Memorandum

MIAMI-DADE COUNTY

Date: (Public Hearing: 7-2-24)
June 18, 2024

Agenda Item No. 5(C)

To: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

From: Daniella Levine Cava
Mayor

Daniella Levine Cava

Ordinance No. 24-64

Subject: Ordinance Authorizing a Revolving Line of Credit Not to Exceed $100 Million Outstanding at any one time from TD Public Finance LLC For the Purpose of Providing Funds to the Public Health Trust

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Executive Summary

The accompanying ordinance (Ordinance) authorizes the County Mayor or the County Mayor's Designee to enter into an agreement with TD Public Finance LLC (TD) to provide capital through a revolving line of credit in an amount not to exceed $100 million (Credit Facility) pursuant to the terms set forth in the commitment letter attached as Exhibit A to the Ordinance. TD offered the most favorable terms and conditions based on the results of the Request for Proposals disseminated by the County's Financial Advisor (FA). Should the Ordinance be approved by the Board of County Commissioners (Board), the Public Health Trust (Trust) will use the capital to mitigate cash flow impacts.

Recommendation

It is recommended that the Board approve the Ordinance which authorizes the following:

- Selection of TD to provide capital through a Credit Facility with a three-year final term in an amount not to exceed $100 million for the purpose of providing working capital to the Trust and payment of related financing costs;
- Approval of the TD commitment letter;
- Approval of the terms of the Memorandum of Understanding (MOU) between the County and the Trust; and
- Waiver of Resolution No. R-130-06, which requires that any contracts of the County with third parties be executed and finalized prior to their placement on an agenda for Board consideration.

Delegation of Authority

The Ordinance authorizes the County Mayor or County Mayor's designee to: (i) execute future extensions of the term of the Credit Facility if they determine, in consultation with the FA, that the terms of the extension are favorable to the County; (ii) select and appoint a paying agent if they determine, in consultation with the FA, that the selection and appointment is both necessary and favorable to the County; and (iii) take all actions necessary to consummate the Credit Facility including entering into related agreements consistent with the terms of the TD commitment letter.

Scope

The scope of the transaction is countywide.

Fiscal Impact/Funding Source

The principal and interest of the proposed Credit Facility are payable on a subordinate basis from Pledged Revenues of the Trust as defined in Ordinance No. 05-49, enacted by this Board on March 1, 2005, and as amended by Ordinance No. 17-1, enacted by this Board on January 24, 2017.

Pursuant to the terms of the MOU, the County will have the right to deduct any payment made on the Credit Facility by the County from the Trust's one half cent healthcare sales surtax prior to remitting the surtax to the Trust.

Track Record/Monitoring
The Trust will seek approval from the County for each draw made under the Credit Facility through David Clodfelter, Director of the Office of Management and Budget (OMB). Mark Knight, Chief Financial Officer of Jackson Health System, will monitor the use of proceeds, and continuing disclosure will be managed by Arlesa Wood, Director of Bond Acquisition Administration in OMB.

Social Equity Statement
The proposed Ordinance will provide working capital to the Trust in response to cashflow impacts. The citizens of the County will greatly benefit from the Trust having the essential resources to adequately deliver healthcare and services to the residents and visitors of Miami Dade County.

Background
On March 25, 2024, the County's FA released a competitive solicitation document (Attachment 1) to the banking and financial industry consistent with the County's objective of obtaining the lowest cost of funds based on the current market at the most favorable terms. On April 3, 2024 the FA received three proposals from major banking institutions. Upon review of the proposals, (Attachment 2 provides a comparative summary of the proposals), the County, in consultation with the FA, determined that the proposal submitted by TD conformed to the requirements of the solicitation as the most favorable terms and conditions.

The purpose of the proposed Credit Facility is to provide the Trust, through the County, sufficient working capital to mitigate cash flow impacts. The commitment negotiated with TD is attached as Exhibit A to the Ordinance. Pursuant to the commitment, the Credit Facility will have a three-year term from its effective date. It is necessary for the County and the Trust to enter into an MOU attached as Exhibit B to the Ordinance in order to memorialize the Trust's obligation to serve as the primary payor of the amounts due under the Credit Facility.

Resolution No. R-130-06 provides that any County contract with a third party be finalized and executed prior to its placement on an agenda of the Board. The Credit Facility and the MOU will not have been executed until after the effective date of the ordinance and as such a waiver of Resolution No. R-130-06 is required.

Attachments

Carladenise Edwards
Chief Administrative Officer

MIAMI-DADE COUNTY PUBLIC HEALTH TRUST
2024 TAX-EXEMPT LINE OF CREDIT
REQUEST FOR PROPOSALS
DATED MARCH 25, 2024

PFM Financial Advisors LLC ("PFM") is distributing this request for proposals (the "RFP") on behalf of the Miami-Dade County Public Health Trust (the "Trust" or "County") to identify the institution that can provide the Trust with a tax-exempt Line of Credit (the "Line") at the lowest overall borrowing cost and terms most favorable to the Trust, pursuant to certain conditions as determined by the Trust, in an aggregate principal amount of not to exceed **$100,000,000.** The Trust will not provide a debt service reserve fund for the Line. The Line will be a directly placed loan to be held by the selected provider, and the Trust will not prepare any offering documents or commit to provide any continuing disclosure information specific to the Line. The Trust seeks a letter of credit to support its general operational needs.

A tentative calendar for the Line is as follows:

March 25, 2024	RFP circulated
April 3, 2024	**Responses due (2:00 p.m. ET)**
April 5, 2024	County staff reviews responses
May 29, 2024	PHT Board Approval
June 4, 2024	County Commission Approval
June 15, 2024	Closing

The County may, at its sole discretion, determine that none of the responses meet its goals and objectives and may elect to terminate or extend the evaluation process.

SUBMISSION REQUIREMENTS

An electronic copy of your response should be emailed to the County's Financial Advisor, PFM, addressed to Pete Varona (varonap@pfm.com) and Sergio Masvidal (masvidals@pfm.com), no later than **2:00 p.m. eastern time on April 3, 2024**. Any questions relating to the RFP must be submitted to PFM, addressed to Pete Varona (varonap@pfm.com) and Sergio Masvidal (masvidals@pfm.com) in writing.

The following describes the Trust's requirements in establishing the Line:

1. Amounts: The Trust is requesting a non-revolving Line for an amount up to $100 million. The Trust may draw up to the maximum amount of the Line. The Trust does not have a draw schedule in place at this time. As such, the Line will be initiated with a minimum draw at closing of approximately $50,000 to provide for costs of issuance.

2. Structure: The Trust desires to have the flexibility to draw on the Line for a period of thirty-six (36) months. At the end of the draw period, the line of credit will convert to a term loan with an amortization period of preferably 5 years, but no less than 3 years. Other options may be considered.

3. Interest Rate Options: The Trust requests a variable rate loan based on SOFR, SIFMA, or a similar publicly available index. ***Provide a quote for a tax-exempt Line***. Please detail provisions for setting the interest rate upon conversion to a term loan at the end of the draw period.

   It is the preference of the Trust to avoid or minimize an unutilized fee. The Trust will give preference to responses that feature no, or minor unutilized fee options.

4. Repayment Provisions: During the draw period, the Trust expects to pay interest only. After the termination of the draw period, the Trust would make principal and interest payments, with the outstanding principal to be amortized over a period of not less than three (3) years. Interest payments on the outstanding principal balance of the of the Line will be fixed and calculated on a 30/360-day basis and will be paid semiannually on May 1 and November 1, beginning on the May 1 or November 1 after the first draw. Alternative payment frequencies (monthly, etc.) will be considered.

5. Prepayment Provisions: The Line shall be prepayable with no prepayment penalty, in whole or in part at any time.

6. No Reserve: The Trust will not fund a debt service reserve to secure the Line.

7. CUSIP: No CUSIP Numbers or ratings will be obtained with respect to the Line.

8. Security: The payments of the principal and interest on the Bond are special obligations of the Trust payable solely from and secured by a pledge of gross revenues of the hospital system, as further defined in the master ordinance (seen as attachment to Series 2017 OS).

9. <u>Loan documents:</u> Loan documents, including the form of Line agreement embodying the terms hereof and of the accepted proposal, shall be prepared by Bond Counsel for the Trust. Every effort shall be made to provide the Lender and its Counsel with drafts of the loan and closing documents for review and comment at least one week prior to closing.

10. <u>Closing Documents:</u> As a condition of closing the County shall deliver to the Lender the following:

    A. An Opinion of Bond Counsel, substantially to the effect that: 1) the County is duly authorized and empowered under the laws of Florida to enter into the Line; 2) the Resolution under which the Line is authorized and secured has been duly adopted by the County Commission and authorizes the issuance of the Line; and 3) the Line agreement is a valid and binding obligation of the Trust enforceable in accordance with the terms thereof, subject to standard exceptions for bankruptcy, creditors' rights and equitable principles;

11. <u>Closing:</u> It is anticipated that closing for the Line shall occur on or shortly after June 15, 2024. Closing shall occur at a time and place mutually acceptable to the County and the Lender. The award of the RFP by the County does not obligate the County to close on the Line.

12. <u>Rejection of Proposals:</u> The County expressly reserves the right to reject any and all proposals received in connection with this Request for Proposals and thereafter to negotiate with any proposer or other bank. The basis for acceptance of any proposal shall be that which is in the best interest of the County as determined solely by the County.

13. <u>Amendment:</u> Any time before responses are due the County reserves the right to amend or modify this Request for Proposals by depositing in the United States mail or fax or email, addressed to each proposer which at the time has its name and address on file with the Financial Advisor, a copy of a written amendment or modification hereto.

14. <u>Accredited Investor Letter:</u> At closing, the financial institution providing the Line may be required to execute and deliver to the County an accredited investor letter in form and substance reasonably satisfactory to the County and Bond Counsel.

<u>INSTRUCTIONS TO PROPOSERS</u>

1. Proposers shall thoroughly examine and be familiar with the proposal specifications. Failure of any Proposer to receive or examine this document shall in no way relieve any Proposer of obligations pertaining to this RFP or the subsequent contract.

2. Any changes or modifications to the proposal specifications can result in the rejection of the proposal as not being responsive to this RFP.

3. The responsibility for emailing the proposal to PFM on or before the specified date and time will be solely and strictly the responsibility of the Proposer. The County will in no way be responsible for delays caused by transmission of the proposal or a delay caused by any other occurrence.

4. The response deadline shall be strictly observed. Under no circumstances will a proposal delivered after the time specified be considered.

5. Proposers will not be allowed to withdraw or modify their proposals for a period of ninety (90) days after the opening time and date.

6. The County reserves the right to reject the proposal of any Proposer who has previously failed in the proper performance of a contract or to deliver on time other contracts similar in nature, or who is not in a position to perform properly under this RFP.

7. Federal, state, County, and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Proposer will in no way be a cause for relief from responsibility.

8. No successful Proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the County.

9. Changes to the RFP may be made by and at the sole discretion of the County.

10. Warranties - The Proposer, in submission of its proposal, warrants to the County that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.

11. Collusion - The Proposer, by affixing its signature to this proposal, certifies that its proposal is made without previous understanding, agreement, or connection either with any previous firms or corporations offering a Proposal for the same subject matter of this RFP, or with the County. The Proposer also certifies that its proposal is in all respects fair, without outside control, collusion, fraud or otherwise illegal action.

12. Discriminatory Vendor List - Pursuant to Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity. By responding to this RFP, Proposer represents that it has not been placed on the discriminatory vendor list as provided in Section 287.134, Florida Statutes.

13. Public Entity Crimes - Pursuant to Section 287.133, Florida Statutes, a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in s. 287.017 for CATEGORY TWO for a period of 36 months following the date of being placed on the convicted vendor list. By

responding to this RFP, Proposer represents that it has not been placed on the convicted vendor list as provided in Section 287.133, Florida Statutes.

14. Public Records - Proposer shall comply with all applicable requirements contained in the Florida Public Records Law (Chapter 119, Florida Statutes), including but not limited to any applicable provisions in Section 119.0701, Florida Statutes. To the extent an award of the RFP to Proposer is subject to the requirements in Section 119.0701, Florida Statutes, Proposer shall:

A. Keep and maintain public records required by the County to perform the services provided hereunder.

B. Upon request from the County's custodian of public records, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.

C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed, except as authorized by law for the duration of the term of the resulting contract and following completion of the contract if Proposer does not transfer the records to the County.

D. Upon completion of the resulting contract, transfer, at no cost, to the County all public records in the possession of Proposer or keep and maintain public records required by the County to perform the service. If Proposer transfers all public records to the County upon completion of the contract, Proposer shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Proposer keeps and maintains public records upon completion of the contract, Proposer shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the County, upon request from the County's custodian of public records, in a format that is compatible with the information technology systems of the County.

E. If Proposer fails to comply with the requirements in this Section, the County may enforce these provisions in accordance with the terms of the resulting contract. If Proposer fails to provide the public records to the County within a reasonable time, it may be subject to penalties under Section 119.10, Florida Statutes.

OTHER INFORMATION

1. The County reserves the right to cancel the RFP, accept or reject, in whole or in part, any or all Proposals, to waive minor irregularities or technicalities in the Proposals or in the RFP process, to adjust the tentative schedule as needed, and to enter into negotiations with Proposers as determined to be in the best interests of the County. A minor irregularity is defined as a variation from the RFP terms and conditions which does not affect the price of the RFP, give a Proposer an unfair advantage over other Proposers, or adversely impact the interests of the County. There is no obligation on the part of the County to award the RFP to the Proposer offering the lowest

price to the County. The County reserves the right to award the RFP to the firm whose Proposal is judged to be the most advantageous to the County and to be in the best interests of the County. The County shall be the sole judge of which Proposal is in the best interests of the County. The County reserves the right to obtain and review any information deemed necessary to determine the ability of the Proposer to carry out its obligations required under this RFP or any subsequent contract, including but not limited to its relevant experience and qualifications, the quality of its past performance, the Proposer's current and prior compliance with all laws and regulations, its financial strength and capability to perform the requirements of this RFP.

2. In the event that the Proposer selected by the County does not execute a contract within a timeframe acceptable to the County, the County may give notice of intent to award the Line to the next most qualified Proposer or to call for new proposals and may proceed to act accordingly.

3. The County will not be responsible and will have no liability whatsoever for any costs incurred by a Proposer in preparing or submitting its response to this RFP.

Proposal
Miami-Dade County Public Health Trust – 2024 Line of Credit

The Bank (the "Bank" or "Lender") hereby agrees to extend a Line of Credit (the "Line"), to the Miami-Dade County Public Health Trust (the "Trust" or "County") subject to the terms and conditions set forth in the Request for Proposals dated April 3, 2024 (the "RFP"), which is attached hereto and incorporated herein by this reference. By submitting this proposal, the Bank agrees to be legally bound to such terms from the date of this Proposal to the closing date of the Line. Lenders may submit offers for a $100 million Line.

Interest Rate: State the method of calculating the variable rate (index and spread). If there is a fee related to any unused balance or an upfront commitment fee, please detail – please note, that it is the strong preference of the County to avoid/minimize these fees. If there are any applicable discounts related to the unused/unutilized fee in regard to the amount that is drawn, please detail this in your response. Finally, please detail provisions for setting the fixed interest rate upon conversion to a term loan at the end of the draw period.

The Trust is requesting quotes for a tax-exempt Line. To be considered, a Lender must submit financing options for this structure.

Prepayment Provisions: The Line must be prepayable with no prepayment penalty, in whole or in part at any time.

Other Fees & Expenses: Describe in detail all fees and expenses, including fees and expenses of the Bank's outside counsel, if any, which the County will be responsible to pay. The fees stated in the proposal shall represent the maximum amounts payable to the Proposer by the County. All fees and expenses in excess of those stated in the proposal shall be the sole responsibility of the Lender and will not be paid or reimbursed by the County.

The Bank acknowledges that the County reserves the right to reject any and all proposals received in connection with the RFP. The award of the RFP does not obligate the County to close on the Line.

Attachment 2

2222 Ponce de Leon Blvd
Third floor
Coral Gables, FL
33134

786-671-7480
www.pfm.com

May 15, 2024

Memorandum

To: Miami-Dade County Office of Management and Budget, Division of Bond Administration

From: PFM Financial Advisors LLC

Re: PHT 2024 Line of Credit Results and Recommendation

The purpose of this memorandum is to summarize the Miami-Dade County's (the "County") request on behalf of the Public Health Trust (the "Trust") for a line of credit and subsequent proposals received, as well as provide PFM Financial Advisors LLC's ("PFM") recommendation on moving forward. On March 25, 2024, PFM requested proposals on behalf of the PHT from firms active in municipal lending. The request was based on the PHT's desire for a line of credit with a three-year draw period and optionality to convert to a term loan for at least three additional years if the line was not repaid during the draw period. The total amount of the line will be up to $100 million, including issuance costs.

On April 3, 2024, three proposals were received from the following firms:

- JPMorgan Chase Bank, N.A. ("JP Morgan")
- TD Public Finance, LLC ("TD Bank")
- Wells Fargo Bank, N.A. ("Wells Fargo")

All bids provided for the full $100 million amount, with a three-year term and at least a three-year term-out. As such, the County's Bond Administration team looked to the terms and conditions of the proposals, as well as the interest rate, to provide a recommendation of the efficient proposal for the County.

JP Morgan provided the highest proposed rates by a considerable margin, alongside desiring the line of credit to be on a parity basis with the County's senior public facilities revenue credit. PFM considered the other proposals to be more competitive, and as such compared the remaining two bank proposals. A summary of the Wells Fargo and the TD Bank proposals is provided below.

- Drawn interest rate: While the interest rate for each proposal is based on a formula and will vary over time, the spread on Wells Fargo's formula was approximately 40 bps lower than TD Bank during the three-year draw[1].
- Undrawn interest rate: Wells Fargo provided an undrawn fee of 30 bps, whereas TD Bank did not propose an undrawn fee.
- Term-out provisions: TD Bank provided for a five-year term-out with and without prepayment, while Wells Fargo indicated that a term-out could be negotiated in the future.
- Fees: TD Bank proposed an upfront fee of 10 bps.

Given the difference in drawn and undrawn fees, the cost effectiveness of each proposal depended on how quickly the PHT would draw on the line, and in what amounts. PFM analyzed different potential draw schedules and provided a "breakeven" analysis to the Bond Administration team for consideration. Upon discussion with the PHT and Bond Administration it was determined that the uncertainty as to the speed of the draw schedule suggested that the TD proposal would likely be more cost effective.

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[1] *At the time of comparison, the formulaic drawn fee was 5.10% and 4.73% for TD Bank and Wells Fargo, respectively. A difference of 0.38%.*

pfm

In addition to the financial considerations, the County's Bond Administration team and legal counsel reviewed the other terms and conditions across both proposals. While both proposals were generally similar and mirrored the prior PHT line of credit, one key distinction is that, after discussions with the bank, the TD Bank proposal does not require a Debt Service Reserve Fund. The team believes this to be a positive attribute for the overall credit of the County and should be part of the consideration.

Upon receiving direction to proceed with TD Bank, PFM assisted to negotiate the upfront fee by 5bps (0.05%, or $50,000) in addition to removing the proposed reserve requirement. Based on the rationale outlined herein, PFM recommends moving forward with TD Bank for the PHT line of credit. Please feel free to contact us with any questions or comments.

MEMORANDUM
(Revised)

TO: Honorable Chairman Oliver G. Gilbert, III
and Members, Board of County Commissioners

DATE: July 2, 2024

FROM: Geri Bonzon-Keenan
County Attorney

SUBJECT: Agenda Item No. 5(C)

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**
_______	**Statement of social equity required**
_______	**Ordinance creating a new board requires detailed County Mayor's report for public hearing**
✓	**No committee review**
_______	**Applicable legislation requires more than a majority vote (i.e., 2/3's present ____, 2/3 membership ____, 3/5's ____, unanimous ____, CDMP 7 vote requirement per 2-116.1(3)(h) or (4)(c) ____, CDMP 2/3 vote requirement per 2-116.1(3)(h) or (4)(c) ____, or CDMP 9 vote requirement per 2-116.1(4)(c)(2) ____) 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. 5(C)
7-2-24

ORDINANCE NO. 24-64

ORDINANCE APPROVING REVOLVING LINE OF CREDIT FOR A SPECIFIED AMOUNT TO COUNTY FOR PURPOSES OF PROVIDING FUNDS TO PUBLIC HEALTH TRUST AND PAYING COSTS OF ISSUANCE; PROVIDING THAT SUCH LINE OF CREDIT SHALL BE SECURED BY PLEDGED REVENUES OF THE PUBLIC HEALTH TRUST; APPROVING TERMS OF RELATED COMMITMENT LETTER; APPROVING FORM AND EXECUTION OF MEMORANDUM OF UNDERSTANDING BETWEEN COUNTY AND PUBLIC HEALTH TRUST REGARDING PAYMENT OF LINE OF CREDIT FROM CERTAIN TRUST REVENUES; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR’S DESIGNEE TO TAKE ALL ACTIONS NECESSARY TO SECURE LINE OF CREDIT INCLUDING ENTERING INTO RELATED AGREEMENTS AND DOCUMENTS WITH TERMS CONSISTENT WITH THOSE SET FORTH IN THE COMMITMENT LETTER; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXTEND LINE OF CREDIT IN THE FUTURE WITHOUT FURTHER BOARD ACTION; AUTHORIZING SELECTION AND APPOINTMENT OF PAYING AGENT, IF NECESSARY; WAIVING PROVISIONS OF RESOLUTION NO. R-130-06; AND PROVIDING SEVERABILITY, EXCLUSION FROM THE CODE AND EFFECTIVE DATE

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying Mayor’s memorandum, a copy of which is incorporated herein by reference,

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

Section 1. The foregoing recital is incorporated in this ordinance and is approved.

Section 2. This Ordinance is enacted pursuant to the Constitution of the State of Florida, the Home Rule Amendment and Charter of Miami-Dade County, Florida, as amended, and other applicable provisions of law, including chapters 125, 163 and 166, Florida Statutes.

Section 3. The revolving line of credit from TD Bank, N.A. (or an affiliate thereof) ("LOC Provider") to the County in an aggregate principal amount not to exceed $100,000,000.00 ("Line of Credit") for the purpose of (i) providing, at the request of the Public Health Trust ("Trust"), working capital to fund certain operations of the Jackson Health System; and (ii) paying any costs of issuance related to the Line of Credit is approved.

Section 4. The Line of Credit will be secured in the manner described in the commitment letter from the LOC Provider which is approved in substantially the form attached as Exhibit "A" to this Ordinance ("Commitment"). Security for the Line of Credit is a subordinated pledge and lien of the Pledged Revenues of the Trust as defined in Ordinance No. 05-49, enacted by this Board on March 1, 2005, and as amended by Ordinance No. 17-1, enacted by this Board on January 24, 2017 (collectively, the "Master Ordinance").

Section 5. The Line of Credit will initially have a three-year term and will bear interest at the variable rate calculated in accordance with the Commitment.

Section 6. The County Mayor or County Mayor's designee is authorized to extend the term of the Line of Credit if, in consultation with the County's financial advisor, he/she determines that the rates and fees are favorable to the County.

Section 7. The County Mayor or County Mayor's designee is further authorized to select and appoint a paying agent to act in such capacities for the Line of Credit if, in consultation with the County's financial advisor, he/she determines that the selection and appointment of a paying agent is both necessary and favorable to the County.

Section 8. Nothing in this Ordinance or in the Commitment shall be construed to obligate the County to levy and collect any ad valorem taxes for the payment of its obligations under the Commitment or any related agreements. The obligations of the County under the

Commitment or any related agreements do not constitute a general indebtedness of the County within the meaning of any constitutional or statutory provision or limitation and no person may compel the County to levy ad valorem taxes for the payment of its obligations pursuant to the terms of the Commitment or any related agreements.

Section 9. The Memorandum of Understanding with the Trust in which the Trust agrees to reimburse the County for the debt service from Trust Revenues (as defined in the Master Ordinance) is approved in substantially the form attached as "Exhibit B" to this Ordinance.

Section 10. The County Mayor, County Mayor's designee, the Office of Management and Budget Director, the Finance Director, the Clerk and any other appropriate officers of the County are authorized and directed to execute any and all agreements and certificates or other instruments or documents required by this Ordinance and/or the Commitment after consultation with the County Attorney's Office provided the terms of such agreements and certificates are consistent with the Commitment approved by this Board.

Section 11. If any one or more of the covenants, agreements or provisions contained in this Ordinance shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions of this Ordinance.

Section 12. The provisions of Resolution No. R-130-06 requiring that any contracts of the County with third parties be executed and finalized prior to their placement on an agenda of this Board are waived at the request of the Mayor for the reasons set forth in the Mayor's Memorandum.

<u>Section 13.</u> It is the intention of the Board of County Commissioners and it is hereby ordained that the provisions of this ordinance shall be excluded from the Code of Miami-Dade County, Florida.

<u>Section 14.</u> This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED: July 2, 2024

Approved by County Attorney as to form and legal sufficiency: GKS for GBK

Prepared by: JRA

Juliette R. Antoine

Summary of Terms and Conditions
For Discussion Purposes Only
Miami-Dade County Public Health Trust
May 7, 2024

The proposed summary of terms and conditions outlined in this term sheet (this *"Term Sheet"*) are provided for discussion purposes only and do not constitute an offer, agreement, or commitment to lend. This Term Sheet is intended as an outline only and does not purport to summarize all the terms, conditions, covenants, representations, warranties or other provisions which would be contained in definitive legal documentation of the financing transaction contemplated herein. The actual terms and conditions upon which the Bank will extend credit to the Obligor are subject to further due diligence, formal credit approval, satisfactory review of documentation, and such other terms and conditions as may be determined by the Bank and its counsel. This Term Sheet contains confidential and proprietary structuring and pricing information and is subject to the confidentiality provisions set forth in this Term Sheet.

Obligor: Miami-Dade County Public Health Trust ("Trust") and Miami-Dade County ("County"), collectively (the "Borrower")

Lender: TD Bank, N.A. (the "Bank" or the "Lender").

Credit Facility: Tax-Exempt Revolving Credit Agreement between the Borrower and the Lender (the "Credit Facility") pursuant to which the Bank will make one or more loans to the Borrower (the "Loans").

Amount: Aggregate amount of the Credit Facility shall not exceed $100,000,000.

Purpose: Proceeds of the Loans under the Credit Facility shall be used for general operational needs and costs of issuance.

Repayment: Accrued interest on the Loans under the Credit Facility shall be payable semi-annually in arrears on May 1 and November 1. The principal amount outstanding plus accrued and unpaid interest thereon shall be due and payable in full on the maturity date.

Term: The Term of the Credit Facility is 3 years from the closing date.

Upfront Fee: 5 bps

Interest Rate: Tax Exempt variable rate of interest equal to the sum of 83.5% (One Month Term SOFR plus .87)%. The indicative rate as of 05/01/24 is 5.17%.

Interest for the variable rate above shall accrue based on the actual days elapsed during the period based on a 360-day year.

The applicable spread will be cumulatively increased upon each change in County's Parity Debt Ratings (i.e., which is the long-term unenhanced debt ratings assigned to indebtedness of the County) by any Rating Agency as shown in the table below. In the event that the Ratings are split between two or more levels, the lowest rating shall apply.

Moody's Rating	S&P Rating	Increase in Fixed Rate or Applicable Spread
Aa2 or above	AA or above	Current
Aa3	AA-	No Change
A1	A+	+5 bps
A2	A	+5 bps
A3	A-	+5 bps
Baa1	BBB+	+10 bps
Baa2	BBB	+10 bps
Baa3	BBB-	Default Rate

Drawdown/ Unused Fee: The Credit Facility may be drawn down, and repaid, from closing to the Maturity Date. The Bank shall make Loans under the Credit Facility so long as on the date of each Loan, (i) the representations and warranties set forth in the Revolving Credit Facility are true and correct and (ii) no Default or Event of Default shall have occurred and be continuing. During the life of the Credit Facility, an unused commitment fee shall accrue at an annual rate of 5 basis points (0.05%), based on the unused amount of the Bank's commitment and a 360-day year. The unused commitment fee shall be paid quarterly in arrears.

Margin Rate Factor: The Interest Rate will be subject to adjustment by a Margin Rate Factor (i.e., the Interest Rate will be adjusted to be the product of the Interest Rate and the Margin Rate Factor) determined as follows upon any change in the Maximum Federal Corporate Tax Rate. The effective date of a change in the Margin Rate Factor shall be the effective date for the Purchaser of the change in the Maximum Federal Corporate Tax Rate.

For any change in the Maximum Federal Corporate Tax Rate from that in effect upon delivery of this Agreement, the "Margin Rate Factor" shall mean the product of (a) 1.0 – the then current Maximum Federal Corporate Tax Rate multiplied by (b) 1.0/1.0 – the Maximum Federal Corporate Tax Rate on the closing date, rounded upward to the second decimal place.

Security: The Loans and all other payment obligations under the Credit Facility shall be secured by a lien on Pledged Revenues as defined in the Master Ordinance 05-49 (the "Master Ordinance") and Credit Facility Debt Service Account. The foregoing lien on Pledged Revenues is a subordinate lien in favor of the Bonds issued pursuant to Section 5.01 of the Master Ordinance.

Financial Covenants: The Credit Facility shall include financial covenants existing in the Master Ordinance including but not limited to Section 8.17 and Section 8.18 of the Master Ordinance:

Minimum Debt Service Coverage Ratio pursuant to the Master Ordinance of 1.10x (soft default).

Minimum Rating: The Credit Facility shall require the maintenance of two ratings from Moody's, S&P or Fitch. The Credit Facility shall require the maintenance of minimum long-term unenhanced credit ratings by the County of Baa3 by Moody's, BBB- by S&P, and BBB- by Fitch.

Financial Reporting: The Credit Facility shall include the following reporting requirements:

1. Within 180 days of each fiscal year end, the Trust shall provide Annual Audited Financial Statements of the Trust and its consolidated affiliates, prepared on a consolidated basis by a CPA. The Audited Financial Statements shall be accompanied by a Certificate of Compliance signed by an authorized officer of the Trust confirming compliance with the terms of the Credit Facility. The Audited Financial Statement shall also be accompanied by annual payor mix and utilization statistics information.
2. Within 30 days of the adoption thereof, the annual budget of the County.
3. Any additional information as the Lender may reasonably request.

Representations And Warranties: The Credit Facility shall include Representations and Warranties appropriate for facilities of this type, size, and purpose and generally consistent with the Borrower's existing facilities, including, but not limited to, the following: no material adverse change, true and accurate financial statements, no material litigation, requisite insurance, enforceability, no events of default, government consents, solvency, compliance with tax law and maintenance of tax-exempt status, compliance with environmental law, no right to invoke immunity with respect to the Borrower's contractual obligations under the financing documents, full disclosure of environmental matters and compliance with OFAC and Anti-Terrorism laws.

Other Covenants: In accordance with the Master Ordinance as well as covenants that are usual and customary for this type of financing, including, without limitation: maintenance of existence, waiver of any future right to invoke immunity with respect to contractual obligations under the financing documents, limitation on mergers, consolidation and sale of assets, limitations on priming liens and limitations on material amendments to the financing documents and compliance with OFAC and Anti-Terrorism laws.

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Events of Default: The Credit Facility shall include, but will not be limited to, the following Events of Default:

1. Failure to pay principal or interest on the Loans under Credit Facility.
2. Failure to pay other obligations to the Lender under the Credit Facility.
3. False representation or warranties.
4. Violation of certain covenants, including the rating maintenance covenant.
5. Violation of certain other covenants, following an agreed upon cure period.
6. Voluntary bankruptcy, insolvency, closure or liquidation event or debt moratorium of the Borrower.
7. Involuntary bankruptcy, insolvency, closure or liquidation event and not cured within 30 days of the Borrower.
8. Unsatisfied judgment default(s), in aggregate, in excess of $50,000,000.
9. Invalidity of documents or contest of validity of documents or material provisions thereof by the Borrower or any governmental authority of competent jurisdiction.
10. Loss or impairment of licensure to operate any of the Borrower's facilities.

Other Conditions: Closing of each of the Lender's Credit Facility shall be contingent on the following conditions:

1. Final credit approval of the Lender.
2. Evidence of all regulatory approvals.
3. No material adverse changes in the condition, financial or otherwise, operations, properties, assets or prospects of the Borrower.
4. No material contingent obligations other than those disclosed to the Lender prior to approval.
5. No material threatened or pending litigation.
6. Delivery of properly executed opinions of counsel satisfactory to the Lender and its counsel.
7. Delivery to the Purchaser of all requested corporate diligence items, including but not limited to, licenses, articles of incorporation, borrowing resolutions, IRS determination letter, Certificate of Need Approval, if applicable, or other documentation as may be reasonably requested by the Purchaser.
8. Execution of documentation in form and substance based on an agreed upon structure satisfactory to the Lender and its counsel.
9. Any other conditions the Lender may reasonably require.

Yield Protection: The Borrower(s) shall pay the Lender such additional amounts as will compensate the Lender in the event applicable law or changes in the law subjects the Lender to capital or reserve requirements, taxes or other charges which increase the cost or reduce the yield to the Lender under the Lender's standard yield protection provisions.

Default Rate: Upon the occurrence of any Event of Default, interest will accrue at the interest rate on the Credit Facility and with respect to obligations owed to the Lender under the Credit Facility (including the impact of any tiered pricing) plus 4.00%.

No Advisory or Fiduciary Role: The Borrower acknowledges and agrees that: (i) the transaction contemplated by this Term Sheet is an arm's length, commercial transaction between the Borrower and Lender in which the Lender is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Borrower; (ii) the Lender has not assumed any advisory or fiduciary responsibility to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Borrower on other matters); (iii) the only obligations the Lender has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (iv) the Borrower has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Fees and Expenses: The Borrower(s) shall pay to the Lender on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Lender in connection with the preparation, review, administration, and enforcement of all documents related to the Credit Facilities, regardless of whether this transaction closes. The Lender's counsel for the transaction will be David Field of Chapman and Cutler LLP and legal fees and expenses are estimated at $40,000 and capped at $50,000 plus disbursements.

Governing Law: State of Florida; provided, however, that the power and authority of the Lender to enter into the Credit Facility and the rights and obligations of the Lender thereunder shall be governed by the laws of the State of New York.

Waiver of Jury Trial: The Borrower shall waive its right to a trial by jury.

Confidentiality: These Summary of Terms and Conditions contain confidential and proprietary structuring and pricing information. Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the Credit Facility or as may be required by law, the contents of this proposal may not be disclosed in whole or in part to any other person or entity without our prior written consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed Credit Facility.

Patriot Act Notice: The Lender is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56) (signed into law October 26, 2001)) (the "Act") and hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Act.

These Summary of Terms and Conditions are provided for discussion purposes only, are not binding on any party, and therefore, do not constitute a commitment to lend by the Lender. The Summary of Terms and Conditions are intended to be merely a summary of the provisions by which the Lender has contemplated the proposed financing, and, therefore, do not include all of the terms and conditions that would be included in definitive documentation required by the Lender to execute the proposed transaction. Consequently, the terms proposed herein are provided for the purpose of discussion for a period of 30 days following the date of this letter, unless otherwise extended in writing by the Lender. Any extension of credit is subject to final credit approval through the Lender's normal approval process. If credit is offered in the future, the required terms and conditions will be made in writing and may differ substantially from those contained in this proposal.

Exhibit B

MEMORANDUM OF UNDERSTANDING

BETWEEN

MIAMI-DADE COUNTY, FLORIDA

AND

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY, FLORIDA

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this ____ day of ___________, 2024 by and between Miami-Dade County, Florida (the "County") and the Public Health Trust of the County (the "Trust") for the purpose of setting forth certain terms and conditions regarding the use of that certain $100,000,000.00 line of credit between the County and TD Bank, N.A. (or an affiliate thereof) and its permitted successor and assigns (the "Bank").

The County enacted Ordinance No. ___________ (the "LOC Ordinance") authorizing a $100,000,000.00 line of credit (the "Line of Credit") to be made available to the County by the Bank. The County has agreed to allow the Trust to draw on the Line of Credit to: (a) provide sufficient working capital to mitigate cash flow impacts on the PHT capital plan in the upcoming fiscal years, and (b) pay any cost of issuance, finance charges, late charges, collection costs, or other amounts due under the Line of Credit ("Costs").

The Line of Credit is secured by a subordinated pledge of and lien on the Pledged Revenues of the Trust as defined in Ordinance No. 05-49, enacted by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") on March 1, 2005, and as amended by Ordinance No. 17-1, enacted by the Board on January 24, 2017. In exchange for the County entering into the Line of Credit on the Trust's behalf, the County and the Trust agree as follows:

1. The Trust is allowed to borrow and pay the principal under the terms of the Line of Credit set forth in Exhibit "A" to this MOU and any related loan documents, provided the Trust is current in the payment of P&I and Costs and no event of default has occurred under this MOU and the loan documents related to the Line of Credit.

2. All draw requests by the Trust shall be presented first to the County and approved by the Director of the Office of Management and Budget or such other individual as may be designated by the Mayor before the Trust shall present such draw requests to the Bank. The officers of the Trust authorized to make draw requests shall include the Chief Executive Officer, Chief Financial Officer or such other officer as may be authorized to do so by resolution of the board of directors of the Trust.

3. The County shall deduct from the one-half percent (.05%) discretionary sales surtax imposed pursuant to Chapter 212, Florida Statutes (the "Healthcare Surtax"), before it is remitted to the Trust, an amount equal to the monthly P&I requirement on the Line of Credit as determined in

accordance with the LOC Ordinance. The County shall deposit the retained Healthcare Surtax in the debt service fund held by the County to be used solely to pay P&I on the line of credit when due.

4. The term of this MOU shall commence upon the effective date of its approval by the Board and the Trust's Board and shall continue until all obligations of the Trust have been fulfilled. The County may terminate the Line of Credit at any time. If the County terminates the Line of Credit, P&I and Costs shall be immediate due and payable.

5. This MOU shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the Trust and the County have executed this Agreement as of the day and year first set forth above by their duly authorized representatives.

Public Health Trust of Miami-Dade County

____
Name:
Title: Chairman

Miami-Dade County, Florida

____
Name: David Clodfelter
Title: Director, Office of Management & Budget

Approved as to form and legal sufficiency by:

____
Assistant County Attorney