

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Finance & Operations Committee

Thursday, November 12, 2009

1:30 p.m. - 3:30 p.m.

600 McNamara Alumni Center, East Committee Room

Board Members

John Frobenius, Chair
Venora Hung, Vice Chair
Clyde Allen
Richard Beeson
Steven Hunter
Patricia Simmons

Student Representatives

Matt Privratsky
Aditya Srinath

A G E N D A

1. Debt Capacity Update Related to: President's Recommended Six-Year Capital Improvement Plan - R. Pfutzenreuter (p. 2)
2. Resolution Related to: Issuance of Debt - Review/Action - R. Pfutzenreuter (pp. 3-6)
3. Resolution Related to: Issuance of Clean Renewable Energy Bonds - Review/Action - R. Pfutzenreuter (pp. 7-10)
4. Resolution Related to: Issuance of Debt for State-Supported Biomedical Facilities - Review/Action - R. Pfutzenreuter (pp. 11-15)
5. Board of Regents Transaction Approval Thresholds - R. Pfutzenreuter (p. 16)
6. Consent Report - Review/Action - R. Pfutzenreuter (pp. 17-34) **REVISED**
7. Information Items - R. Pfutzenreuter (pp. 35-36)



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Finance and Operations Committee

November 12, 2009

Agenda Item: Debt Capacity Update Related to: President's Recommended Six-Year Capital Improvement Plan

review review/action action discussion

Presenters: Vice President/CFO Richard Pfutzenreuter

Purpose:

policy background/context oversight strategic positioning

Board of Regents approval is required for both the Six-Year Capital Improvement Plan and the State Capital Requests. A discussion of the impact of the Six-Year Capital Plan on University debt capacity will be the focus of the presentation.

Outline of Key Points/Policy Issues:

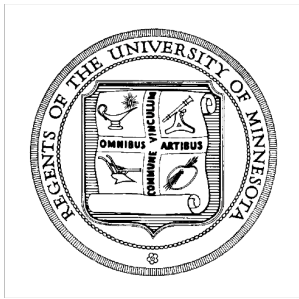
The Board-approved Six-Year Capital Improvement Plan establishes the priorities and financial framework for the 2007 through 2012 capital budget. The plan sets priorities and directions for continued academic, facilities, and financial planning efforts and defines the boundary for additional University debt.

Background Information:

Board of Regents Policy: *Board Operations and Agenda Guidelines* directs the administration to conduct capital planning with a six-year time horizon, updated annually. This annual capital planning process is completed in two parts.

Part 1, approved by the Board in June, is the annual Capital Improvement Budget for the coming fiscal year in which projects with completed pre-designs and financing plans are approved to proceed with design and construction.

Part 2 is a Capital Improvement Plan that established the institution's capital priorities and financial plans for an additional 5 years. This plan will become the basis for continued capital and financing planning for the included projects.



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Finance and Operations Committee

November 12, 2009

Agenda Item: Resolution Related to: Issuance of Debt

review review/action action discussion

Presenters: Vice President/CFO Richard Pfitzenreuter

Purpose:

policy background/context oversight strategic positioning

In accordance with Board of Regents Policy: *Debt Transactions*, the Resolution Related to Issuance of Debt is being presented for action.

Outline of Key Points/Policy Issues:

The University is requesting approval of the attached financing resolution authorizing the issuance and sale of bonds in the principal amount of up to \$30,400,000 to finance and/or reimburse the University for purchases of land and buildings, construction and remodeling projects, the acquisition and installation of equipment, and costs of issuance of the bonds.

Please note that up to \$164,000,000 in indebtedness was authorized in November 2008 for certain contemplated projects, but only approximately \$129,300,000 has been or will be issued for those projects. No further indebtedness will be issued pursuant to the November 2008 authorization for the remaining projects.

Background Information:

The purchases of land and buildings, construction and remodeling projects, and equipment to be financed by the proceeds of the bonds shall be those so designated by the Board of Regents or by the Treasurer as part of the University's capital planning process.

President's Recommendation for Action:

The President recommends approval of the Resolution Related to Issuance of Debt.



REGENTS OF THE UNIVERSITY OF MINNESOTA

RESOLUTION RELATED TO

ISSUANCE OF DEBT

WHEREAS, it has been proposed that the University proceed with a plan of financing which involves, among other things, the issuance and sale of general obligation indebtedness (such general obligation indebtedness, whether issued in the form of bonds, notes or such other form of indebtedness as may be designated by the University, the “Bonds”), the proceeds of which are to be used to finance University purchases of land and buildings, construction and remodeling projects, the acquisition and installation of equipment and costs of issuance of the Bonds; and

WHEREAS, in November 2008 the Board of Regents authorized the issuance of up to \$164,000,000 in indebtedness for certain contemplated projects, but only approximately \$129,300,000 in indebtedness has been or will be issued for those projects and no further indebtedness will be issued pursuant to the November 2008 authorization for the remaining projects; and

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust between the University and a bank or trust company acting as trustee or pursuant to an Order of the University; and

WHEREAS, the Indenture of Trust or Order pursuant to which Bonds will be issued will contain the terms of such Bonds and agreements and covenants of the University with respect to the payment of the principal of, premium, if any, and interest on such bonds; and

WHEREAS, the principal amount of the Bonds authorized will be the amount of the Bonds outstanding at any time, and not an aggregate principal amount.

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of the University of Minnesota (Board) as follows:

1. To provide funds to finance University purchases of land and buildings, construction and remodeling projects, the acquisition and installation of equipment by the University and the costs of issuance thereof, the Board hereby authorizes the sale and issuance of Bonds in one or more series in the principal amount of up to \$30,400,000. The Bonds shall be issued in one or more series and shall mature not later than the date that is 20 years after the date of issuance of each series. The Bonds shall be general obligations of the University if the Treasurer determines that the Bonds shall be issued as general obligations of the University. Interest on the Bonds may or may not be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended.

2. The purchases of land and buildings, construction and remodeling projects, and equipment to be financed by the proceeds of the Bonds shall be those the source of funding of which is so designated by the Board of Regents or by the Treasurer as part of the University's capital planning process.

3. The Treasurer is authorized to negotiate with one or more banks, investment banking firms or financial institutions to be engaged by the University as the underwriter for the Bonds, the terms and conditions upon which the Bonds shall be sold and issued, and to approve the terms of such sale and issuance, including whether the Bonds shall be issued as general obligations of the University. The Treasurer is further authorized to negotiate with one or more commercial banks the terms and condition of any credit support or liquidity facility for any series of Bonds and approve the terms of such credit support of liquidity facility, and to negotiate the terms and condition of any interest rate swap agreement or other similar agreements with the counterparty to such agreement as hedging techniques with respect to the interest rate on any series of Bonds. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel.

4. In connection with the issuance of any series of Bonds, the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order or any supplement or amendment thereto under which the Bonds are to be issued in the form and containing such covenants, agreements, representations and warranties as may be approved by the Treasurer and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Bonds in accordance with such Indenture of Trust or Order or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the Bonds may be by facsimile.

5. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and General Counsel.

6. The Treasurer is authorized to approve the Preliminary Official Statement and the final Official Statement or any supplements or amendments thereto to be prepared and distributed to any purchaser or potential purchaser of a series of Bonds, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto.

7. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the issuance and sale of the Bonds.

8. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

9. The execution of any document by the appropriate University officers herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement or any other document to be executed by the President or Treasurer in connection with the Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Finance and Operations Committee

November 12, 2009

Agenda Item: Resolution Related to: Issuance of Clean Renewable Energy Bonds

review review/action action discussion

Presenters: Vice President/CFO Richard Pfitzenreuter

Purpose:

policy background/context oversight strategic positioning

In accordance with Board of Regents Policy: *Debt Transactions*, the Resolution Related to Issuance of Clean Renewable Energy Bonds is being presented for action.

Outline of Key Points/Policy Issues:

The Energy Policy Act of 2005 authorized the issuance of tax credit bonds known as Clean Renewable Energy Bonds (CREBs) to provide governmental bodies and other qualified borrowers access to interest-free capital for certain qualifying renewable energy facilities.

The University is requesting approval of the attached financing resolution authorizing the issuance and sale of up to \$5,100,000 in CREBs in one of more series to provide funds to finance all or a portion of University renewable energy projects that have received allocations of CREB issuing authority (CREB Projects).

With respect to one CREB Project, a wind turbine to be located on or near the Morris campus, the University will collaborate with the Mille Lacs Band of Ojibwe (the Band), which has obtained an allocation of CREB issuing authority in the same amount as the University for that project. The collaboration will provide the Band an opportunity to develop its expertise in wind turbine projects.

President's Recommendation for Action:

The President recommends approval of the Resolution Related to Issuance of Clean Renewable Energy Bonds.



REGENTS OF THE UNIVERSITY OF MINNESOTA
RESOLUTION RELATED TO
ISSUANCE OF CLEAN RENEWABLE ENERGY BONDS

WHEREAS, to provide governmental bodies and other qualified borrowers access to interest-free capital for certain qualifying renewable energy facilities, the Energy Policy Act of 2005 (together with subsequent related legislation and applicable regulations, the Authorizing Legislation) authorized the issuance of tax credit bonds known as Clean Renewable Energy Bonds (CREBs) by issuers who receive allocations of issuing authority from the U.S. Treasury Secretary; and

WHEREAS, the University received certain allocations of issuing authority and wishes to proceed with a plan of financing which involves, among other things, the issuance and sale of CREBs the proceeds of which will be used to finance certain University renewable energy projects that have received allocations of CREB issuing authority (CREB Projects); and

WHEREAS, the CREBs will be issued pursuant to an Indenture of Trust between the University and a bank or trust company acting as trustee or pursuant to an Order of the University; and

WHEREAS, the Indenture of Trust or Order pursuant to which CREBs will be issued will contain the terms of the CREBs and agreements and covenants of the University with respect to the payment of the principal of and premium, if any, on the CREBs; and

WHEREAS, to provide the Mille Lacs Band of Ojibwe (the Band) an opportunity to develop its expertise in wind turbine projects, it is planned that with respect to one CREB Project, a wind turbine to be located on or near the Morris campus (the Shared Project), the University will collaborate with the Band, which has received an allocation of CREB issuing authority in an amount equal to that of the University for the Shared Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of the University of Minnesota (Board) as follows:

1. To provide funds to finance all or a portion of University CREB Projects, the University hereby authorizes the sale and issuance of CREBs in one or more series in the principal amount of up to \$5,100,000. The CREBs shall be indebtedness of the University and shall have a maturity not longer than that permitted by the Authorizing Legislation. The CREBs shall contain such terms as are required by the Authorizing Legislation, including that they shall be general obligations of the University if the Treasurer determines that the CREBs shall be issued as general obligations of the University.

2. The CREB Projects to be financed by the proceeds of the CREBs shall be those the source of funding of which is so designated by the Board of Regents or by the Treasurer as part of the University's capital planning process.

3. With respect to the Shared Project, the Chancellor of the Morris campus or delegate is authorized to negotiate and enter into an Agreement with the Band stating the terms and conditions of their collaboration. Such agreement shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the General Counsel.

4. The Treasurer is authorized to negotiate with one or more banks, investment banking firms or financial institutions to be engaged by the University as the underwriter for the CREBs, the terms and conditions upon which the CREBs shall be sold and issued, and to approve the terms of such sale and issuance, including whether the CREBs shall be issued as general obligations of the University. The Treasurer is further authorized to negotiate with one or more commercial banks the terms and condition of any credit support or liquidity facility for any series of CREBs and approve the terms of such credit support of liquidity facility. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel.

5. In connection with the issuance of any series of CREBs, the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order or any supplement or amendment thereto under which the CREBs are to be issued in the form and containing such covenants, agreements, representations and warranties as may be approved by the Treasurer and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the CREBs in accordance with such Indenture of Trust or Order or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the CREBs may be by facsimile.

6. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of CREBs in the form and containing such covenants, agreements,

representations and warranties of the University as may be approved by the Treasurer and General Counsel.

7. The Treasurer is authorized to approve the Preliminary Official Statement and the final Official Statement or any supplements or amendments thereto to be prepared and distributed to any purchaser or potential purchaser of a series of CREBs, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto.

8. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the issuance and sale of the CREBs.

9. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the CREBs certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the CREBs as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

10. The execution of any document by the appropriate University officers herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement or any other document to be executed by the President or Treasurer in connection with the CREBs may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Finance and Operations Committee

November 12, 2009

Agenda Item: Resolution Related to: Issuance of Debt for State-Supported Biomedical Facilities

review review/action action discussion

Presenters: Vice President/CFO Richard Pfitzenreuter

Purpose:

policy background/context oversight strategic positioning

In accordance with Board of Regents Policy: *Debt Transactions*, the Resolution Related to Issuance of Debt for State-Supported Biomedical Facilities is being presented for action.

Outline of Key Points/Policy Issues:

The University is constructing four buildings, collectively referred to as the Biomedical Sciences Research Facilities (Facilities), located on its campus to be used as research facilities and laboratories for biomedical science and biomedical technology. It is contemplated that the Facilities will benefit the state's economy, advance the biomedical technology industry, benefit human health, and facilitate research collaboration between the University of Minnesota and other private and public institutions in Minnesota.

The University is requesting approval of the attached financing resolution authorizing the initial issuance and sale of bonds up to an aggregate principal amount of \$53,200,000 to finance the initial building within the Facilities.

Background Information:

On March 10, 2006, the Board of Regents approved the Resolution Related to Minnesota Biomedical Sciences Research Facilities Authority.

The 2008 Minnesota Legislature enacted Sections 137.61 to 137.65 of the Minnesota Statutes, providing that upon the making of certain certifications, the State will transfer to the University up to 75 percent of project costs, not to exceed \$219,000,000 (Biomedical Science Research Funding Legislation).

In November 2008, pursuant to the Biomedical Science Research Funding Legislation, the Board authorized the issuance of bonds in one or more series in the total principal amount of up to \$292,000,000 and the initial sale of bonds in a principal amount of up to \$16,000,000, with additional series subject to the further approval of the Board.

No indebtedness has been issued to date pursuant to the November 2008 authorization; the amount presented for approval today includes the earlier authorized \$16,000,000.

President's Recommendation for Action:

The President recommends approval of the Resolution Related to Issuance of Debt for State-Supported Biomedical Facilities.



REGENTS OF THE UNIVERSITY OF MINNESOTA
RESOLUTION RELATED TO
ISSUANCE OF DEBT FOR STATE-SUPPORTED
BIOMEDICAL FACILITIES

WHEREAS, on March 10, 2006, the Board of Regents of the University of Minnesota (Board) approved a resolution which requested that the Minnesota Legislature provide funding to assist in the construction or renovation of capital facilities and related equipment supporting biomedical sciences research (Facilities); and

WHEREAS, the 2008 Minnesota State Legislature enacted Sections 137.61 to 137.65 of the Minnesota Statutes (Biomedical Science Research Funding Legislation), which provides that, on the condition that certain required certifications are made by the Board of Regents and the Commissioner of Finance, the State will transfer to the University up to 75 percent of the project costs for each of four projects approved by the Board of Regents, provided that the principal amount of bonds issued by the University of Minnesota to pay the state's share of the costs must not exceed \$219,000,000 (State Funding); and

WHEREAS, in November, 2008, pursuant to the Biomedical Science Research Funding Legislation, the Board authorized the issuance of Bonds in one or more series in the total principal amount of up to \$292,000,000 (November 2008 Authorization); and

WHEREAS, the November 2008 Authorization contemplated that initially, Bonds would be issued in a principal amount of up to \$16,000,000, with additional series subject to the further approval of the Board; and

WHEREAS, no indebtedness has been issued to date pursuant to the November 2008 Authorization; and

WHEREAS, it is now proposed that the University proceed, pursuant to the November 2008 Authorization, with an initial issuance and sale of Bonds up to an aggregate principal amount of \$53,200,000.

NOW, THEREFORE, BE IT RESOLVED by the Board of Regents of the University of Minnesota as follows:

1. As the initial Bonds to be issued pursuant to the November 2008 Authorization, the Treasurer is authorized to approve the terms of one or more series of bonds up to an aggregate principal amount of \$53,200,000, including but not limited to the principal amount thereof, the maturity date or dates thereof, the interest rate or rates thereon, and the provisions, if any, with respect to the redemption of such Bonds prior to the stated maturity thereof, provided that if the interest rate on any series of Bonds shall be a fixed rate as provided in the Indenture of Trust or Order pursuant to which it is issued, the interest rate on any Bonds of such series may not exceed 8.00% per annum, and in no event shall any Bond mature later than 25 years following its date of issuance.

2. The Treasurer is authorized to negotiate with one or more banks, investment banking firms or financial institutions to be engaged by the University as the underwriter for the Bonds, the terms and conditions upon which the Bonds shall be sold and issued, and to approve the terms of such sale and issuance, including if the Bonds shall be issued as general obligations of the University.

3. In connection with the issuance of any series of Bonds, the President and Treasurer are authorized to execute and deliver on behalf of the University the Indenture of Trust or Order of the University or any supplement or amendment thereto under which the Bonds are to be issued in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel, and the Secretary and Treasurer are authorized to execute and deliver the Bonds in accordance with such Indenture of Trust or Order of the University or any supplement or amendment thereto. The signatures of the Secretary and/or Treasurer on the Bonds may be by facsimile.

4. The President and Treasurer are authorized to execute and deliver a purchase agreement with the initial purchaser or purchasers of any series of Bonds in the form and containing such covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and General Counsel.

5. In addition, the Treasurer is further authorized to negotiate with one or more commercial banks, insurers or other credit support providers the terms and conditions of any credit support for any series of Bonds, and the President and Treasurer are authorized to execute and deliver any agreements of the University with the provider of any such credit support facility. Such agreements shall be in the form and contain such rights, obligations, covenants, agreements, representations and warranties of the University as may be approved by the Treasurer and the General Counsel.

6. The Treasurer is authorized to approve the Preliminary Official Statement and the final Official Statement or any supplements or amendments thereto to be prepared and distributed by the University to any purchaser or potential purchaser of a series of Bonds, and the President is authorized to execute and deliver the final Official Statement or any supplements or amendments thereto.

7. The appropriate University officers are authorized to execute and deliver all other documents, certificates and to take such action as may be necessary or appropriate in connection with the issuance and sale of the Bonds.

8. The Secretary and other officials of the University are authorized and directed to prepare and furnish to any purchasers of the Bonds certified copies of all proceedings and records of the University as may be required or appropriate to evidence the facts relating to the legality of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the University as to the truth of all statements contained therein.

9. The execution of any document by the appropriate officers of the University herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Treasurer, any Indenture of Trust, Order, final Official Statement, purchase agreement with the initial purchaser or purchasers of any series of Bonds or any other document to be executed by the President or Treasurer in connection with the Bonds may be executed by the Chair or Vice Chair instead of the President and by the Secretary instead of the Treasurer.



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Finance and Operations Committee

November 12, 2009

Agenda Item: Board of Regents Transaction Approval Thresholds

review review/action action discussion

Presenters: Vice President/CFO Richard Pfitzenreuter

Purpose:

policy background/context oversight strategic positioning

The purpose of the agenda item is to discuss the pros and cons of adjusting the approval thresholds of the Board of Regents regarding purchases of goods and services.

Outline of Key Points/Policy Issues:

During the course of a fiscal year, the Board of Regents approves roughly \$242,000,000 of individual purchases greater than \$250,000. The total number of individual purchases amounts to roughly 104 items. The table below outlines the distribution of those purchases.

\$250,000 to \$499,999	32 Items	\$12,360,000	6% of total dollars
\$500,000 to \$999,999	36 Items	\$24,102,000	12% of total dollars
\$1,000,000 and up	36 Items	\$206,000,000	82% of total dollars

Background Information:

Board of Regents Policy: *Reservation and Delegation of Authority*, Article VII, Budgetary, Financial and Investment Activities, Subd. 6, contains the provision requiring Board of Regents approval of individual purchases of goods and services with a value greater than \$250,000. The policy was adopted April 5, 2001.



UNIVERSITY OF MINNESOTA
BOARD OF REGENTS

Finance and Operations Committee

November 12, 2009

Agenda Item: Consent Report

review review/action action discussion

Presenters: Vice President/CFO Richard Pfutzenreuter

Purpose:

policy background/context oversight strategic positioning

General Contingency

To approve allocations from General Contingency greater than \$250,000.

Purchase of Goods and Services over \$250,000

To approve purchases of goods and services over \$250,000, in compliance with Board of Regents Policy: *Board Operations and Agenda Guidelines*.

Approval of Underwriters

To approve, in accordance with Board of Regents Policy: *Debt Transactions*, the appointment of PiperJaffray & Co. as Underwriter for the issuance of General Obligation (GO) bonds and RBC Capital Markets as Underwriter for the issuance of Clean Renewable Energy Bonds (CREBs)..

Outline of Key Points/Policy Issues:

General Contingency

There are no items in the General Contingency report requiring Board approval.

Purchase of Goods and Services Over \$250,000

- To Aastra Intecom, Anixter, Border States Electric Supply, Communications Supply Corp., Goldcom, Graybar Inc., and MN Computer Supply for an estimated \$2,000,000 combined total to provide telecommunication equipment and supplies for the period of December 16, 2009, through December 15, 2010, for Networking and Telecommunications Services (NTS), a division of the Office of Information Technology (OIT). This purchase of equipment and supplies by NTS is budgeted for FY10 and will be included in the budget for FY11. These expenses are for materials for resale to NTS customers, non-billable projects (such as maintenance and repairs), and expansion and upgrades of the Twin Cities and Rochester telecommunications infrastructure. Vendors were selected through a competitive process.

REVISED

- To BD Biosciences for \$552,430 for a FACSaria II Special Order cell sorter to establish a Biosafety Level 2 (BSL2) cell sorting facility in the Department of Microbiology, Medical School. The BD Biosciences FACSaria II will be purchased with funds committed by the Office of the Vice President for Research (50%) and the Academic Health Center (50%). See enclosed documentation regarding basis for vendor selection.
- To Charter Search, Inc. for \$426,497, Erving Aviation for \$137,350 and Private Jet Services for \$183,621 for charter service for the 2009-10 season for the University of Minnesota's men's and women's basketball teams. The charters total \$747,468. The away games are scheduled from November 26, 2009, to March 11, 2010, for the men and November 17, 2009, to March 4, 2010, for the women. The charter service will be paid for with funding from Athletics' auxiliary revenues as part of the travel budget for Gopher men's and women's basketball. Vendors were selected through a competitive process.
- To Iceberg Technology, Signature Consultants, Dashe and Thompson, Inc., and others for an estimated \$3,416,000 for contractor and consultant services for the period of November 23, 2009, through September 30, 2010. This work is jointly sponsored by the Office of Information Technology (OIT), The Office of Human Resources, and the Controller's Office. The cost of these contracts will be paid for through the enterprise system tax. See enclosed documentation regarding basis for vendor selection.
- To Managed Services, Inc. for \$462,483 to provide facilities management services for the West Bank Office Building for the period of December 1, 2009, to November 30, 2010. The funds required to complete this contract will be paid for by the West Bank District. Vendor was selected through a competitive process.
- To Oracle Corporation for \$472,877 to renew Oracle University-wide computer software licenses, updates, and maintenance support for the one-year period November 24, 2009, through November 23, 2010, for the Office of Information Technology. The Office of Information Technology pays these product support and software update charges to ensure continuous operation of all systems using Oracle Database products. The expense will be covered from OIT's central funds; its FY10 budget includes planning and funding for this expense. See enclosed documentation regarding basis for vendor selection.
- To Schindler Elevator Corporation for \$481,536 for the Annual Elevator Maintenance Contract for the period December 1, 2009, through November 30, 2010, for the Health Sciences District. The funds required to complete this contract will be paid for by the Health Sciences District. Vendor was selected through a competitive process.
- To Sedgwick Claims Management Systems for \$822,000 for Claims Administration services for the period of July 1, 2009, through June 30, 2011, for the Office of Risk Management. Liability related costs are funded through the University's wholly-owned captive insurance company, RUMINCO, Ltd. Workers' Compensation, related costs are funded by the fringe pool. Vendor was selected through a competitive process.
- To Virginia (MN) Regional Medical Center (VRMC) for \$329,670 for the purchase and installation of digital radiography equipment as part of a Minnesota State research project funded for July 2008 through July 2013 to study asbestos-related cancer in partnership with the U of MN School of Public Health. The funds for the purchase are coming from the sponsored project's budget and the equipment purchased will be the property of VRMC, per the sponsor. See enclosed documentation regarding basis for vendor selection.
- To increase the contract with Watson Wyatt by \$500,000 to provide for additional annual comprehensive benefits consulting for the UPlan Employee Medical Program and the University's Administrative Working Group (AWG) for Health Care, chaired by Dr. Frank Cerra, Senior Vice President for Health Sciences. The Board has previously approved Wyatt consulting contract amounts totaling \$1,173,000. The additional Wyatt support will increase the total contract to \$1,673,000. This contract will be funded out of the Fringe Pool Recovery Account. Vendor was selected through a competitive process.

Approval of Underwriters

- A request for proposal (RFP) was sent to ten investment banking firms to act as the underwriter/investment banker for the issuance and sale of bonds totaling approximately \$39,500,000. The firms could bid on \$34,400,000 in GO bonds expected to be issued for

various capital projects, \$5,100,000 in CREBs, or both financings. The closing date of the RFP was October 16, 2009.

- Since the September 30, 2009 release date of the RFP, the cost of the various projects requiring GO debt financing has shifted slightly with a current expected issuance of \$36,700,000.
- A total of seven responses were received – three for the GO bonds only, one for the CREBs only, and three for both financings. The responses were evaluated by the University's Debt Oversight Group. The evaluation process and recommendation of firms was also discussed at the Debt Management Advisory Committee meeting held on November 11, 2009.
- The evaluation and recommendation process resulted in the following selections:
 1. To Piper Jaffray & Co. for approximately \$36,700,000 in tax-exempt financing to be issued for various capital projects. The firm was selected due to the degree to which their proposal met the University's expectations for service to be provided; their documented relevant qualifications, experience, and capabilities, especially with an issuance of this size; the completeness of their response; our positive experience with working with this firm on a previous bond issuance; and their low quoted price.

Expected underwriter's discount assuming \$36,700,000 in principal amount issued is approximately \$138,000.

2. To RBC Capital Markets for approximately \$5,100,000 in CREBS to be issued for renewable energy projects on the Morris campus. The firm was selected due to their experience as placement agent for \$5 million in CREBs earlier this year for a joint action agency located in the Upper Midwest; the existence of their tax credit syndication group for placement of the bonds; and their competitive price.

Expected underwriter's discount assuming \$5,100,000 in principal amount issued is approximately \$39,400.

Background Information:

General Contingency

Allocations from the General Contingency in excess of \$250,000 require Board approval. Allocations of less than \$250,000 are reported in the Board of Regents Finance and Operations Committee each month in which the Committee meets.

President's Recommendation for Action:

The President recommends approval of the Consent Report.

General Contingency

2009-10 General Contingency:

Recipient	Allocation	Balance	Purpose
FY2010 General Contingency			
Carryforward from FY2009 into FY2010	729,523	1,729,523	
1 Vice President for Public Safety	100,000	1,629,523	Enhanced police enforcement for major University events
2 Chancellor University of Minnesota Crookston	100,000	1,529,523	Director of Assessment position, year 1 of 3.
3 Assoc. V.P. for Capital Planning and Project Management	90,000	1,439,523	Replacement of boiler in Eastcliff
4			
5 New items this reporting period:			
6			
7 No new items this reporting period			
8			
9 Balance as of October 31, 2009		1,439,523	
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11			
12			
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* Subject to Board approval due to cost of \$250,000 or more

Purchase of Goods and Services over \$250,000

To Aastra Intecom, Anixter, Border States Electric Supply, Communications Supply Corp, Goldcom, Graybar Inc., and MN Computer Supply for an estimated \$2,000,000 combined total to provide telecommunication equipment and supplies for the period of December 16, 2009 through December 15, 2010 for Networking and Telecommunications Services (NTS), a division of the Office of Information Technology (OIT.)

These supply and equipment items are used by NTS to provide voice and data services to University departments. This includes telephones, copper wire, fiber optic cable, and other associated parts and materials. Without these items, NTS would be unable to install, move, or expand telephone, data, and video infrastructure across the Twin Cities and Rochester campuses. The equipment includes expansion to the PBX (phone system) in the Twin Cities and Rochester. These supplies and equipment also support the Boreas-Net regional network.

NTS went through a formal bid process in August, 2006. The above vendors were selected based on pricing and product availability. This is the third of four optional renewals.

This purchase of equipment and supplies by NTS is budgeted for FY10 and will be included in the budget for FY11. These expenses are for materials for resale to NTS customers, non-billable projects (such as maintenance and repairs), and expansion and upgrades of the Twin Cities and Rochester telecommunications infrastructure.

Submitted by: Diane Wollner
Director of Finance
Office of Information Technology
Phone: (612) 626-1311

Approval of this item is requested by:



Vice President and Chief Information Officer

10/20/2009

Date

Purchase of Goods and Services over \$250,000

To BD Biosciences for \$552,430 for a FACSAria II Special Order cell sorter to establish a Biosafety Level 2 (BSL2) cell sorting facility in the Department of Microbiology, Medical School.

As a result of progress by multiple research programs on campus and new concerns raised by the Institutional Biosafety Committee on aerosols generated by cell sorting, a need has arisen to establish a Biosafety Level 2 (BSL2) cell sorting facility at the University of Minnesota.

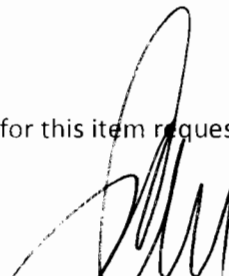
A number of NIH funded research projects are currently in jeopardy without the ability to sort cells classified as BSL2 organisms. Current research programs at the University have been halted until this equipment can be purchased.

The BD Biosciences FACSAria II will be purchased with funds committed by the Office of the Vice President for Research (50%) and the Academic Health Center (50%).

Submitted by: Ashley T. Haase, M.D.
Regents' Professor and Head
Department of Microbiology
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420 Delaware Street, S.E.
Phone: (612) 624-4442
Fax: (612) 626-0623

Kirsten Nielsen, Ph.D.
Assistant Professor
Department of Microbiology
1344 Mayo Building
420 Delaware Street, S.E.
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Fax: (612) 626-0623

Approval for this item requested by:



VP or Exec. VP Signature

10/27/09

Date

Rationale for Exception to Competitive Bidding

This purchase was not competitively bid because Dr. Kirsten Nielsen, the first investigator to realize the need for BSL2-level cell sorting capability, had already contacted all vendors producing BSL2-capable cell sorters and determined that only the BD Biosciences FACSAria II Special Order sorter was able to provide: 1) compatibility with other non-BSL2 FACSAria cell sorters on campus, 2) the requisite level of biocontainment, and 3) the breadth of use required by BSL2 researchers at the University of Minnesota. BD Biosciences also had the lowest quoted price.

Procedures undertaken to ensure reasonableness of price included soliciting a quote from the only other vendor (iCyt) producing a BSL-2 cell sorter. The iCyt product was more expensive, less user-friendly, did not provide the needed level of sensitivity, and was not compatible with the FACSAria systems. In addition, Dr. Nielsen negotiated with BD Biosciences to secure a second year under warranty and an additional 8% discount.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.

Purchase of Goods and Services over \$250,000

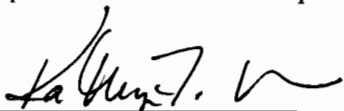
To Charter Search, Inc. for \$426,497, Erving Aviation for \$137,350 and Private Jet Services for \$183,621 for charter service for the 2009-10 season for the University of Minnesota men's and women's basketball teams. The charters total \$747,468. The away games are scheduled from November 26, 2009 to March 11, 2010 for the men and November 17, 2009 to March 4, 2010 for the women.

Each year, Gopher Athletics, with the assistance of University Purchasing Services, puts out a Request for Proposal (RFP) for charter service for the Gopher Men's and Women's Basketball away games. Due to the nature of their travel needs, charter service is the most effective manner of transporting the teams to competitions.

The charter service will be paid for with funding from Athletics' auxiliary revenues as part of the travel budget for Gopher men's and women's basketball.

Submitted by: Elizabeth Eull
Intercollegiate Athletics Department
Senior Associate Athletic Director
Suite 270 Bierman Bldg.
Minneapolis campus
Phone: (612) 625-9276
Fax: (612) 626-0020

Approval for this item requested by:



VP or Exec. VP Signature

10/20/09

Date

Purchase of Goods and Services over \$250,000

To Iceberg Technology, Signature Consultants, Dashe and Thompson, Inc., and others for an estimated \$3,416,000 for contractor and consultant services for the period of November 23, 2009 through September 30, 2010. This work is jointly sponsored by the Office of Information Technology (OIT), The Office of Human Resources, and the Controller's Office.

Now that EFS has been in place for a full fiscal year, changes and modifications are being requested by University departments and staff who are using the system. Additionally, new budgeting capabilities and financial reports are being developed for release during this fiscal year. These changes and new features require temporary additional resources to perform the development and programming, and assist with training and rollout to the user community. It is extremely important that we have the consultants with the appropriate PeopleSoft skills and knowledge to augment University resources. These firms will provide business analyst services, contract programming, and assistance with training materials to support changes and modifications being made to the PeopleSoft Enterprise Financial System (EFS).

Contracted firms are either selected through the University's bid process or from a list of firms on the State of Minnesota's Professional and Technical Services Master Contracts list. Vendors on the State list were selected by the State through a competitive process and are approved for use by the University.

The cost of these contracts will be paid for through the enterprise system tax.

Submitted by: Michael D. Volna
Associate Vice President, Finance and Controller
205 West Bank Office Building
Mpls. Campus
Phone: (612) 625-9529
Fax: (612) 625-7384

Approval of this item is requested by:



Vice President/CFO

10/30/09
Date

Rationale for Exception to Competitive Bidding

A competitive process for this purchase was not necessary for all firms listed because contractors were selected from the state of Minnesota's Professional and Technical Services Master Contracts list. Contractors on the State list have already completed a competitive process acceptable to the University of Minnesota.

Procedures undertaken to ensure reasonableness of price include selection of contractors from the State list, and comparison of rates to previous contracts. By selecting vendors from the State of Minnesota's Professional and Technical Services Master Contracts list, which was developed by the State through their competitive process, the University is assured of best pricing. In addition, rates were compared to previous contracts that the University has entered into with these firms, and the rates are identical to those charged for previous work.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.

Purchase of Goods and Services \$250,000 and over

To Managed Services, Inc. for \$462,483 to provide facilities management services for the West Bank Office Building for the period of December 1, 2009 to November 30, 2010.

Through a competitive bid process in 2006, Managed Services, Inc. was awarded a one year Management Agreement, with four one-year renewal options. This will be the third of the four options.

MSI's labor rates are unchanged for the contract period. The University has changed the cleaning standard and frequency rates resulting in a 12% decrease in costs from the prior contract year.

The funds required to complete this contract will be paid for by the West Bank District.

Submitted By: Michael Berthelsen
Associate Vice President
Facilities Management
319 15th Avenue S.E.
Minneapolis, MN 55455
Phone: 612-626-1091

Approval for this item requested by:



Kathleen A. O'Brien
Vice President of University Services

10/28/09

Date

Purchase of Goods and Services over \$250,000

To Oracle Corporation for \$472,877 to renew Oracle University-wide computer software licenses, updates, and maintenance support for the one-year period November 24, 2009 through November 23, 2010, for the Office of Information Technology.

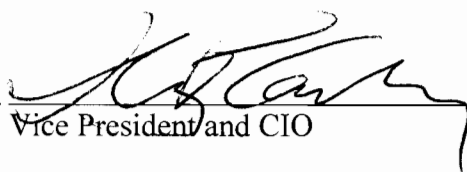
All full- and part-time University of Minnesota faculty, students, and staff may use Oracle Database software in support of the University mission. The Office of Information Technology (OIT) uses the Oracle Database Enterprise Edition and associated products on most University of Minnesota Enterprise Computer Systems including the PeopleSoft Student, HR, Payroll, and Financial System, and the Library System. Oracle Database software is also used for several scientific research databases and many smaller systems. Oracle Corporation is the manufacturer/ developer of the software and the provider of product support and software updates for the software.

The Oracle Campus-wide "Software License and Services Agreement" provides software licenses, updates, and 7x24 technical support and problem resolution via telephone, the web, and on-site, if necessary. The high level of support provided by Oracle in the past has helped OIT maintain an excellent record for reliability and availability of University computer systems for many years.

The Office of Information Technology pays these product support and software update charges to ensure continuous operation of all systems using Oracle Database products. The expense will be covered from OIT's central funds; its F10 budget includes planning and funding for this expense.

Submitted by: Diane Wollner
Senior Director, OIT Finance and Human Resources
203 Johnston Hall
Mpls. Campus
Phone: (612) 626-1311
Fax: (612) 626-0076

Approval of this item is requested by:



Vice President and CIO

10/20/2009

Date

Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because it is a renewal of a proprietary software license and support. The vendor is the developer of the software and the provider of product support and software updates for the software.

We analyzed the contract pricing and noted that the dollar amount of this contract renewal (slightly less than 3%) is within the annual price increase limits negotiated in the original contract agreement.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.

Purchase of Goods and Services \$250,000 and over

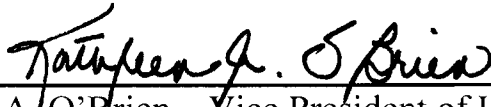
To Schindler Elevator Corporation for \$481,536 for the Annual Elevator Maintenance Contract for the period December 1, 2009 through November 30, 2010 for the Health Sciences District.

Through a competitive bid process in 2006, Schindler Elevator Corporation was awarded a two year Elevator Maintenance Agreement with three one-year option years. This is for the second of three options years.

The funds required to complete this contract will be paid for by the Health Sciences District.

Submitted By: Michael Berthelsen
Associate Vice President
Facilities Management
319 15th Avenue S.E.
Minneapolis, MN 55455
Phone: 612-626-1091

Approval for this item requested by:



Kathleen A. O'Brien – Vice President of University Services

Date: 10/28/09

Purchase of Goods and Services over \$250,000

To Sedgwick Claims Management Systems for \$822,000 for Claims Administration services for the period July 01, 2009 through June 30, 2011 for the Office of Risk Management.

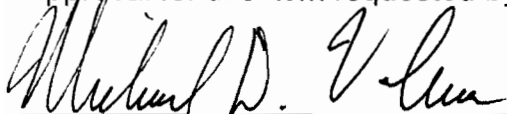
The University of Minnesota uses a Third Party Administrator (TPA) to manage and settle various claims for General Liability, Professional Liability, Non-profit Organization Liability, Automobile Liability and Workers' Compensation. The TPA also compiles loss data, archives loss records, and ensures regulatory compliance.

Through a competitive bid process in 2006, Sedgwick Claims Management Systems provided the best price and service for claims management and settlement. The original contract was for three years, with two one year options. Risk Management proposes to now exercise both of the one year renewal options.

The cost of this contract related to Liability is funded through the University's wholly-owned captive insurance company, RUMINCO, Ltd. Workers' Compensation related contract costs are funded by the fringe pool.

Submitted by: Steve Pardoe
Director, Office of Risk Management
1300 South 2nd Street, #207
Minneapolis, MN 55455
(612) 625-0062
orm@umn.edu

Approval for this item requested by:



Michael D. Volna, Controller

10/23/09
Date

Purchase of Goods and Services \$250,000 and over

To Virginia (MN) Regional Medical Center (VRMC) for \$329,670 for the purchase and installation of digital radiography equipment as part of a Minnesota State research project funded for July 2008 through July 2013 to study asbestos-related cancer in partnership with the U of MN School of Public Health.

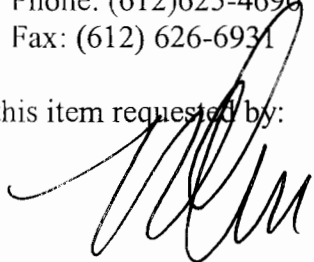
The Virginia Regional Medical Center (VRMC) is a full partner in the research for which the School of Public Health at the University of Minnesota is the responsible party and principal investigator. The VRMC is the site for screening of randomly selected iron miners, taconite workers, and their spouses and partners. The installation and use of this equipment for the first time will permit benchmarking digital radiographic findings of asbestos-related lung damage and disease to the currently used standard of film radiography. To be clear, the equipment will be used by our research partners at the VRMC to produce and contribute patient medical research data for the completion of this state-funded research study in occupational health. Without the equipment, our ability and that of our partners at VRMC to complete the work would be impaired.

These Congressionally designated funds emanated from the Senate (9829; Klobuchar) and the House (9831; Oberstar) and are intended to support exactly the same project, namely the purchase and installation of digital radiography equipment on site at the Virginia (MN) Regional Medical Center. The funds designated for the equipment are part of a Minnesota State research project funded in 2008 to study asbestos-related cancer (e.g., mesothelioma) among iron miners and taconite workers in Minnesota. Representative Oberstar, in whose district the study is taking place and Senator Klobuchar each sponsored separate designated funds to purchase and install the equipment. Both amounts are needed together to fully fund this equipment purchase and installation and do not overlap.

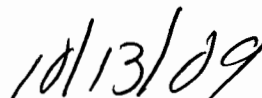
The funds for the purchase are coming from the sponsored project's budget and the equipment purchased will be the property of VRMC, per the sponsor.

Submitted by: Joe Weisenburger, SPH CAO/CFO
A-307 Mayo
420 Delaware St SE
Minneapolis, MN 55455
Phone: (612)625-4690
Fax: (612) 626-6931

Approval for this item requested by:



VP or Exec. VP Signature



Date

Rationale for Exception to Competitive Bidding

This purchase has not been competitively bid because the congressionally designated funds are specifically earmarked for this purchase by the Virginia (MN) Regional Medical Center, which is participating in this Minnesota State research project in partnership with the U of MN School of Public Health.

Procedures undertaken to ensure reasonableness of price included Virginia (MN) Regional Medical Center (VRMC) has researched what equipment is required for this project and arranged purchase. The University is using these congressionally designated funds to pay VRMC for the equipment purchase.

The Director of Purchasing and the University Controller concluded that the process used resulted in a fair and reasonable price to the University.

Purchase of Goods and Services over \$250,000

To increase the contract with Watson Wyatt by \$500,000 to provide for additional annual comprehensive benefits consulting for the UPlan Employee Medical Program and the University's Administrative Working Group (AWG) for Health Care, chaired by Dr. Frank Cerra, Senior Vice President for Health Sciences. The Board has previously approved Wyatt consulting contract amounts totaling \$1,173,000. The additional Wyatt support will increase the total contract to \$1,673,000.

In 2004, Watson Wyatt was selected through a competitive process to provide benefits consulting services for the University from May, 2004 through December, 2010. The contract provides for annual consulting services and for other projects identified by the AWG. Amendments to the contract for \$77,000 in December 2004 and for \$416,000 in July 2006 reflected the cost of specific projects requested by AWG. Wyatt projects since 2004 included self-insured pharmacy and medical program design; development of Request for Proposals for medical and carve-out pharmacy programs, including the employer-owned pharmacy plan design special project; wellness program consulting and support with vendor selection; UPlan Medical and Pharmacy Program bi-annual strategic review, detailed annual review of UPlan data in comparison with benchmark information, development of UPlan Medical and Pharmacy Program self-insured claim factors. and analysis of cost-effectiveness and quality of UPlan providers.

This \$500,000 increase reflects the cost to continue to provide comprehensive benefits consulting services for the University through December, 2010. Specific projects for 2010 include consulting on the ongoing configuration of the UPlan and the development of the next series of Request for Proposals for the Medical, Wellness, and Pharmacy Programs.

The services provided by Watson Wyatt on projects completed to this point have resulted in significant cost savings for the University and employees. These changes have been reported to the Board of Regents in the semi-annual Medical Program presentations. The University will conduct a competitive process in 2011 for benefits consulting services, effective July 1, 2012.

This contract will be funded out of the Fringe Pool Recovery Account.

Submitted by: Dann Chapman, Director of Employee Benefits
100 Donhowe
Phone: 612-626-7393
Fax: 612-626-0808

Approval of this item is requested by:



Carol Carrier, VP for Human Resources

10/28/09
Date:



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Finance and Operations Committee

November 12, 2009

Agenda Item: Information Items

review review/action action discussion

Presenters: Vice President/CFO Richard Pfitzenreuter

Purpose:

policy background/context oversight strategic positioning

Quarterly Investment Advisory Committee Update

To provide the Board of Regents with a summary of the quarterly meeting of the Investment Advisory Committee (IAC) held on September 9, 2009.

Quarterly Debt Management Advisory Committee Update

To provide a report on the quarterly meeting of the Debt Management Advisory Committee held on November 11, 2009.

Swap Restructuring

To provide the Board of Regents with information related to restructuring of the Barclays Capital swaps.

Outline of Key Points/Policy Issues:

Quarterly Investment Advisory Committee Update

The Investment Advisory Committee (IAC) held its quarterly meeting on September 9, 2009. Stuart Mason, Chief Investment Officer, presented the Annual Asset Management Report, which was to be presented to the Board the following day. He also presented analysis that illustrated the shift away from the Board's strategic asset allocation targets toward much higher levels of high-grade, fixed income investments and much lower overall exposure to equity markets. This shift took place mid- fiscal year and has been gradually returning to strategic targets subsequent to the fiscal year end.

IAC members recommended remaining somewhat underweight in equity exposure, emphasizing outside US investments to take advantage of the declining value of the US dollar, and investigating additional hedge fund exposure in highly liquid strategies, such as long-short equity or fixed income arbitrage.

One additional recommendation was to explore means of reducing some of the unfunded commitments in private equity or private real estate to ease the pressure on liquidity reserves in the coming years. No new managers were discussed.

Quarterly Debt Management Advisory Committee Update

The agenda for the meeting held on November 11, 2009 included discussion of the revised debt capacity forecast, restructuring of the University's swaps with Barclays Capital, the bonding resolutions brought to the Board this month for review and approval, and the upcoming debt issuance plans.

Swap Restructuring

- The University's interest rate swaps related to its Series 1999A, 2001C, and 2003A Bonds, originally entered into with terms whereby the University paid a fixed rate and received floating rates based on short term tax-exempt bond yields.
- When the University's swaps with Lehman Brothers Commercial Bank were replaced with Barclays Capital in February 2009, the University elected to change the floating rates, taking advantage of a market anomaly that allowed the University to receive a very high percentage of 3-month LIBOR at no incremental cost versus receiving the SIFMA index.
- This market anomaly provided an immediate cash flow benefit to the University as 3-month LIBOR was significantly higher than SIFMA at the time. There was also an expectation that the University would have an opportunity to convert back to SIFMA at a later time and realize a significant benefit.
- The University has been monitoring the reversal of the market anomaly since June, and restructured the swaps on October 26, 2009, effective November 1, 2009. The restructuring resulted in a lowering of the fixed rates the University pays as follows:
 - Series 1999A: \$126,300,000, from 4.16% to 3.552%
 - Series 2001C: \$127,750,000, from 4.40% to 3.563%
 - Series 2003A: \$62,700,000, from 4.39% to 3.807%
- The variable interest rate payment to be received in the future is based on the SIFMA index.
- The present value savings on all three swaps combined is approximately \$14.3 million.

Background Information:

Swap Restructuring

LIBOR Index refers to London Interbank Offered Rate Index, and is a floating rate that is representative of taxable short-term interest rates.

SIFMA Index refers to the Securities Industry Financial Markets Association Index, previously known as the BMA (Bond Market Association) Index, and is a floating rate representative of 7-day tax-exempt bond yields. Typically, the University's bonds have traded slightly below SIFMA on average.