Florida Gulf Coast University
Financing Corporation
Board of Directors Meeting

March 27, 2020
9:00 A.M.
Teleconference

AGENDA

Welcome and Call to Order	Mr. Catti
1. Market Conditions	Mr. Magiera
2. Refunds	Mr. Magiera
Meeting Adjournment	Mr. Catti

ITEM: _1_

Florida Gulf Coast University
Financing Corporation
Board of Directors
March 27, 2020

SUBJECT: **Market Conditions**

PROPOSED BOARD ACTION

Information/Approval

BACKGROUND INFORMATION

Supporting Documentation Included: (1) Rate Information, and (2) Email from Ben Watkins, Division of Bond Finance

Prepared by:

Legal Review: N/A

Submitted by: Executive Director FGCU Financing Corporation Steve Magiera

To: Dee Waigand
Florida Gulf Coast University Financing Corporation

From: TD Securities (USA) LLC

Date: Wednesday, March 25, 2020

The following rate notification represents the variable rate demand notes remarketed by TD Securities (USA) LLC.
If you have any questions regarding this rate notification or need to add or update contact information, please call (212) 827-7171, or email: Chris.Dimon@tdsecurities.com.

Cusip: 34073XCK2
$15,465,000.00
Florida Gulf Coast University Financing Corporation
Florida Gulf Coast University Series 2008A

Rate:4.25000% Effective Period:03/26/2020 to 04/01/2020
Rate:5.50000% Effective Period:03/19/2020 to 03/25/2020
Rate:1.26000% Effective Period:03/12/2020 to 03/18/2020
Rate:1.23000% Effective Period:03/05/2020 to 03/11/2020
Rate:1.12000% Effective Period:02/27/2020 to 03/04/2020

Cusip: 34073XCL0
$5,970,000.00
Florida Gulf Coast University Financing Corporation
Florida Gulf Coast University Series 2009A

Rate:4.25000% Effective Period:03/26/2020 to 04/01/2020
Rate:5.50000% Effective Period:03/19/2020 to 03/25/2020
Rate:1.26000% Effective Period:03/12/2020 to 03/18/2020
Rate:1.23000% Effective Period:03/05/2020 to 03/11/2020
Rate:1.12000% Effective Period:02/27/2020 to 03/04/2020

Subject: Muni Market

I wanted to give you a brief summary of what has transpired in the muni market over the last 2 weeks which is not pretty but also reassure you that we are in a much better position to not be adversely affected by the dysfunction in the credit markets. The last time we experienced a freeze in the credit markets was in 2008 during the credit crisis. The dynamics in the markets (extreme volatility) are very similar but the underlying cause obviously very different. Over the last 2 weeks both the taxable and tax-exempt bond markets have not been functioning properly because of severe selling pressure to raise cash in a flight for safety. Last week the muni market experienced its largest outflow of funds ever at $13B. This put upward pressure on rates with increases of +50bps across the yield curve in a single day, unprecedented. Overall rates have increased approximately +125 to +150 bps (1.25%- 1.5%) over the last 2 weeks. Short term markets were even worse. Weekly rates reset at 5.20% last week and many weekly rate bonds were not able to be remarketed to new investors. Banks had to take back approximately $28B onto their balance sheets. The market for the sale of new bonds in the muni market has effectively been closed. Normally sales average $8B - $12B per week.

In response to stress in the credit markets the Federal Reserve has moved quickly to deploy the strategies and techniques developed during the financial crisis to unfreeze the credit markets including the purchase of securities (quantitative easing) unlimited as to amount announced last Sunday. Too soon to tell but early signs are positive. Today was a record day in the equity market with the DOW rising nearly 2100 points or 11.3%. Muni rates also came down by around 25bps. The most positive action for the muni market relates to guaranteeing liquidity for money market funds including Muni's. The stimulus bill pending before Congress includes authority for the Fed to purchase longer dated Muni's which should also help bring rates down. Time will tell how all this sorts itself out but we are fortunate to have the flexibility to wait it out as we have no near term needs for new money borrowing. Contrast that with 2008 when we had $3.5B of bonds authorized but not yet issued to fund projects that were in progress. Obviously, the increase in rates makes it more difficult to continue the roll we had on refinancing but we will continue to monitor the market for opportunities. That's all for now. Sorry for the length. Always here to elaborate or answer any questions you have.

Ben

Ben Watkins|Director|Florida Division of Bond Finance

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ITEM: _2_

Florida Gulf Coast University
Financing Corporation
Board of Directors
March 27, 2020

SUBJECT: **Refunds**

PROPOSED BOARD ACTION

Information Only

BACKGROUND INFORMATION

Supporting Documentation Included: N/A

Prepared by:

Legal Review: N/A

Submitted by: Executive Director FGCU Financing Corporation Steve Magiera