

# Southern Illinois University

Series 2014 COPS

		PROJECT DETAIL				
Building	Project Description	Board Approval	Approved Budget *	Expected Completion Date	Useful Life	Cost Effectiveness
Pulliam Hall	Decommission swimming pool, install new floor, add new level in gymnasium area, and construct new studio, classrooms and faculty offices, upgrade MEP.	5/10/2012	\$ 7,000,000	Aug-14	30+	The Pulliam Hall physical education facility was constructed in 1954 as part of a local school. The gymnasium and pool areas have not been used for their original intent for years. Recognizing the need for usable educational space, the areas are being converted to consolidate departments currently spread across campus. Cost efficiencies are gained by renovating current space as opposed to demolition and construction of new space.
Pulliam Hall	Increase project scope to include windows & roof	11/8/2012	\$ 1,250,000	Aug-14	30	The roof and window replacements will protect the new infrastructure and improve building energy efficiencies.
Parkinson Lab	Replace HVAC	7/12/2012	\$ 4,300,000	Jan-17	30+	The HVAC system are 34 years old and has outlived its useful life. Replacement will provide improved climate control while reducing the energy and maintenance costs and decrease the potential for mold growth.
Faner Hall	Replace HVAC	7/12/2012	\$ 2,200,000	Aug-15	30+	The HVAC system are 40 years old and has outlived its useful life. Replacement will provide improved climate control while reducing the energy and maintenance costs and decrease the potential for mold growth.
Neckers Building	Replace HVAC	7/12/2012	\$ 1,500,000	Feb-16	30+	The HVAC system are 50 years old and has outlived its useful life. Replacement will provide improved climate control while reducing the energy and maintenance costs and decrease the potential for mold growth.
Woody Hall	Renovation of Mechanical, Electrical, & Plumbing (MEP)	7/12/2012	\$ 5,000,000	Nov-15	30+	The MEP systems are 60 years old and have outlived their useful life. The majority of the departments housed in Woody Hall are being relocated to the newly opened Student Services Building. With the reassignment of space, the building vacancy permits the work to be accomplished at a greater cost savings. This work will improve the health life safety issues for the occupants.
Roof Replacement - Wham - Pulliam/Wham Breeze - Rehn Hall -Life Sciences II - Studio Arts	Replace roof Replace roof Replace roof Replace roof Replace roof	7/12/2012	\$ 2,000,000	Apr-15	30	Currently, the roof systems have outlived their useful life and do not provide adequate protection to the structure or the university assets within the facilities. The new roof systems will be a light colored thermoplastic polyolefin (TPO) material and include a 30 year warranty, built-up insulation and designed to provide additional energy conservation.
Campus Lighting	exterior and roadway lighting across main campus	7/12/2012	\$ 1,000,000	Jun-14	30+	The lighting will be replaced with energy efficient fixtures that will provide a cost savings to the university plus replacement will provide increased safety for the students, faculty, staff and visitors.
Steam Tunnel Repairs	structural improvements and replacement of pipe stanchions, expansion joints and steam specialties for 8 miles of underground reinforced concrete tunnels used for utility distribution to most of the central campus buildings	7/12/2012	\$ 1,000,000	Sep-14	30+	The steam tunnels are in excess of 30 years old and some section are over 50 years. Age, moisture and gravity have taken their toll on a vital distribution avenue. This project will repair and fortify the most deteriorated sections to provide for the health life safety of the students, faculty, staff and visitors plus maintain our campus utility distribution.
Lawson Hall	Window and Door replacements	7/12/2012	\$ 1,000,000	Sep-14	30	Replacement of the windows and doors will improve energy efficiency and provide functioning access hardware for increased security of the building.
Electrical Distribution System	replace electrical feeders and associated equipment in the campus electrical distribution system. Includes purchase of 12.5kV source for installation at the east campus substation.	9/13/2012	\$ 5,000,000	Nov-15	30+	This project will replace the electrical feeders and associated equipment in the campus distribution system that is at risk of failure due to deterioration and includes the purchase of a new 12.5kV source. This will greatly improve the efficiency and reliability of the system and result in significant long-term savings in the purchase of electricity.
Quigley Hall (newly added)	renovation of Quigley Hall to retrofit vacant space to meet the needs of the School of Architecture.	11/14/2013 (pending)	\$ 1,200,000	Aug-15	30+	This project will consolidate the School of Architecture into Quigley Hall which will provide better efficiency for the department and improve student academic support.
<b>TOTAL</b>			<b>\$ 32,450,000</b>			

\* No more than \$30 million will be financed with COPS.

Southern Illinois University  
Board of Trustees  
November 14, 2013

PROJECT AND BUDGET APPROVAL:  
QUIGLEY HALL RENOVATION,  
CARBONDALE CAMPUS, SIUC

Summary

This matter seeks project and budget approval for renovations at Eileen E. Quigley Hall. The estimated cost for this project is \$1,200,000.

Rationale for Adoption

The Eileen E. Quigley Hall, constructed in 1959, was originally the Home Economics building. Today it houses the School of Social Work and the School of Architecture. As the renovation of Pulliam Hall continues, plans have been developed to move the School of Social Work to Pulliam Hall and consolidate the School of Architecture into Quigley Hall.

This project will focus on the renovation of Quigley Hall to meet the needs of the School of Architecture. The design will be accomplished with in-house resources and the work will be completed with in-house labor and through the external bid process. This project will be funded from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid from the Facilities Maintenance Fee.

The Chancellor, SIUC, and the Vice Chancellor for Administration and Finance recommended this item to the President.

Considerations Against Adoption

University officials are aware of none.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) Project and budget approval for the renovation of Quigley Hall, Carbondale Campus, SIUC, at an estimated cost of \$1,200,000 be and is hereby approved.

(2) The Board of Trustees hereby authorizes the purchase of goods and services required to complete this project.

(3) Funding for this work will come from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid from the Facilities Maintenance Fee.

(4) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

**Board of Trustees of Southern Illinois University**  
**Certificates of Participation, Series 2014A**  
**University Debt Service**

Fiscal Year	Certificates of Participation *			HAFS System	Medical Facilities System	Combined University Total	NOTE 1	NOTE 2	Net Combined University Total
	Series 2004A	Series 2014A	Total				Series 2009A Government Interest Credit	Series 2012B-2 Government Interest Credit	
6/30/2014	2,493,850		2,493,850	26,535,010	1,765,250	30,794,110	(924,350)	(157,731)	29,712,029
6/30/2015		4,123,974	4,123,974	26,920,816	1,792,113	32,836,903	(897,262)	(157,731)	31,781,910
6/30/2016		3,942,450	3,942,450	26,845,435	1,816,000	32,603,885	(865,716)	(157,731)	31,580,438
6/30/2017		3,950,523	3,950,523	25,445,438	1,843,250	31,239,210	(829,965)	(157,731)	30,251,514
6/30/2018		3,947,233	3,947,233	26,748,393	1,871,250	32,566,875	(791,157)	(157,731)	31,617,987
6/30/2019		3,939,775	3,939,775	24,146,990	1,899,750	29,986,515	(749,419)	(157,731)	29,079,365
6/30/2020		3,947,410	3,947,410	24,240,683	1,928,500	30,116,593	(703,786)	(157,731)	29,255,075
6/30/2021		3,945,310	3,945,310	23,856,203	1,957,250	29,758,763	(657,022)	(157,731)	28,944,010
6/30/2022		3,941,703	3,941,703	21,490,133	1,985,750	27,417,585	(606,759)	(157,731)	26,653,095
6/30/2023		3,943,423	3,943,423	21,064,105	1,983,750	26,991,278	(553,349)	(157,731)	26,280,197
6/30/2024		3,944,468	3,944,468	20,278,013	547,500	24,769,980	(496,496)	(157,731)	24,115,753
6/30/2025		2,381,868	2,381,868	20,234,193	545,900	23,161,960	(435,992)	(157,731)	22,568,238
6/30/2026		2,384,078	2,384,078	20,140,255	543,400	23,067,733	(372,047)	(157,731)	22,537,955
6/30/2027		2,385,438	2,385,438	20,152,710		22,538,148	(303,366)	(157,731)	22,077,051
6/30/2028		2,382,088	2,382,088	20,085,030		22,467,118	(231,973)	(157,731)	22,077,414
6/30/2029		2,383,038	2,383,038	17,953,030		20,336,068	(157,651)	(157,731)	20,020,686
6/30/2030		2,383,488	2,383,488	10,576,745		12,960,233	(80,399)	(157,731)	12,722,103
6/30/2031		2,382,103	2,382,103	6,646,315		9,028,418		(157,731)	8,870,687
6/30/2032		2,385,330	2,385,330	6,642,335		9,027,665		(157,731)	8,869,934
6/30/2033		2,381,553	2,381,553	4,620,210		7,001,763		(157,731)	6,844,032
6/30/2034		2,381,648	2,381,648	4,619,760		7,001,408		(157,731)	6,843,677
6/30/2035				9,981,460		9,981,460		(157,731)	9,823,729
6/30/2036				2,604,000		2,604,000			2,604,000
	2,493,850	63,456,894	65,950,744	411,827,259	20,479,663	498,257,666	(9,656,707)	(3,470,082)	485,130,877

\* After the anticipated refunding of Series 2004A.

**NOTE 1** The amount represents the Build America Bond Interest Credit before sequestration reductions. Net credit is shown below:

Payment Date	Original BAB Credit	Sequest. Reduction	Net BAB Credit
1-Oct-13	\$ 462,175.00	\$ 40,209.23	\$ 421,965.78
1-Apr-13	\$ 462,175.00	\$ 33,276.60	\$ 428,898.40
FY14 Total	\$ 924,350.00	\$ 73,485.83	\$ 850,864.18

**NOTE 2** The amount represents the Qualified Energy Conservation Bond Interest Credit before sequestration reductions. Net credit is shown below:

Payment Date	Original BAB Credit	Sequest. Reduction	Net BAB Credit
1-Oct-13	\$ 78,865.50	\$ 6,861.30	\$ 72,004.20
1-Apr-13	\$ 78,865.50	\$ 5,678.32	\$ 73,187.18
FY14 Total	\$ 157,731.00	\$ 12,539.61	\$ 145,191.39

# Southern Illinois University

2014 COPs

Proforma Debt Service Coverage

	Projected			
	FY2014	FY2015	FY2016	FY2017
Facilities Maintenance Fee Revenue	\$ 6,450,000	\$ 6,624,331	\$ 6,798,655	\$ 6,972,980
Proforma Debt Service: 2014A COPs (new money)	\$ -	\$ 2,385,812	\$ 2,383,530	\$ 2,382,398
Proforma Debt Service Coverage Ratio		2.78	2.85	2.93

## Southern Illinois University Credit Rating History (Since 2007)

Year Ending Dec 31	Bond Insurers												Notes <sup>7</sup>
	SIU		AMBAC <sup>2</sup>		NPFGC <sup>3</sup>		FGIC <sup>4</sup>		FSA/Assured <sup>5</sup>		Assured Guaranty <sup>6</sup>		
	Moody's	S&P	Moody's	S&P	Moody's	S&P	Moody's	S&P	Moody's	S&P	Moody's	S&P	
2013 <sup>1</sup>	A3	A+	NR	R	Baa1	A	-	-	A2	AA-	A3	AA-	In March 2013, Moody's confirmed SIU's "A2" rating and changed its outlook to "Negative." In June 2013, Moody's placed all Illinois public universities on review for possible downgrade following the downgrade of the State of Illinois to "A3." In August 2013, Moody's downgraded SIU to "A3" and retained a "Negative" outlook.
2012	A2	A+	NR	R	Baa2	BBB	NR	NR	Aa3	AA-	Aa3	AA-	SIU issued HAFS Series 2012A in January 2012 and HAFS Series 2012B in December 2012. In December 2012, Moody's placed all Illinois public universities on review for possible downgrade.
2011	A2	A+	NR	R	Baa2	BBB	NR	NR	Aa3	AA-	Aa3	AA-	
2010	A2	A+	Caa2	R	Baa1	BBB	NR	NR	Aa3	AA+	Aa3	AA+	In February 2010, Moody's downgraded SIU's rating to "A3" from "A1" as a result of the fiscal turmoil of the State of Illinois. SIU's "A2" credit rating is the result of a recalibration of all public finance ratings by Moody's in May 2010; it does not reflect a rating upgrade.
2009	A1	A+	Caa2	CC	Baa1	A	NR	NR	Aa3	AAA	Aa3	AAA	SIU issued HAFS Series 2009A in May 2009.
2008	A1	A+	Baa1	A	Baa1	AA	Caa1	A	Aa3	AAA	-	-	SIU issued HAFS Series 2008A in May 2008.
2007	A1	A+	Aaa	AAA	Aaa	AAA	Aaa	Aaa	-	-	-	-	

NR = Not rated. R= Regulatory Intervention.

<sup>1</sup> To date.

<sup>2</sup> AMBAC Assurance Corp. Bond insurer for HAFS Series 2004A, MFS Series 2005, and Series 2004A COPs.

<sup>3</sup> National Public Finance Guarantee Corp. (formerly MBIA Insurance Corp. of Illinois). Bond insurer for HAFS Series 2006A, HAFS Series 1999A, HAFS Series 1997A, and HAFS Series 1993A.

<sup>4</sup> Financial Guaranty Insurance Co. (FGIC).

<sup>5</sup> Financial Security Assurance (FSA) became Assured Guaranty Municipal Corp. in 2009. Bond insurer for HAFS Series 2008A.

<sup>6</sup> Assured Guaranty Corp. Bond insurer for HAFS Series 2009A.

<sup>7</sup> To date, SIU's outstanding public debt issues are as follows: HAFS Series 2012B, HAFS Series 2012A, HAFS Series 2009A, HAFS Series 2008A, HAFS Series 2006A, HAFS Series 2004A, HAFS Series 1999A, HAFS Series 1997A, HAFS Series 1993A, MFS Series 2005, and Series 2004A COPs.

## FACILITIES MAINTENANCE FEE - SIUC

Comparative Statement of Actual and Estimated  
Income and Expense

Fee Rate per Credit Hour*	\$17.00	\$17.50	\$18.09	\$18.50	\$19.00	\$19.50	\$20.00
Percent Change	3.03%	2.94%	3.37%	2%	3%	3%	3%
Beginning Cash							
	<b>FY11 Actual</b>	<b>FY12 Actual</b>	<b>FY13 Actual</b>	<b>FY14 BUDGET</b>	<b>FY15 Projected</b>	<b>FY16 Projected</b>	<b>FY17 Projected</b>
<u>Revenues</u>							
Facilities Maintenance Fee - Cash Basis	6,351,039.54	6,505,244.62	\$6,198,730.92	\$6,450,000.00	\$6,624,331.00	\$6,798,655.50	\$6,972,980.00
Interest Income	39,663.70	38,461.59	38,360.25	20,000.00	23,000.00	25,000.00	25,000.00
Total Revenues	6,390,703.24	6,543,706.21	6,237,091.17	6,470,000.00	6,647,331.00	6,823,655.50	6,997,980.00
Category# <u>Expenditures Category</u>							
1 Campus Roofs	410,121.68	215,109.70	1,459,026.30	804,690.40	150,000.00	150,000.00	150,000.00
2 Power Plant & Distribution Systems	1,181,828.12	988,684.93	849,504.59	954,260.67	252,200.00	862,375.00	1,218,450.00
3 Academic / Classroom / Lab Upgrades	2,496,939.54	1,271,616.10	2,108,840.44	2,936,390.24	1,216,500.00	721,060.00	450,000.00
4 HVAC - General Campus	688,106.93	448,979.19	1,825,564.71	1,524,644.22	1,237,703.00	450,000.00	721,060.00
5 Small Deferred Maintenance Projects	680,757.98	991,516.62	952,509.22	1,232,699.54	1,400,000.00	1,021,064.00	1,902,630.00
6 Expenditures to be reimbursed with COPs			2,045,352.22	2,339,011.61			
7 Debt Service payment <1>	-	-	-		2,385,812.00	2,383,530.00	2,382,398.00
Total Expenditures	5,457,754.25	3,915,906.54	9,240,797.48	9,791,696.68	6,642,215.00	5,588,029.00	6,824,538.00
Change in Cash Balance	932,948.99	2,627,799.67	(3,003,706.31)	(3,321,696.68)	5,116.00	1,235,626.50	173,442.00
Reimbursement from COPs	-	-	-	4,384,363.83	-	-	-
Yr End Accrual Adjustment	-	(808,390.03)	-	-	-	-	-
Beginning Cash	2,168,940.30	3,101,889.29	4,921,298.93	1,917,592.62	2,980,259.77	2,985,375.77	4,221,002.27
Ending Cash	3,101,889.29	4,921,298.93	1,917,592.62	2,980,259.77	2,985,375.77	4,221,002.27	4,394,444.27
% of Ending Cash to Total Expenditures	56.8%	125.7%	20.8%	30.4%	44.9%	75.5%	64.4%

**Footnotes:**

<1> In FY 2014 COPS will be issued for \$30 million which will create costs for Debt Service Repayment.