

January 14, 2014

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Weber State University – Series 2015 Bond Issue to Refund Student Facilities System Revenue Bonds

Issue

Weber State University (WSU) has requested authorization to issue Series 2015 Revenue Bonds to refund \$18,165,000 of previously issued Series 2005 Student Facilities System Revenue Bonds.

Background

These Series 2005 Bonds are “callable” and can be paid off beginning October 1, 2015. However, WSU wishes to use a one-time advanced refunding “call” option that is available in advance of that date in order to sell these bonds in February while interest rates remain favorable.

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$20,000,000 including costs of issuance and capitalized interest
- Interest rate not to exceed 5%
- Discount from par not to exceed 2%
- Final maturity not to exceed 18 years from the date of issue

Additional information about the issue is included in the attached materials. At present, the projected NPV savings exceed 11%, and will enable WSU to eliminate the last two years’ worth of bond payments with this refunding savings.

A copy of the request letter from WSU, a financing summary from the financial advisor, and a draft of the Approving Resolution that provide additional detail about this request are attached for your review. Representatives from the University, Eric Hunter, Bond Counsel with Chapman & Cutler, and Brian Baker, Financial Advisor with Zions Bank will be in attendance at the meeting to provide additional information and answer questions from the Board.

Commissioner's Recommendation

The Commissioner recommends approval of the proposed Authorizing Resolution to refund the Series 2005 Student Facilities System Revenue Bonds as proposed.

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David L. Buhler  
Commissioner of Higher Education

DLB/GLS/WRH  
Attachment



January 9, 2015

Dr. Dave Buhler, Commissioner  
Utah System of Higher Education  
60 South 400 West  
Salt Lake City, UT 84101-1284

Dear Dr. Buhler:

Weber State University seeks authorization to refinance its Series 2005 revenue bonds, the proceeds of which were used to renovate the Shepherd Student Union on the Ogden Campus. Interest rates are such that it may be possible to trim 2-full years ( or \$3 million) from the debt service schedule of these bonds.

To this end, the University has assembled a consulting team including Bond Attorney Eric Hunter from the law firm of Chapman and Cutler, and Financial Advisor Brian Baker from Zions Capital Markets.

Details of the proposed refinancing are included here. Current plans are to sell these bonds in February of 2015. We anticipate utilizing the competitive bid process to bring these bonds to market.

Please place this item on the Regents January 23, 2015 agenda.

Sincerely,

A handwritten signature in black ink, appearing to read 'Norm Tarbox'.

Norm Tarbox  
Vice President for Administrative Services

**Weber State University**  
**Student Building Fee Revenue Refunding Bonds, Series 2015**  
**Preliminary Summary Sheet**

Proposed Issue: Student Facilities System Revenue Refunding Bonds  
Total Approximate Issue Size: \$18,165,000

Use of Funds: To generate debt service savings by refunding the previously issued Series 2005 Student Facilities System Revenue Bonds; satisfy any reserve fund requirements; and pay associated costs of issuance.

Detail of Proposed Series 2015 Bonds:

Principal Amount: Not to exceed \$20,000,000

Interest Rate: Not to exceed 5%

Maturity Date: Not to exceed 18 years

Aggregate Discount: Not to exceed 2%

Underwriter's Discount: Not to exceed 2%

Bond Rating: AA from S&P (insured at winning bidder's option)

Underlying Rating: AA from S&P utilizing the State Moral Obligation

Source of Repayment: Student Facilities System Revenues

Timetable Considerations: The Series 2005 Bonds are "callable" and can be paid off beginning October 1, 2015. In advance of that date, the bonds can be paid off or "called" using a one-time advanced refunding. Provided that the Regents grant authorization at their January 23, 2015 meeting, and that the savings generated by issuing the Series 2013 Bonds continues to exceed the level of 7% of debt service, the University anticipates selling bonds via a competitive sale on or around February 12, and closing the transaction on February 24.

Salt Lake City, Utah

January 23, 2015

The State Board of Regents of the State of Utah (the “*Board*”) met in regular session at the University of Utah on January 23, 2015, commencing at \_\_\_\_\_ a.m./p.m. The following members of the Board were present:

[list Board members in attendance/absent]

As required by Section 52-4-203, Utah Code Annotated 1953, as amended, written minutes and a recording of this meeting are being kept.

After the meeting had been duly convened and called to order by the Chair and the roll had been called with the above result, and after other business had been conducted, the Chair announced that one of the purposes of the meeting was the consideration of various matters with respect to the issuance and sale of the State Board of Regents of the State of Utah, Weber State University Student Facilities System Revenue Refunding Bonds.

The following resolution was introduced in written form and, after full discussion, pursuant to motion duly made and seconded, was adopted by the following vote:

YEA:

NAY:

ABSENT:

The resolution is as follows:

## RESOLUTION

A RESOLUTION OF THE STATE BOARD OF REGENTS OF THE STATE OF UTAH AUTHORIZING THE ISSUANCE AND SALE OF ITS WEBER STATE UNIVERSITY STUDENT FACILITIES SYSTEM REVENUE REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$20,000,000; AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL INDENTURE OF TRUST, AN OFFICIAL STATEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the State Board of Regents of the State of Utah (the "*Board*") is established and exists under and pursuant to Section 53B-1-103, Utah Code Annotated 1953, as amended;

WHEREAS, pursuant to the provisions of Title 53B Chapter 1, Utah Code Annotated 1953, as amended, the Board is authorized to act as the governing authority of Weber State University (the "*University*") for the purpose of exercising the powers contained in Title 53B, Chapter 21, Utah Code Annotated 1953, as amended (the "*Act*");

WHEREAS, pursuant to the Act, the Board is, for and on behalf of the University, authorized to issue bonds payable from a special fund into which the revenues of the University may be deposited;

WHEREAS, the Board previously issued its Weber State University Student Facilities System Revenue Bonds, Series 2005 (the "*Refunded Bonds*");

WHEREAS, pursuant to the Act and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, the Board is, for and on behalf of the University, authorized to issue revenue bonds payable from a special fund into which the revenues of the University may be deposited;

WHEREAS, the Board considers it desirable and necessary for the benefit of the residents of the State of Utah to issue its Weber State University Student Facilities System Revenue Refunding Bonds (the "*Bonds*"), for the purpose of refunding the Refunded Bonds, satisfying any debt service reserve requirement, and paying costs of issuance of the Bonds;

WHEREAS, the Bonds will be issued in an aggregate principle amount of not to exceed \$20,000,000 and will be issued pursuant to the General Indenture of Trust dated as of July 1, 1997, as heretofore amended and supplemented (the "*General Indenture*"), and as further supplemented by a supplemental indenture of trust (the "*Supplemental Indenture*" and, together with the General Indenture, the "*Indenture*"), each by and between the Board, acting for and on behalf of the University, and Wells Fargo Bank, N.A., as trustee (the "*Trustee*");

WHEREAS, the Bonds shall be payable solely from the revenues and other moneys pledged therefor under the Indenture and shall not constitute nor give rise to a general obligation or liability of the State of Utah, the Board or the University or constitute a charge against the general credit of the State of Utah, the Board or the University;

WHEREAS, there have been presented to the Board at this meeting a form of a Preliminary Official Statement relating to the Bonds (the "*Preliminary Official Statement*") and a form of the Supplemental Indenture;

WHEREAS, pursuant to Section 53B-21-102(3)(m) of the Act, the Board desires to grant to the Chair and/or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee of the Board the authority to approve the final principal amounts, terms, maturities, interest rates and purchase prices at which the Bonds shall be sold and any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth in this Resolution, and the authority to approve and execute all documents relating to the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF REGENTS OF THE STATE OF UTAH, AS FOLLOWS:

*Section 1.* All terms defined in the foregoing recitals hereto shall have the same meanings when used herein.

*Section 2.* All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the Board or the University directed toward the issuance of the Bonds are hereby ratified, approved and confirmed.

*Section 3.* The Board hereby authorizes, approves and directs the use and distribution of the Preliminary Official Statement in such form as shall be approved by the Chair or Vice Chair of the Board or the President or Vice President for Administrative Services of the University. The Chair or Vice Chair of the Board or the President or Vice President for Administrative Services of the University are authorized to execute such certificates as shall be necessary to "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Chair or Vice Chair of the Board and the President or Vice President for Administrative Services of the University are hereby authorized to execute and deliver on behalf of the Board and the University a final Official Statement in substantially the form and with substantially the same content as the Preliminary Official Statement, with such alterations, changes or additions as may be necessary to finalize the Official Statement. The use and distribution of the Official Statement are hereby authorized.

*Section 4.* The Supplemental Indenture, in substantially the form presented to the Board at this meeting, is in all respects authorized, approved and confirmed. The Chair or Vice Chair and Secretary of the Board and the President or the Vice President for Administrative Services of the University are hereby authorized to execute and deliver the Supplemental Indenture, in the form and with substantially the same content as presented to this meeting, for

and on behalf of the Board and the University with such alterations, changes or additions as may be authorized pursuant to the terms of this Resolution. The Chair or Vice Chair and Secretary of the Board and the President or the Vice President for Administrative Services of the University are hereby authorized to execute and deliver an Escrow Agreement among the Board, the University and Wells Fargo Bank, N.A., providing for the refunding of the Refunded Bonds.

*Section 5.* For the purpose of providing funds to be used for the purpose of refunding the Refunded Bonds, satisfying a debt service reserve requirement, if any, and paying costs of issuance of the Bonds, the Board hereby authorizes the issuance of the Bonds in the aggregate principal amount of not to exceed \$20,000,000. The Bonds shall bear interest at the rates, shall mature in the principal amounts and on the dates, and shall be subject to redemption, as shall be approved by the Chair or Vice Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee as provided below, all within the parameters set forth in *Schedule A* attached hereto and incorporated herein by reference.

*Section 6.* The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture. The Chair or Vice Chair and the Secretary of the Board and the President or Vice President for Administrative Services of the University are hereby authorized to execute and seal the Bonds and to deliver the Bonds to the Trustee for authentication. All terms and provisions of the Indenture and the Bonds are hereby incorporated in this resolution. The appropriate officials of the Board and the University are hereby authorized to execute and deliver to the Trustee the written order of the Board for authentication and delivery of the Bonds in accordance with the provisions of the Indenture.

*Section 7.* The Bonds shall be sold to the initial purchaser (the “*Underwriter*”) pursuant to a public sale at a discount of not to exceed 2.0% of the face amount of the Bonds plus accrued interest, if any. Pursuant to Section 53B-21-102(3)(m) of the Act, the Chair or Vice-Chair of the Board or the Chair of the Finance, Facilities and Accountability Committee (with concurrence of the President or the Vice President for Administrative Services of the University) is hereby authorized to specify and agree as to the final principal amounts, interest rates, maturities and purchase price with respect to the Bonds for and on behalf of the Board and the University by the execution of the Indenture, such bond purchase contract or other instrument or instruments as may be necessary to confirm the award of the Bonds to the Underwriter, and any changes to the Supplemental Indenture from those terms which were before the Board at the time of adoption of this Resolution, provided such terms are within the parameters set by this Resolution.

*Section 8.* The appropriate officers of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board and the President and Vice President for Administrative Services of the University are hereby authorized to take all action necessary or reasonably required by the Indenture to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.



*Section 9.* The appropriate officials of the Board and the University, including without limitation the Chair or Vice Chair of the Board and/or the Chair of the Finance, Facilities and Accountability Committee and the President or the Vice President for Administrative Services of the University are authorized to make any alterations, changes or additions to the Supplemental Indenture, the Bonds, the Preliminary Official Statement, or any other document herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Board or the provisions of laws of the State of Utah or the United States.

*Section 10.* The appropriate officials of the Board and the University, including without limitation the Chair, Vice Chair, the Chair of the Finance, Facilities and Accountability Committee, Commissioner of Higher Education and Secretary of the Board and the President and Vice president for Administrative Services of the University, are hereby authorized and directed to accept a commitment for, and agree to the terms of, a bond insurance policy or other credit enhancement that such officer or officers determine to be in the best interests of the Board and the University, execute and deliver for and on behalf of the Board and the University any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein, including (without limitation) such (i) continuing disclosure undertakings or agreements as shall be necessary under Rule 15c2-12 of the Securities and Exchange Commission and (ii) such certificates and agreements as shall be necessary to establish and maintain the tax status of the Bonds under the provisions of the Internal Revenue Code of 1986, as amended.

*Section 11.* Upon their issuance, the Bonds will constitute special limited obligations of the Board payable solely from and to the extent of the sources set forth in the Indenture. No provision of this Resolution, the Bonds, the Indenture or any other instrument, shall be construed as creating a general obligation of the Board or the University, or of creating a general obligation of the State of Utah or any political subdivision thereof, nor as incurring or creating a charge upon the general credit of the Board, the University, the State of Utah or any political subdivision thereof.

*Section 12.* All proceedings, resolutions and actions of the Board and the University and their officers and employees taken in connection with the Bonds are hereby ratified, confirmed and approved.

*Section 13.* After any of the Bonds are delivered by the Trustee to the Underwriter and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Indenture.

*Section 14.* If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

*Section 15.* All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order or resolution or part thereof.

*Section 16.* This Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED by the State Board of Regents of the State of Utah this 23rd day of January, 2015.

STATE BOARD OF REGENTS OF  
THE STATE OF UTAH

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Chair

[SEAL]

ATTEST:

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Secretary

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.

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Chair

[SEAL]

ATTEST:

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Secretary

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE        )

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the State Board of Regents of the State of Utah.

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of said Board held on January 23, 2015 and of a resolution adopted at said meeting, as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Board this 23rd day of January, 2015.

\_\_\_\_\_  
Secretary

[SEAL]

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE        )

I, the undersigned, the duly qualified and acting Secretary of the State Board of Regents of the State of Utah (the “*Board*”), do hereby certify, according to the records of the Board in my official possession, and upon my own knowledge and belief, that:

(a) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave public notice of the agenda, date, time and place of the January 23, 2015 public meeting held by the members of the Board by causing a Notice of Public Meeting to be posted at the principal office of the State Board of Regents at 60 South 400 West in Salt Lake City, Utah, on January \_\_\_\_, 2015, at least 24 hours prior to the convening of such meeting, in the form attached hereto as *Exhibit A*, said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the Board until the convening of the meeting; causing a copy of said Notice of Public Meeting in the form attached hereto as *Exhibit A* to be provided on January \_\_\_\_, 2015 at least 24 hours prior to the convening of such meeting, to the *Deseret News* and *The Salt Lake Tribune*, newspapers of general circulation within the geographic jurisdiction of the Board, and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the Board; and causing a Notice of Public Meeting to be posted on January \_\_\_\_, 2015 at the Utah Public Notice Website at least 24 hours before the convening of the meeting;

(b) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, public notice of the 2015 Annual Meeting Schedule of the Board was given specifying the date, time and place of the regular meetings of the Board scheduled to be held during the year, by causing a Notice of Annual Meeting Schedule for the Board in the form attached as *Exhibit B* to be posted during or before January 2015 at the principal office of the Board in Salt Lake City, Utah; such Notice of Annual Meeting Schedule having continuously remained so posted and available for public inspection during the regular office hours of the undersigned until the date hereof; causing a copy of such Notice of Annual Meeting Schedule to be provided during or before January 2015 to a newspaper of general circulation within the geographic jurisdiction of Salt Lake City, Utah; and causing a Notice of Annual Meeting Schedule to be posted during or before January 2015 at the Utah Public Notice Website; and

(c) the Board has adopted written procedures governing the holding of electronic meetings in accordance with Section 52-4-207 Utah Code Annotated 1953, as amended (a copy of which is attached hereto as *Exhibit C*). In accordance with such provisions and the aforementioned procedures, notice was given to each member of the Board and to members of the public at least 24 hours before the meeting to allow members of the Board and the public to participate in the meeting, including a description of how they could be connected to the meeting. The Board held the meeting (the anchor location) in the building where it normally meets and provided space and facilities at the anchor location so that interested persons and the public could attend and participate.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the State Board of Regents of the State of Utah, this 23rd day of January, 2015.

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Secretary

[SEAL]



## **SCHEDULE A**

### **PARAMETERS**

<b>PRINCIPAL AMOUNT:</b>	Not to exceed \$20,000,000.
<b>TERM:</b>	Not to exceed 18 years from their date or dates.
<b>INTEREST RATE:</b>	Fixed rates such that no coupon rate exceeds 5.0% per annum.
<b>SALE PRICE:</b>	Not less than 98% of the principal amount of the Bonds.
<b>SAVINGS THRESHOLD:</b>	Not less than 7% (net present value) of the debt service on the Refunded Bonds

**EXHIBIT A**

[ATTACH NOTICE OF PUBLIC MEETING]

**EXHIBIT B**

[ATTACH NOTICE OF ANNUAL MEETING SCHEDULE]

**EXHIBIT C**

[ATTACH ELECTRONIC MEETING POLICY]