

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Preliminary Resolution for the Sale of up to \$5,500,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 2005

Date: January 19, 2005

Recommended Action:

Adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$5,500,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 2005.

(ROLL CALL VOTE)

Executive Summary:

The Board is asked to adopt a resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$5,500,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 2005.

The 2006 – 2020 maturities of the Academic Building Revenue Bonds, Series U.N.I. 1995 (originally issued in the amount of \$5,810,000, with a call date of July 1, 2005) would be called and principal payments made on the call date.

The estimated net present value savings from the refunding in future tuition replacement appropriations totals approximately \$757,000.

The last maturity for the refunding bonds will be 2020, consistent with the last maturity of the bonds to be refunded.

Analysis:

Bonds to be Refunded

The proceeds from the sale of the proposed refunding bonds would be used to refund the Board's Academic Building Revenue Bonds, Series U.N.I. 1995 (2006 – 2020 maturities).

The principal to be refunded totals \$5,070,000.

The 1995 bonds were issued to finance a portion of the construction of the Wellness/Recreation Center, Price Lab Field House and to correct fire safety and deferred maintenance issues at the University of Northern Iowa.

- Coupon rates on the 2006 – 2020 maturities of the 1995 bonds range from 5.75% in 2006 to 6.2% in 2020.

Current interest rates for bonds maturing in 2006 – 2020 are lower than the rates being paid on the outstanding bonds.

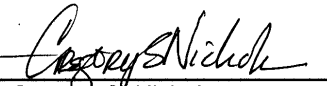
Refunding Bond
Issue

The size of the refunding bond issue would not exceed \$5,500,000; the estimated issue size is \$5,195,000, including issuance costs estimated at approximately \$36,500.

A copy of the resolution authorizing the Executive Director to fix the date or dates for the sale of the bonds, which was prepared by Ahlers Law Firm and reviewed by Springsted, Inc. is available from the Board Office.

The resolution includes a provision permitting the Board to receive bids by means of both sealed and electronic communication; the receipt by electronic communication is consistent with the resolution adopted by the Board in November 2001 approving the electronic bidding procedures.


Deb A. Hendrickson

Approved: 
Gregory S. Nichols

H:\BF\2005\05febdoc\0205_ITEM12b.doc