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March 22, 2017

MEMORANDUM

TO: State Board of Regents  
 FROM: David L. Buhler  
 SUBJECT: Weber State University – Series 2017 Student Facilities Revenue Refunding Bond Results

Issue

Weber State University (WSU) closed on the Series 2017 Student Facilities System revenue refunding bonds on January 4, 2017 with a true interest cost of 2.62 percent and a cash savings of \$1,418,423, allowing WSU to eliminate almost two full principle payments.

Background

Regent Policy R590, *Issuance of Bonds for Colleges and Universities* requires the Office of the Commissioner to report the results of the final bond pricing to the Board in the next scheduled meeting after the closing. In the November 2016 meeting the Board authorized WSU to refund portions of the 2007 Student Facilities System revenue bonds. After a competitive bond sale on December 8, 2016 the 2017 Series refunding bonds were awarded to Janney Montgomery Scott LLC as underwriter. The bond sale closed on January 4, 2017 and conformed to the parameters approved by the Regents.

The following is a brief summary of the results:

Final Par Amount of the Bonds	\$7,215,000
True Interest Cost (TIC)	2.62%
Maturity Date	13.33 years
Net Present Value \$ Savings	\$998,511
Net Present Value % Savings	12.32%

Additional details about the bond issue may be found in the attached financing summary prepared by the financial advisor and bid results of the competitive sale. Final pricing results are noted in red type face.

Commissioner's Recommendation

This is an information item; no action is required.

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David L. Buhler  
 Commissioner of Higher Education

DLB/KLH/RPA  
 Attachment



**Weber State University**  
**Student Facilities System Revenue Refunding Bonds, Series 2017**  
**Final Summary Sheet**

Proposed Issue: Student Facilities System Revenue Refunding Bonds

Total Approximate Issue Size: \$7,350,000 (\$7,215,000 final par amount. Please see the following page for a summary of the bid results)

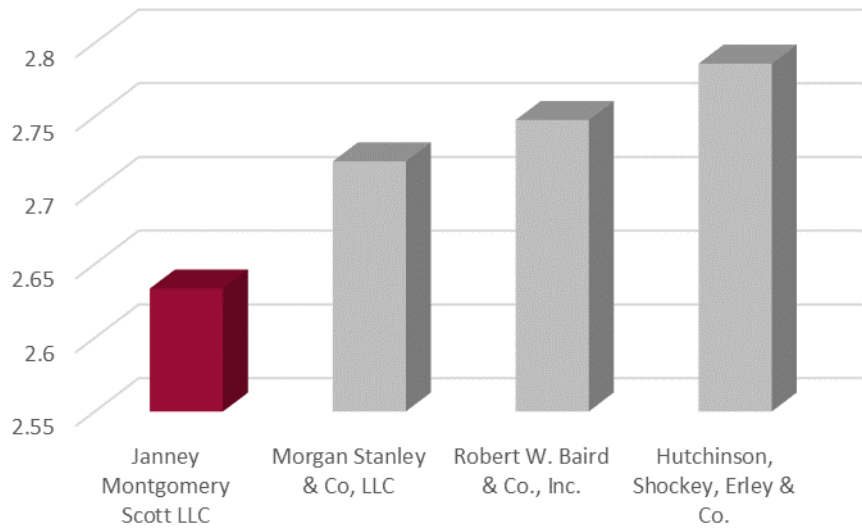
Use of Funds: To generate debt service savings by refunding the previously issued Series 2007 Student Facilities System Revenue Refunding Bonds; satisfy any reserve fund requirements; and pay associated costs of issuance.

Detail of Proposed Series 2017 Bonds:

Principal Amount:	Not to exceed \$8,500,000 (\$7,215,000)
Interest Rate:	Not to exceed 5% (max coupon of 5% and True Interest Cost of 2.62%)
Maturity Date:	Not to exceed 15 years (13.33 years)
Aggregate Discount:	Not to exceed 2% (Premium bid of 115%)
Underwriter's Discount:	Not to exceed 2% (0.595%)
Bond Rating:	AA from S&P (Confirmed)
Bond Insurance:	Provided by AGM
Source of Repayment:	Student Facilities System Revenues

Timetable Considerations: The Series 2007 Bonds are “callable,” and can be paid off beginning January 1, 2017. The 2007 bonds refunded the previously issued 2001A bonds. As a result, this is a “current period” refunding. Assuming that the Regents grant authorization at their November 18, 2016 meeting, and that the savings generated by issuing the Series 2017 Bonds continues to exceed 10% of debt service, the University anticipates selling bonds via a competitive sale on or around the week of December 5, and closing the first week of January.

Net Present Savings (NPV) for the refunding came in at \$998,511, or 12.32%. The total cash flow savings is \$1,418,423, which enabled the University to eliminate the 2031 principal payment and almost all of the 2030 payment.



**Bid Comparison**

Par Amount: \$7,215,000      S&P rating: "AA" (AGM Insured)  
 Closing Date: January 4, 2017      Final Maturity Date: April 1, 2030

Underwriters	TIC Bid	% Difference from Winning Bid	NPV Savings %	NPV Savings \$	Difference from Winning Bid
Janney Montgomery Scott LLC	2.633%	-	12.32%	\$ 998,511	\$ -
Morgan Stanley & Co LLC	2.719%	0.087%	11.53%	\$ 934,310	\$ 64,201
Robert W Baird & Co, Inc	2.747%	0.115%	11.27%	\$ 913,455	\$ 85,056
Hutchinson Shockey Erley & Co LLC	2.785%	0.153%	10.95%	\$ 887,469	\$ 111,042