



# **Regent Finance Committee Meeting**

**Office of the Treasurer - Debt Update  
May 22, 2018**

**Dan J. Wilson & Charles Cook**

# Financing and Debt Oversight Update

- Update Committee on progress for Commercial Paper Issuance, Campus Village Apartments (“CVA”) Interim Refinancing and projects at UCCS scheduled for financing this year
- In process of completing annual debt payment ratio report for existing debt service and approved projects for debt financing

# Commercial Paper Update

- Short-term rating confirmations Thursday, May 24, 2018
- Release CP offering memorandum on Friday, May 25, 2018
- Sell first tranche (~\$23 million), Tuesday, June 5, 2018, to pay construction costs for Aerospace Engineering and Williams Village East projects
- Likely first rate of 1.55-1.65% for initial placement

# CVA Housing Interim Refinancing

- Denver Campus proceeding with RFI for qualified owner/operators for privately owned CVA project.
- Interim Refinancing of 2008 CVA bonds planned for 7/31 – currently concluding negotiations with RBC Bank for short-term direct placement
- Refunding projected to reduce interest cost by \$1.5-\$2 million during this interim period
- Will seek Regent authorization to issue bonds at June 2018 meeting for this variable rate financing
- Expected initial interest rate of 2.05-2.15% refunding 5.5% debt

# UCCS Financing

- Three Projects to be financed totaling \$70.6M
  - William J. Hybl Sports Medicine and Performance Center \$61.4 M
  - North Nevada Infrastructure \$3.5 M
  - Indoor Practice Field and Baseball Diamond \$5.7M
- Issue traditional fixed rate debt in September 2018
- Will request Regent authorization and an extension of general refunding authorization in FY19 at June 21-22 board meeting



# Debt Payment Ratio Report

- Treasury prepares the Debt Payment Ratio report each fiscal year that compares and projects the ratio of debt payments as a percentage of unrestricted expenditures and mandatory transfers
- Regent Policy sets 7% as maximum, 10% is State statutory limit
- This year's report will be favorably impacted by the combined effects of the Series 2017 A-1 and A-2 refundings that reduced debt service by \$18.8M through FY 24 and moderate pace of new projects being added. Estimated 4% for FY19 vs. 4.4% for FY18.
- Finalized debt ratio report will be presented at Regents meeting on June 21-22.

# Requested Action of the Finance Committee

1. Recommend to the Board at the June meeting, approval of the Supplemental Bond Resolution and Transaction Documents for the Campus Village Apartments (CVA) Interim Refinancing
2. Recommend to the Board at the June meeting, approval of the Supplemental Bond Resolution and Transaction Documents for the ~\$70M fixed rate bond issue for the UCCS Projects and general refunding authorization for FY19.