







# Series “S” details:

Negotiated sale in March.

Underwriter: Barclays Capital, Inc.

Trustee: Bank of New York Mellon Trust, Seattle

Bond counsel: Wohlforth, Brecht, Cartledge & Brooking, Anchorage

Financial advisor: Kaplan Financial Consulting, Chicago

Yield: 2.29% (estimated based on current market)

Par amount: \$31.5M (estimated based on current market)

In FY12, \$50M general revenue bond authority was received.

Of this, \$27.4M was issued in October 2011 (Series “Q”).

# Series “S” consists of:

## A. Deferred Maintenance component:

\$22.6M (i.e., balance of \$50M authority)

UAF: \$11.4 M    annual debt service: \$940,000 (estimated)

UAA: \$10.4M    annual debt service: \$850,000 (estimated)

SW: \$752,000    annual debt service: \$85,000 (estimated)

Source of payment: un-restricted revenues



### **C. Reserve fund elimination: current balance \$6.3M**

**Based on recommendation of financial advisor and involvement of bond counsel, underwriter, and trustee, Series “S” Supplemental Indenture includes, inter alia, elimination of the reserve fund. Elimination will occur only after all bonds prior to series S are no longer outstanding (earliest October 1, 2022 and the latest October 1, 2035).**

**University’s balance (\$6.3M) has been funded with bond proceeds so when you have low interest rates (as in last few years), it creates negative arbitrage.**



Per new Regulation 05.10.080 delegation of the authority to waive student tuition & fees to the chancellors by the President shall be in writing, for a limited term, *cannot be further delegated*, and renewed no less frequently than each fiscal year. The Regulation also requires each MAU to report the amount of tuition and fee waivers granted during the preceding fiscal year to the CFO.

Notes: a) from an “approval” standpoint, we are interested only in waivers that are funded through un(e)-1(d)4( o 351((e)-17 0 )-17e11(c) 0 0 )-17eA ecMAJ 0

## Rationale