AGENDA ITEM SUMMARY

1. NAME OF ITEM: Approval of Series 2013 Revenue Bond Refunding

2. INITIATED BY: James H. Page, Chancellor

3. BOARD INFORMATION: BOARD ACTION: X

4. BACKGROUND:

   The University of Maine System (UMS) proposes to issue revenue bonds to refinance several of its prior bond issues and costs associated with the issuance. Fiscal details of the refinancing were reviewed at the March 7th Joint Finance/Facilities Committee meeting.

   As of March 1, 2013, UMS revenue bonds outstanding total $176 million with a statutory ceiling of $220 million. This refinancing does not increase outstanding debt but rather achieves interest rate savings in this historically low interest rate environment. Estimated net present value savings total approximately $5.7 million through and including FY2035. Total sources and uses for this refinancing are estimated to be $80.4 million.

   Enclosed is a memorandum to the Board presenting certain securities law requirements applicable to publicly offered bonds. In addition, a Financing Authorization document and Preliminary Official Statement are enclosed for Board review and approval. UMS Bond Counsel, James Pitney, Jr. with PretiFlaherty, will briefly review these documents and be available for questions at the March 18th meeting.

5. TEXT OF PROPOSED RESOLUTION:

   That the Board of Trustees approve (a) the issuance of revenue bonds to refund prior revenue bonds, (b) liquidation of outstanding debt service reserve funds where determined to be beneficial, (c) financing any necessary capitalized interest, reserves, and costs of issuance and (d) the Financing Authorization document herein enclosed.