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$177,000,000, IN ONE OR MORE SERIES, FOR PURPOSES, TOGETHER WITH OTHER AVAILABLE MONEYS OF PUBLIC HEALTH TRUST, IF ANY, OF PAYING OR REIMBURSING PUBLIC HEALTH TRUST FOR COSTS OF CERTAIN CAPITAL ADDITIONS TO PUBLIC HEALTH TRUST FACILITIES, FUNDING DEBT SERVICE RESERVE FUND AND PAYING COSTS OF ISSUANCE, INCLUDING COSTS OF CREDIT FACILITY AND RESERVE FACILITY, IF ANY; PROVIDING THAT SUCH BONDS SHALL BE SECURED BY AND PAYABLE FROM GROSS REVENUES OF PUBLIC HEALTH TRUST ON A PARITY WITH OTHER OUTSTANDING PUBLIC FACILITIES REVENUE BONDS (JACKSON HEALTH SYSTEM); PROVIDING THAT DETAILS OF SAID BONDS BE DETERMINED IN ONE OR MORE SUBSEQUENT RESOLUTIONS; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE

WHEREAS, the Board of County Commissioners (the "Board") of Miami-Dade County, Florida (the "County"), pursuant to Ordinance No. 05-49 enacted on March 1, 2005 (the "Master Ordinance") and Resolution Nos. R-210-05 and R-238-05 each adopted on March 1, 2005 (collectively, the "Series 2005 Resolution"), has issued (a) Miami-Dade County, Florida Public Facilities Revenue Bonds (Jackson Health System), Series 2005A, in the aggregate principal amount of \$148,535,000, all of which remain Outstanding; and (b) Miami-Dade County, Florida Public Facilities Revenue Refunding Bonds (Jackson Health System), Series 2005B in the aggregate principal amount of \$151,465,000, of which \$146,720,000 remain Outstanding; and

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WHEREAS, the Public Health Trust of the County (the "Trust") is in need of additional health care facilities for use and operation in its provision of health care services to the public and has determined to undertake the acquisition, construction, installation and equipping of those certain Capital Additions described in Exhibit A (collectively, the "Projects") attached to and made a part of this ordinance (the "2009 Ordinance"); and

WHEREAS, the Board desires to authorize pursuant to the Master Ordinance and this 2009 Ordinance and expects to issue under and pursuant to the Master Ordinance and this 2009 Ordinance Miami-Dade County, Florida Public Facilities Revenue Bonds (Jackson Health System) (the "Bonds") from time to time in one or more Series in an aggregate principal amount not to exceed \$177,000,000 for the purposes of: (a) providing proceeds, together with other available moneys of the Trust, if any, for paying or reimbursing the Trust for Costs of all or a portion of the Projects; (b) providing for the funding of any deposits, if necessary, to be made with respect to the Bonds into the Debt Service Reserve Fund, or, in lieu thereof, providing for a Reserve Facility with respect to the Bonds; and (c) paying the costs of issuance of the Bonds, including, without limitation, the cost of any premiums for municipal bond insurance and any Reserve Facility related to the Bonds as may be deemed advisable; and

WHEREAS, the Board of Trustees of the Trust has approved the acquisition, construction, installation and equipping of the Projects and has requested that this Board authorize and approve the issuance of Additional Bonds under the Master Ordinance in an aggregate principal amount not to exceed \$177,000,000, in one or more Series; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum (the "County Manager's Memorandum"), a copy of which is incorporated in this 2009 Ordinance by reference,

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA that:

Section 1. Definitions. Unless the context expressly requires otherwise, capitalized terms used but not defined in this 2009 Ordinance, including the recitals to this 2009 Ordinance, shall have the meanings ascribed to them in the Master Ordinance. Capitalized terms defined in the recitals to this 2009 Ordinance shall have the meanings ascribed to them in the recitals to this 2009 Ordinance.

Section 2. Incorporation of Recitals. The matters set forth in the recitals to this 2009 Ordinance are incorporated as part of this 2009 Ordinance.

Section 3. Authority for Issuance of Bonds. The Bonds are to be issued pursuant to the authority of the Constitution and laws of the State of Florida (including, but not limited to, the Charter, Chapters 125 and 166, Florida Statutes, as amended, and all other applicable laws), the Master Ordinance and this 2009 Ordinance.

Section 4. Authorization for Issuance of Bonds. The Bonds of the County in an aggregate principal amount not to exceed \$177,000,000 are authorized to be issued as Additional Bonds, at one time or from time to time in one or more Series, pursuant to the Master Ordinance and this 2009 Ordinance for the purpose, together with other available moneys of the Trust, if any, of (i) providing funds for paying or reimbursing the Trust for Costs of all or a portion of the Projects, (ii) providing for the funding of any deposits, if necessary, to be made with respect to

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the Bonds into the Debt Service Reserve Fund, or, in lieu thereof, providing for a Reserve Facility or Facilities with respect to the Bonds, and (iii) paying the costs of issuance of the Bonds, including, without limitation, the cost of any premiums for municipal bond insurance and any Reserve Facility related to the Bonds as may be deemed advisable.

Section 5. Details of Bonds. The terms and provisions of the Bonds or the means by which such terms and provisions shall be finally established or determined, including, without limitation, the denomination of each Bond, the numbering sequence of the Bonds, interest rates, maturities, payment dates, redemption provisions, and the approval of documents (including, without limitation, bond purchase agreements, and agreements to facilitate the provision of Credit Facilities and/or Reserve Facilities), to be authorized and/or executed in connection with the issuance, sale and delivery of the Bonds shall be set forth in one or more Series Resolutions (collectively, the "Series 2009 Resolution"). The Bonds of each Series shall bear an appropriate title, which shall include an identifying Series designation.

The Bonds shall be special obligations of the County, secured by and payable solely from Gross Revenues of the Trust and as otherwise provided in the Master Ordinance. Except as to any differences in the maturities thereof or in the rate or rates of interest or the provisions for redemption, the Bonds shall be on a parity with and shall be entitled to the same benefit and security of the Master Ordinance as all other Bonds now or hereafter Outstanding under the Master Ordinance. The Bonds shall not constitute an indebtedness, liability, general or moral obligation, or a pledge of the faith, credit or taxing power of the County, the State or any political subdivision of the State, within the meaning of any constitutional, statutory or charter provisions. Neither the State nor any political subdivision of the State or the County shall be

obligated to levy ad valorem taxes on any property to pay the principal of, premium, if any, and interest on or other costs incident to the Bonds. The acceptance of the Bonds by the Registered Owners from time to time shall be deemed an agreement between the County and such Registered Owners that the Bonds and the indebtedness evidenced thereby shall constitute a lien only on the Pledged Revenues.

Section 6. Severability. If any term or provision of this 2009 Ordinance or the Bonds or the application thereof for any reason or circumstances shall to any extent be held to be invalid or unenforceable, the remaining provisions or the application of such term or provision to persons and situations, other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this 2009 Ordinance and the Bonds shall be valid and enforced to the fullest extent permitted by law.

Section 7. Controlling Law; Venue. The Laws of the State shall govern the construction and interpretation of this 2009 Ordinance. Venue shall lie in Miami-Dade County, Florida.

Section 8. Headings for Convenience Only. The descriptive headings in this 2009 Ordinance are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of this 2009 Ordinance.

Section 9. Inconsistent Ordinances. All ordinances and parts thereof, which are inconsistent with any of the provisions of this 2009 Ordinance are hereby declared to be inapplicable to the provisions of this 2009 Ordinance.

Section 10. Effective Date. This 2009 Ordinance shall take effect ten (10) days after its enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by the Board.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

Prepared by:

Gerald T. Heffernan

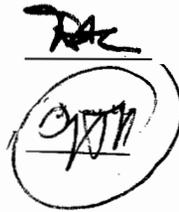
Handwritten signatures and initials. At the top is a signature that appears to be 'RAE'. Below it is a signature 'GTH' enclosed in a circle.

EXHIBIT A
THE PROJECTS

<u>PROJECT DESCRIPTION</u>	<u>ESTIMATED COST</u>
<u>Air Conditioning</u> – replace or refurbish critical air conditioning components including air handlers, cooling towers, coolers and chilled water facilities at various Jackson Health System locations	\$32,044,500
<u>American Disabilities Act</u> – renovate various Jackson Health Systems facilities to conform to ADA requirements	10,210,000
<u>Electrical</u> – modernize and enhance electrical systems, including emergency generators, switching gear, electrical panels, fire alarm and suppression systems, and lighting, at various Jackson Health System locations	30,302,500
<u>Elevators</u> – repair, renovate and modernize elevators and escalators at Jackson Health System facilities, including Jackson Memorial Hospital and Jackson North Medical Center, to comply with code and operational requirements	36,911,500
<u>IT</u> - replace telephone switching equipment and software and upgrade the IT network	12,000,000
<u>Mechanical/Plumbing</u> – repair and upgrade pipes, boilers and other plumbing and mechanical systems at Jackson Health System facilities including Jackson Memorial Hospital and Jackson North Medical Center	1,667,500
<u>Roof</u> – repair and replace roofs at various Jackson Health System facilities	2,950,000
<u>Tanks</u> – replace fuel tanks at various Jackson Health System facilities to meet code and core operational requirements	2,400,000
<u>Renovation/Upgrade</u> – renovate and upgrade medical records and examination room facilities at various Jackson Health System locations, including Rose Lee Wesley Health Center	294,000
<u>Reserve for Other Projects & Contingency</u> – provide for a contingency reserve for miscellaneous projects and master plan projects throughout Jackson Health Systems	16,000,000
<u>Miscellaneous</u> – replace and refurbish various systems, including vacuum systems, gas systems, trash and linen collections systems and Building Operation System (BOS) control systems, at Jackson Health Care facilities, including Jackson Memorial Hospital, Jackson South Community Hospital and Jackson North Medical Center	<u>5,983,750</u>
TOTAL	<u>\$150,763,750</u>

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 5J
File Number: 091481
Committee(s) of Reference: BCC
Date of Analysis: June 5, 2009
Type of Item: Public Facilities Revenue Bonds (Series 2009)
Sponsor/ Requester: Finance Department

Summary

This proposed ordinance authorizes the issuance of additional Public Facilities Revenue Bonds (Series 2009), in one or more sub-series, in an aggregate principal amount not to exceed \$177 million.

If authorized, the Public Facilities Revenue Bonds (also referred to as the Jackson Health System Revenue Bonds) will:

- (1) finance remaining outstanding Public Facilities Revenue Bonds and outstanding Public Facilities Revenue Refunding Bonds;
- (2) finance the acquisition, construction, equipping and renovation of certain Jackson health care facilities and capital additions which includes, but is not limited to: air conditioning components, electrical systems, elevators, IT networks, plumbing, roofs, tanks, building operating systems and contingency reserves;
- (3) reimburse the Public Health Trust;
- (4) fund the Debt Service Reserve Fund, or provide a Reserve Facility; and
- (5) pay costs associated with the of issuance of the Bonds, including the cost of a Credit Facility and Reserve Account Credit Facility (i.e., the commitment fees of underwriters who agree to pay the principal and interest on bonds in the event the County is unable to when due), if any.

Under the proposed ordinance, the Bonds will be special and limited obligations bonds, secured by and payable from the gross revenues of the Public Health Trust and other money such as investments on deposits, accounts receivable, and insurance proceeds established under Ordinance 05-49, the Master Ordinance. The bonds will not be secured by the taxing power of the County or obligate the County to levy ad valorem taxes to pay the principal, premium, interest or costs incident to the bonds.

Of the \$177 million in bonds, approximately \$151 million will be allocated towards the costs of the above identified capital projects and the debt service reserve; \$26 million will be allocated to pay the costs of issuance of each series.

The specific terms and conditions of the bonds, such as interest rates, denominations, method of sale (competitive versus negotiated), amortization schedule, debt service and the like are set forth in Item 5K of this agenda, which should be considered subsequent to any authorization by the Board of County Commissioners to issue the pending bonds.

Background and Relevant Legislation

In several legislative acts dating from 1983, the Board of County Commissioners authorized the issuance of public facilities revenue bonds to finance the operation of healthcare facilities and healthcare capital improvement projects, in general. The prior authorizations also included authority to refinance outstanding debt, reimburse the Public Health Trust, fund the debt service reserve fund, and pay the costs of issuance, bond insurance and any Reserve Facility. The current revenue bonds are consistent with the prior enacted master ordinances.

The Administration anticipates the 1st series of bonds will cover expenditures through the end of FY 2010, and the 2nd series will provide funds through the end of FY 2011.

Policy Change and Implication

None

Prepared by: Lauren Young-Allen