

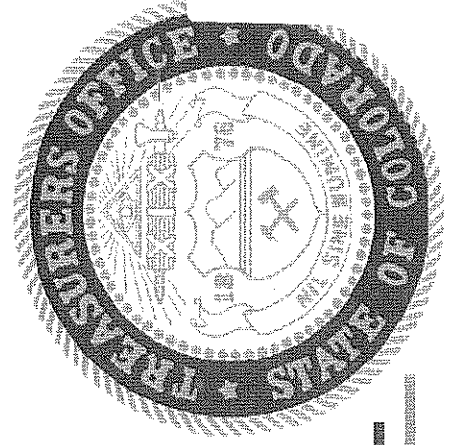
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# State Treasurer's Office

Presentation to the Joint Finance Committee

December 13, 2013

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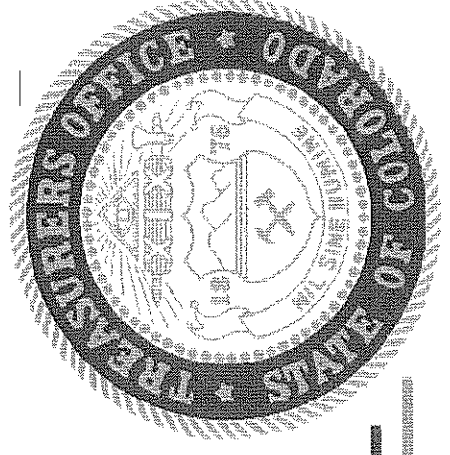
# Debt Consolidation Successes: Financial Management Policy and Post-Issuance Compliance

The Treasurer's Office promulgated the State's first State Public Financing Policy, Directed under SB12-150:

- Colorado was an outlier compared to other states without a formal debt or financial management policy.
- The Treasurer's State Public Financial Policy outlines procedures and policies with respect to the State's management of issuance or incurrence of financial obligations
- Provides direction to integrate financial management with the Governor's Budget Office and related agencies
- Outlines post-issuance compliance with federal and state securities laws

*The Treasurer's office has already managed an organizational overhaul of its post-issuance compliance procedures:*

- Hired DAC Bond , a company to help facilitate transparency of financial issuance and post-compliance activities to financial markets and the Municipal Securities Rulemaking Board
- Identified any weaknesses related to the State's compliance with SEC and IRS post-issuance requirements
- Implemented procedures and processes to oversee post-issuance compliance on an annual basis



## 2013 Successes:

### Refinancing Opportunities Lead by the Treasurer's Office

The Treasurer taken an immediate leadership role with its new responsibilities, providing over \$6 million of savings to the State in the last six months through refinancing opportunities:

#### CU Fitzsimons COP Refunding,

Series 2013:

**Closing Date:** March 14, 2013

**Par Amount:** \$70,910,000

**Total Savings :** \$4,674,000

**Average Annual Savings :** \$186,000/year

**Present Value Savings:** 5.57%

#### CDOT Transportation Revenue Anticipation Notes Refunding,

Series 2013:

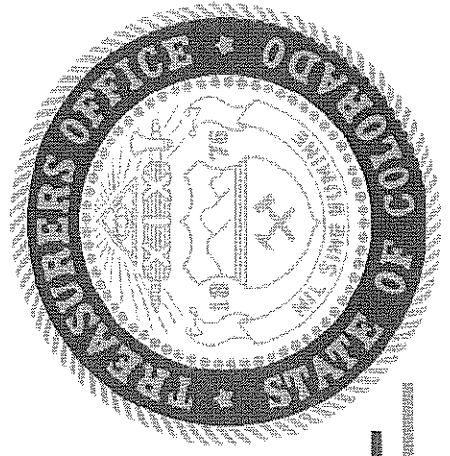
March 7, 2013

\$30,925,000

\$2,044,000

\$500,000/year

5.05%



## Other Financial Management Successes: 2013 CSP II COP Refinancing/Restructuring

*The Treasurer's office worked with the Department of Corrections to help refinance and provide flexibility to its outstanding CSP II COPs:*

- CSP II, a high security prison facility, has been empty since 2009 for budgetary reasons.
- As the DOC seeks a new tenant, the prior COP structure required change to provide maximum flexibility for tenant options.

*The Treasurer's office managed a successful and creative restructuring of CSP II COPs in a very difficult financial market, saving the State \$1.54 million dollars:*

- Refunding tax-exempt COPs with a taxable structure to allow for flexibility in future tenant options
- Shifting principal payments to shorten average live of outstanding COPs
- Shortening and leveling payments by one year
- Maximizing open market securities in escrow to provide greatest savings to the State

