

**AGENDA  
FINANCE COMMITTEE**

**UNIVERSITY OF SOUTHERN INDIANA  
BOARD OF TRUSTEES**

**February 5, 1998**

- I. Review proposals and select investment banker for 1998 housing construction project**
  - II. Review proposals and select investment banker for Liberal Arts Center bonding**
  - III. Review proposals and select investment banker for 1999 housing construction project**
  - IV. Review proposals and select investment banker for Wellness, Fitness, Recreational Facility**
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**UNIVERSITY of SOUTHERN INDIANA  
Bond Analysis  
For Liberal Arts Center**

	<u>First Chicago Capital Markets</u>	<u>Nuveen &amp; City Securities</u>	<u>Salomon Smith Barney</u>
	Fixed Rate	Fixed Rate	Fixed Rate
<b>Project Totals</b>	<b>\$15,200,000</b>	<b>\$15,200,000</b>	<b>\$15,200,000</b>
<b>Underwriting Discount</b>	<b>80,181</b>	<b>92,460</b>	<b>80,832</b>
<b>Bond Insurance</b>	<b><u>115,795</u></b>	<b><u>54,870</u></b>	<b><u>50,459</u></b>
<b>Total Sans Cost of Issuance</b>	<b><u>\$15,395,976</u></b>	<b><u>\$15,347,330</u></b>	<b><u>\$15,331,291</u></b>
<b>Cost of Issuance</b>	<b><u>80,181</u></b>	<b><u>60,000</u></b>	<b><u>146,118</u></b>
<b>Total Amount of Debt</b>	<b><u>\$15,476,157</u></b>	<b><u>\$15,407,330</u></b>	<b><u>\$15,477,409</u></b>
<b>Maturity of Bonds</b>	<b>20 Years</b>	<b>20 Years</b>	<b>20 Years</b>

**Recommendation is that we select Salomon Smith Barney as the investment banker for the Liberal Arts Project.**

**This is based upon the following factors:**

- 1) Broad experience within the State with fee replacement issues.**
- 2) Day-to-day account manager has worked with USI on three previous issues.**
- 3) With our potentially going to a new type of funding for other projects, this would facilitate this issue.**
- 4) Fixed rate issue gives University supporters an opportunity to purchase USI bonds.**

**UNIVERSITY of SOUTHERN INDIANA  
Bond Analysis  
For University Housing**

	<b>Banc One</b>	<b>First Chicago Capital Markets</b>
	<b>Variable Rate</b>	<b>Variable Rate</b>
<b>Project Totals</b>	<b>\$3,200,000</b>	<b>\$3,200,000</b>
<b>Underwriting Discount</b>	<b><u>24,950</u></b>	<b><u>14,749</u></b>
<b>Total Sans Cost of Issuance</b>	<b><u>\$3,224,950</u></b>	<b><u>\$3,214,749</u></b>
<b>Cost of Issuance</b>	<b><u>42,950</u></b>	<b><u>43,000</u></b>
<b>Total Amount of Debt</b>	<b><u>\$3,267,900</u></b>	<b><u>\$3,257,749</u></b>
<b>Maturity of Bonds</b>	<b>25 Years</b>	<b>25 Years</b>
<b>Remarketing Annual Fee</b>	<b>\$4,088</b>	<b>\$3,322</b>
<b>% Impact on Annual Costs</b>	<b>0.125%</b>	<b>0.102%</b>
<b>Letter of Credit Annual Costs</b>	<b>\$16,340</b>	<b>\$12,054</b>
<b>% Impact on Annual Costs</b>	<b>0.500%</b>	<b>0.370%</b>

**Recommendation is that we select First Chicago Capital Markets as the investment banker for the University Housing Project.**

**This is based upon the following factors:**

- 1) Their overall level of debt is projected as being less.**
- 2) Their remarketing fees are less.**
- 3) Their LOC annual fees are less.**
- 4) We have dealt with them in the past.**
- 5) Ability to select trustee.**