

USF Board of Trustees
Finance Committee
NOTES
August 25, 2020
Microsoft Teams Virtual Meeting

I. Call to Order and Comments

The meeting of the Finance Committee was called to order by Chair Michael Griffin at 2:02pm. Chair Griffin asked Dr. Cindy Visot to call roll. Dr. Visot called roll with the following committee members present: Michael Griffin, Mike Carrere, Les Muma, John Ramil, Charlie Tokarz, and Jordan Zimmerman. A quorum was established. Chair Griffin welcomed Chip Newton, the new

Trustee Ramil asked if all these projects have been vetted and are in line with our strategic planning and are of a high priority. Mr. Trivunovich responded yes, these projects have been reviewed by senior management. Additional review may be necessary prior to bringing major projects back to the Board. Trustee Ramil also asked if all projects funded with carry forward are in compliance with carry forward rules and regulations. Mr. Trivunovich responded yes.

Chair Griffin would like to know how the projects will be prioritized and what projects can wait. He would like this to be discussed at the September BOT meeting.

A motion was made to: approve the 2020 Fixed Capital Outlay Budget. pi2a6(pi2a6(pi2a6(pi2a6(p29

IV. New Business-

the rating agencies since the disclosures. Mr. Stubbs responded that the ratings agencies are pleased that we have made the disclosures and are taking proactive steps. We will need to develop a management plan for how we will make our numbers and take it to the ratings agencies. Trustee Ramil stated that this is good, that ratings agencies like us being aggressive and they do not like surprises.

3. Derivatives

The BOT Derivatives Policy governs all derivatives. We have had no new swaps since 2007 and we are winding down the swap portfolio. We have a swap currently outstanding for \$55M. Looking to exit remaining swap will terminate swap or convert bonds i20>BDC -1 0.0b 6(a)-1.Matem0ITJ (on/MCID 1 >>BDC -1)22.1(in)J (on/M 01 (on/MCID

b. Debt Refinancing Opportunities

Chair Griffin introduced this agenda item, acknowledging Chair Zimmerman for leading the charge on this and empowering Mr. Stubbs to get this done. Chairs Zimmerman and Griffin had asked for an analysis of debt that could be refinanced.

Mr. Stubbs gave an overview of USF's recent debt refinancing opportunities. University management assessed all 19 outstanding bond issues for refinancing opportunities to take advantage of current low, long-term market interest rates. Management, together with the University's financial advisor, PM Financial Advisors, identified three direct-placement bonds not constrained by call protection, make-whole provisions or other restrictions on refunding. Management successfully negotiated a reduction in interest rates from 3.50% to 2.25% with the bank holding the three bonds totaling \$30M. This will generate interest savings estimated at \$21M over the bonds' remaining 10 years.

Chair Zimmerman stated that this is very exciting news. He congratulated Mr. Stubbs and his team on their good work as this is also very timely.

V. Adjournment

Chair Griffin asked if Chair Zimmerman had any final comments. Chair Zimmerman stated that this is the most productive committee/board he has served on and congratulated everyone on a great job.

Having no further business, Chair Griffin adjourned the Finance Committee meeting at 12:30 p.m.