ISSUANCE OF GENERAL REVENUE PLEDGE REFUNDING BONDS AND POLICY REVISIONS

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University of Virginia
Series 2015 Bonds

• The University anticipates issuing up to $330mm of bonds in March 2015
  – Proceeds of the financing will refund certain outstanding debt and
    commercial paper and restructure some existing long-term debt

• In November 2014, we reviewed with the BOV the following debt
  optimization objectives:
  – Take advantage of historically low long-term fixed rates
  – Consider “averaging in” more variable rate debt over time
  – Target a medium-term goal of better matching short-term assets and short-
    term liabilities to reduce balance sheet risk

• The BOV Executive Committee is asked to consider:
  – Approving an Authorizing Resolution for the bond issue
    • Under the University’s Debt Policy, the EVP/COO along with the Chair of
      the Finance Committee, have the authority, under Board-approved
      parameters, to approve pricing on the debt
  – Approving minor revisions to the University’s Debt Management and Interest
    Rate Risk Management Policies
Revisions to Policies

• Debt Policy Revisions
  – Add ratio target for Debt Burden Percentage (i.e., debt service/operating expenses) as required under State Restructuring Act performance measures

• Interest Rate Risk Management Policy Revisions
  – Update list of authorized individuals
  – Strengthen counterparty credit exposure limits