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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM Agenda Item No. 11(A)(7)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: January 24, 2012

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

SUBJECT: Resolution directing County Mayor to conduct market study regarding policy of utilizing size and capital when allocating bonds to underwriting firms in negotiated bond transactions and to report findings to the Board

Resolution No. R-62-12

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Barbara J. Jordan.

R. A. Cuevas, Jr.
County Attorney

RAC/cp

MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: January 24, 2012

FROM: R. A. Cuevas, Jr.
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SUBJECT: Agenda Item No. 11(A)(7)

Please note any items checked.

_____ **"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**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous_____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(7)
1-24-12

RESOLUTION NO. R-62-12

RESOLUTION DIRECTING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO CONDUCT MARKET STUDY REGARDING POLICY OF UTILIZING SIZE AND CAPITAL WHEN ALLOCATING BONDS TO UNDERWRITING FIRMS IN NEGOTIATED BOND TRANSACTIONS AND TO REPORT FINDINGS TO THE BOARD

WHEREAS, Section 2-10.6 of the County Code ("Section 2-10.6") provides, among other provisions, for (i) a competitively selected pool of underwriting firms for negotiated bond transactions ("Underwriting Firms"); (ii) assignment of each Underwriting Firm to one of two divisions based on the Underwriting Firm's size, which is determined by the Underwriting Firm's net capital before haircut on securities positions as shown in item 3640 of its focus report filed with the Security and Exchange Commission periodically ("Capital"); and (ii) the method for allocating bonds for sale among those Underwriting Firms based on, among other things, fifteen (15) times Capital; and

WHEREAS, Section 2-10.6 establishes two divisions of Underwriting Firms in order to promote the development of small Underwriting Firms based on their Capital; and

WHEREAS, division 1 consists of Underwriting Firms with Capital between $250,000 and $5,000,000 and those Underwriting Firms with Capital greater than $5,000,000 but less than $10,000,000 that elected to be included in division 1 at the time of proposal submission or elected to remain in division 1 when its Capital exceeded $5,000,000 but remained less than $10,000,000 (collectively, "Small Firms"); and

WHEREAS, division 2 consists of Underwriting Firms with Capital in excess of $10,000,000 and Underwriting Firms with Capital between $5,000,000 and $10,000,000 that elect to be in Division 2 (collectively, "Large Firms"); and

WHEREAS, Small Firms are eligible to be senior manager on negotiated bond transactions of $75,000,000 or less and Large Firms are eligible to be senior manager on any negotiated bond transaction, subject to certain limited exceptions, including, but not limited to, the requirement in Section 2-10.6 that an allocation of bonds to an Underwriting Firm may not exceed fifteen (15) times the Capital of the Underwriting Firm; and

WHEREAS, this Board wishes to determine whether the dollar thresholds based on Capital for each of the divisions and the allocation of bonds to Underwriting Firms based on fifteen (15) times Capital (collectively, "County Policies") are utilized by other municipal and government issuers and if there are policies of such issuers that may be more effective; and

WHEREAS, this Board wishes to direct the County Mayor or County Mayor's designee to conduct a market study that it may use to make such a determination,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the County Mayor or County Mayor's designee is directed to conduct a market study of other municipal and government issuers to determine (i) whether any, and if so, how many, issuers separate underwriting firms into divisions based on the amount of the underwriting firm's Capital or other formulation; (ii) whether any issuers limit the amount of bonds that may be allocated to an underwriting firm based on Capital, and in particular, fifteen (15) times its Capital, or based on another formulation; and (iii) whether there are any policies utilized by other issuers in the selection of underwriting firms on negotiated transactions that may be more effective than the

County Policies in promoting the development of small underwriting firms; and to submit such written market study to this Board within ninety (90) days from the date of this resolution.

The Prime Sponsor of the foregoing resolution is Commissioner Barbara J. Jordan. It was offered by Commissioner **Dennis C. Moss**, who moved its adoption. The motion was seconded by Commissioner **Jean Monestime** and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman
Audrey M. Edmonson, Vice Chairwoman

Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 24th day of January, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

COUNTY COMMISSIONERS MIAMI-DADE COUNTY FLORIDA

By: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. GBK

Geri Bonzon-Keenan

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