

Tax Exempt
Financing for
Counties, Cities,
School Boards,
& Special Districts.



Municipal Finance Made Simple

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Flexible. Easy. Smart.

About the Program

HISTORY

The Commission's commercial paper pooled loan program was established in 1991 to provide local governments in the State of Florida a more cost-effective means of borrowing funds. In those 20 years, it has lent over \$2.2 billion to more than 45 Florida municipalities. The loan program was designed to offer participants lower interest rates and fees than traditional sources of borrowing, such as bank loans, public offerings of debt, or lease purchase financing.

PROGRAM BENEFITS

As a result of the economies of scale and pooled nature of the loan program, the costs of issuance and the interest rate of a loan are less than the costs associated with other types of borrowings. The loan program is intended to offer participants a more flexible, efficient and time saving means of borrowing money. Once a participant has been approved for entry into the loan program, it is relatively simple and quick to borrow again.

ELIGIBLE PROJECTS

The projects that are financed by a participant through the commercial paper loan program are typically capital improvement and infrastructure projects involving short-term and intermediate-term borrowing needs. Examples of these projects include construction loan financing, in which the loan will be repaid from the issuance of long-term bonds, or pay-as-you-go improvements for which sufficient monies are not available on the date of commencement of the construction.

ELIGIBILITY FOR PARTICIPATION

The Commission is authorized to loan proceeds of the commercial paper notes to cities, counties, school boards and special districts throughout the State of Florida. Entities that wish to participate in the loan program should contact the Florida Association of Counties. As part of the application process, a potential participant will be asked to send various financial information. The types of documentation generally required include the three most recent CAFRs, 3 years of audited financials, the most current budget, Capital Improvement Plan, and a schedule of non-ad valorem revenues and taxable values for the past 3 years.

If an entity is approved by JP Morgan Chase and the Florida Local Government Finance Commission for participation in the loan program, it will be required to have its governing body adopt a resolution authorizing the form of a loan agreement pursuant to which the monies will be loaned from the commercial paper notes to the participant. The form of the loan agreement and resolution will be prepared by the Commission's Counsel, Nabors, Giblin, & Nickerson, P.A.

COMMERCIAL PAPER

Because of the pooled structure of the program, interest charged to participants is a blended rate of the commercial paper notes outstanding in any particular month. Commercial paper is a short-term, fixed rate instrument ranging from one day to 270 days in duration. Rates for individual issues vary depending on market conditions on the day of the sale.

SERIES OF COMMERCIAL PAPER

The Commission currently offers two series of commercial paper. Series A paper is designed for entities whose debt service is tax exempt. Examples of such entities are counties, cities, school boards, and certain special districts. Series B paper is structured for entities whose interest payments might be potentially subject to the federal alternative minimum tax. This includes many airports, seaports, resources recovery facilities and other issuers of private activity bonds. All fees and the approval process is the same for both programs.



About The Loans

PARTICIPATION CRITERIA

Loans from the program are made on a quarterly basis or in special cases, as requested. All loan requests are subject to a credit review and approval by JP Morgan Chase.

LOAN TERMS

Participation in the loan program is subject to a credit review and approval by JP Morgan Chase. The terms of each loan and each draw are conditioned upon the discretionary approval of the bank.

The letter of credit extends for three years and can be extended each year at the Bank's discretion. Loan terms may extend for up to 5 years. Repayment terms are very flexible and are custom-tailored to each participant's needs.

The borrower is required to pay a fee of \$2,000 for each full million dollars borrowed up to a maximum of \$40,000. These fees are used to cover issuance costs and help absorb the costs of structuring the loan program. A consolidated invoice is sent to each participant every month indicating the interest and fees that must be paid. These fees are explained in greater detail in the Fee Section of this brochure. Billed amounts are then, in turn, wired directly to the Program's Trustee, US Bank, and held in an interest-bearing account until paid.

Loans are paid back pursuant to the terms of the loan agreement. The repayment schedule for the loan can be accelerated by the borrower upon at least 45 days notice to the Association with no fees or penalties for prepayment.

SECURITY FOR THE LOAN REPAYMENT

In a typical scenario, participants secure the direct-pay letter of credit with a covenant to budget and appropriate legally available non-ad valorem revenues. All security pledges are subject to approval by JP Morgan Chase.

The Program is structured in a way so that there are no cross defaults. In other words, if one participant defaults, there is no responsibility on the part of any other participant in the pool to make up for any payment deficiencies caused by the defaulting participant.

SECURITY FOR THE COMMERCIAL PAPER NOTES

The commercial paper notes which fund the loans are also secured by a direct-pay letter of credit. JP Morgan Chase maintains a high credit rating in the short-term marketplace from both Moody's Investors' Service and Standard and Poor's Ratings Group. This high rating effectively "lends" a lower interest rate than could be obtained singularly by any participant. The pooled structure allows for economies of scale with respect to administrative costs and allows for greater flexibility marketing the paper because of the higher volume and frequency of transactions.

This brochure provides a general description of the loan program. Participants should consult the loan documents for details of the terms and provision upon which they may participate in the loan program.

Key Contacts

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FLGFC

THE FLORIDA LOCAL GOVERNMENT FINANCE COMMISSION

Brevard County.....	Stockton Whitten <i>Economic & Financial Programs</i>
Charlotte County	Tommy White <i>Chief Deputy of Board Services</i>
Collier County.....	Mark Isackson <i>Corporate Financial and Management Services</i>
Lee County	Karen Hawes <i>County Administrator</i>
Osceola County.....	Don Fisher <i>County Administrator</i>
Sarasota County.....	Peter Ramsden <i>Finance Director</i>

The Florida Local Government Finance Commission was formed in February 1991 in accordance with an interlocal agreement between Collier, Sarasota, and Brevard Counties. The commission has subsequently been expanded to include Lee County, Osceola County, and Charlotte County. The Commission is a legal entity created pursuant to Chapter 163, Florida Statutes. The governing body of the Commission consists of a representative from each of the six member counties. The Commission was established for the purpose of issuing commercial paper notes from which loans would be made to counties, cities, school boards and special districts throughout the State of Florida. The commercial paper notes are issued pursuant to an indenture of trust between the Commission and US Bank, as Trustee to the loan program.



Program Fees

Issuance Costs **\$2,000 per full million**
Issuance costs are deducted from each draw. This fee is assessed on each full new million dollars borrowed, up to \$20 million in total loans or \$40,000 in Issuance Costs paid. After such time, no Issuance Costs will be assessed.

Underwriter’s Counsel Fee..... **\$2,500 per new loan; \$500 per subsequent draws**

MONTHLY FEES

Interest **Variable**
Interest is a blended market rate based on the actual rates of sale for the Florida Local Government Finance Commission Commercial Paper. Please see rate chart for current and historical rate information for each series.

Letter of Credit Fee..... **Varies by participant**
JP Morgan Chase assesses a Letter of Credit fee based on the credit worthiness of the borrowing entity. The LOC is determined in advance of the loan.

Dealer Fees..... **8 Basis Points**
The Commercial Paper remarketing agent receives this fee.

Administrative Fees..... **18 Basis Points**
A portion of this fee (10 BP) is paid to the Florida Association of Counties for administering and marketing the program. The remainder (8 BP) pays for all expenses associated with the program such as audit fees, trustee fees, rating agency fees, etc.

REIMBURSED ASSESSMENT

Contingency Account **1.75% x one month**
A Contingency Account is established for each participant and is funded from loan proceeds. Funds are held in an interest bearing account in the participant’s name. Interest earned is credited to the participant monthly. Rebates are made to coincide with any principal payments made. For example: \$1 million balance would require a contingency balance of \$1,438 and would be fully refunded upon loan repayment.

FLORIDA LOCAL GOVERNMENT FINANCE PROGRAM HISTORIC PROGRAM RATES

QTR/YR	Rate - A	Rate - B	QTR/YR	Rate - A	Rate - B
2QTR91	4.10		1QTR00	3.75	3.80
3QTR91	4.53		2QTR00	4.15	4.21
4QTR91	4.04		3QTR00	4.34	4.34
			4QTR00	4.33	4.35
1QTR92	2.81		1QTR01	3.98	3.88
2QTR92	2.97		2QTR01	3.46	3.51
3QTR92	2.65		3QTR01	2.78	2.87
4QTR92	2.48		4QTR01	2.24	2.45
1QTR93	2.29		1QTR02	1.83	1.95
2QTR93	2.39		2QTR02	1.46	1.62
3QTR93	2.53		3QTR02	1.43	1.51
4QTR93	2.48		4QTR02	1.36	1.50
1QTR94	2.28		1QTR03	1.13	1.24
2QTR94	2.96		2QTR03	1.09	1.18
3QTR94	3.16		3QTR03	1.02	1.01
4QTR94	3.70		4QTR03	1.01	1.00
1QTR95	3.65		1QTR04	1.00	1.61
2QTR95	4.07		2QTR04	1.00	1.61
3QTR95	3.75		3QTR04	1.02	1.63
4QTR95	3.77		4QTR04	1.15	1.76
1QTR96	3.37		1QTR05	1.89	1.94
2QTR96	3.65		2QTR05	2.32	2.34
3QTR96	3.63		3QTR05	2.58	2.61
4QTR96	3.55		4QTR05	2.82	2.83
1QTR97	3.42		1QTR06	3.12	3.21
2QTR97	3.79		2QTR06	3.55	3.57
3QTR97	3.79		3QTR06	3.58	3.61
4QTR97	3.76		4QTR06	3.58	3.65
1QTR98	3.47		1QTR07	3.62	3.64
2QTR98	3.69		2QTR07	3.71	3.75
3QTR98	3.47	3.56	3QTR07	3.73	3.74
4QTR98	3.09	3.18	4QTR07	3.45	3.48
1QTR99	3.00	2.94	1QTR08	2.29	1.96
2QTR99	3.04	3.09	2QTR08	1.53	1.44
3QTR99	3.28	3.36	3QTR08	1.73	1.69
4QTR99	3.54	3.62	4QTR08	3.26	3.34

FLORIDA LOCAL GOVERNMENT FINANCE PROGRAM HISTORIC PROGRAM RATES

Month	Year	Rate	
		Series A	Series B
JAN	2009	1.264	1.871
FEB	2009	0.700	0.929
MAR	2009	0.622	0.750
APR	2009	0.573	0.597
MAY	2009	0.541	0.589
JUN	2009	0.426	0.600
JUL	2009	0.415	0.508
AUG	2009	0.412	0.450
SEP	2009	0.409	0.450
OCT	2009	0.396	0.450
NOV	2009	0.382	0.450
DEC	2009	0.349	0.450
JAN	2010	0.343	0.450
FEB	2010	0.339	0.450
MAR	2010	0.281	0.373
APR	2010	0.288	0.350
MAY	2010	0.293	0.350
JUN	2010	0.328	0.450
JUL	2010	0.335	0.450
AUG	2010	0.348	0.450
SEP	2010	0.339	0.410
OCT	2010	0.321	0.380
NOV	2010	0.314	0.380
DEC	2010	0.310	0.370
JAN	2011	0.301	0.366
FEB	2011	0.301	0.379
MAR	2011	0.314	0.389
APR	2011	0.320	0.384
MAY	2011	0.301	0.389
JUN	2011	0.234	0.224
JUL	2011	0.218	0.202
AUG	2011	0.199	0.184
SEP	2011	0.191	0.183
OCT	2011	0.184	0.194
NOV	2011	0.178	0.192

Month Average, Series A – Tax Exempt		
Month	Year	Rate
June	2011	0.23
July	2011	0.22
August	2011	0.20
September	2011	0.19
October	2011	0.18
November	2011	0.18
Six Month Average Rate	0.20%	
*Average Monthly Fees	1.11%	
Six Month Avg. All-In	1.31%	

6 Month Average, Series B – AMT		
Month	Year	Rate
June	2011	0.22
July	2011	0.20
August	2011	0.18
September	2011	0.18
October	2011	0.19
November	2011	0.19
Six Month Average Rate	0.19%	
*Average Monthly Fees	1.16%	
Six Month Avg. All-In	1.35%	

**Please note these monthly average fees include the new JP Morgan Chase anticipated LOC fees. Participants in the Wachovia pool have average monthly fees of approximately 0.57% & 0.59% for Series A and B respectively.*



In Tribute

JOHN YONKOSKY (1940-2010)

John Yonkosky was a founding member of the Florida Local Government Finance Commission and served as its chairman faithfully for nearly 17 years. He was a well known and respected figure in the municipal finance community. His guidance, leadership, and commitment to excellence greatly contributed to the success of the 20 year old Florida Local Government Finance Commission's Pooled Commercial Paper Loan Program. Under his tenure, the program provided over \$2 billion in loans to over 50 Florida local governments.

He began his professional life in the private sector as an auditor and served in a multitude of capacities over 24 years at Collier County including: Director of Management & Budget, Public Utilities Revenue Services Director, Finance Committee Member, Finance Director, and Treasurer and Chair of the Collier County Fair Board. His professional and civic associations included: the Government Finance Officers Association, the Florida Government Finance Officers Association, the American Institute of Certified Public Accountants, the Florida Association of Counties Constitutional Revision Committee and the Kiwanis Club of East Naples.

His reputation and accomplishments made him an icon in Collier County and in his other professional associations; yet he was as humble and approachable an individual as you would ever want to meet. Collier County has honored his service and dedication by building the John A. Yonkosky North Collier County Recycling Drop-Off Center and the Florida Local Government Finance Commission has had a memorial brick placed in the Emerson Hall Plaza at the University of Florida in his remembrance.

John was truly passionate and inspirational within our professional ranks and our humanity ranks as well. He was the truest public servant, a life-long Gator fan, a husband, a father, grandfather, and a great friend.

While his physical presence is no longer with us, his legacy remains. We re-launch this new program in his honor; with heavy hearts, but fond memories.

Program Administrator:

