

March 18, 2015

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: Weber State University – Series 2015 Student Facilities System Revenue Refunding Bonds

Issue

On February 12, 2015 Weber State University (WSU) sold revenue bonds to refund its Series 2005 Student Facilities System Revenue Bonds. The sale was closed on February 24, 2015.

Background

The issue of these bonds was approved by the Regents on January 23, 2015. The following is a brief summary of the results.

- | | |
|-----------------------------|--------------|
| • Bond Issue Par Amount | \$18,135,000 |
| • All-in True Interest Cost | 2.56% |
| • NPV Savings Amount | \$2,630,513 |
| • NPV Savings Percentage | 13.77% |

The \$3,898,085 total cash flow savings related to the refinancing enabled WSU to eliminate both of the 2031 and 2032 principal payments of the bonds and also to reduce the 2030 principal payment by almost half. Additional details regarding the bond issue are provided in the attached Financing Summary with the "Final Pricing Results" highlighted with red type face. A summary of the [competitive sale] bid results is also attached.

Commissioner's Recommendation

This is an information item only; no action is required.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH
Attachment

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 (**\$18,135,000 final par amount. Please see the following page for a summary of the bid results**)

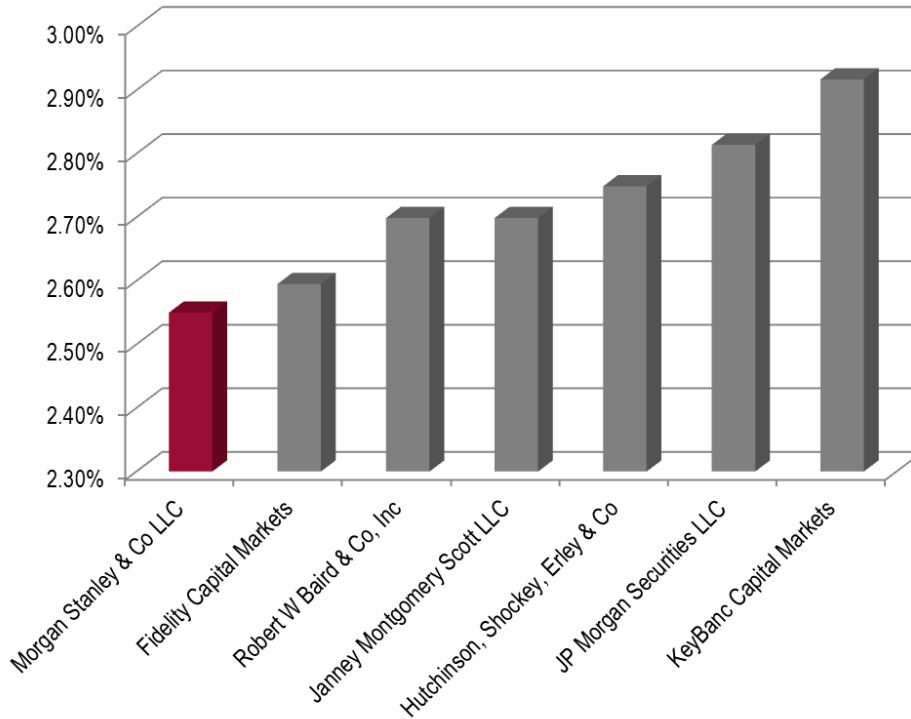
Use of Funds: To generate debt service savings by refunding the previously issued Series 2005 Student Facilities System Revenue Bonds; satisfy any reserve fund requirements; and pay associated costs of issuance.

Detail of Proposed Series 2015 Bonds:

Principal Amount: Not to exceed \$20,000,000 (**\$18,135,000**)
Interest Rate: Not to exceed 5% (**max coupon of 5% and True Interest Cost of 2.56%**)
Maturity Date: Not to exceed 18 years (**15.2 years**)
Aggregate Discount: Not to exceed 2% (**premium bid of 108.9%**)
Underwriter's Discount: Not to exceed 2% (**0.808%**)
Bond Rating: AA from S&P (**AA rating confirmed**)
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 (**total NPV savings were 13.77%**), the University anticipates selling bonds via a competitive sale on or around February 12, and closing the transaction on February 24.

The total cash flow savings related to the refinancing were \$3,898,085, which enabled the University to eliminate both the 2031 and 2032 principal payments of the bonds, and also reduce the 2030 principal payment by almost half.



Bid Comparison

Par Amount: \$18,135,000 S&P rating: "AA" (AGM Insured)
 Closing Date: February 24, 2015 Final Maturity Date: April 1, 2030

Underwriters	TIC Bid	% Difference from Winning Bid	NPV Savings %	NPV Savings \$	Difference from Winning Bid
Morgan Stanley & Co LLC	2.550%	-	13.772%	\$ 2,630,513	\$ -
Fidelity Capital Markets	2.595%	0.045%	13.400%	\$ 2,559,889	\$ 76,421
Robert W Baird & Co, Inc	2.699%	0.149%	12.470%	\$ 2,380,767	\$ 255,543
Janney Montgomery Scott LLC	2.699%	0.149%	12.470%	\$ 2,380,767	\$ 255,543
Hutchinson Shockey Erley & Co LLC	2.749%	0.199%	12.000%	\$ 2,298,128	\$ 338,182
JP Morgan Securities LLC	2.814%	0.264%	11.500%	\$ 2,189,595	\$ 446,715
KeyBanc Capital Markets	2.917%	0.367%	10.600%	\$ 2,028,619	\$ 610,691