



November 8, 2019

Weber State University – Series 2019 Revenue Bonds

Regent Policy R590, *Issuance of Revenue Bonds for Colleges and Universities*, requires the Board to review and approve the issuance and sale of revenue bonds that have been affirmatively authorized by the Utah State Legislature or that refund existing debt service. Weber State University (WSU) requests Board authorization to issue up to \$12,000,000 of Student Facilities System Revenue Refunding Bonds to advance refund existing 2010A taxable revenue bonds that are callable on October 1, 2020. Preliminary estimates of the net-present value (NPV) savings for refunding the bonds is currently \$580,000 (4.88%).

The relevant parameters of the requested issue are:

- Principal amount not to exceed \$12,000,000 (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 21 years from the date of issue

A copy of the request letter from the University, the Approving Resolution, and a financing summary from the financial advisor are attached. Representatives from WSU will attend the meeting to provide additional information and answer questions from the Board.

Commissioner's Recommendations

The Commissioner recommends approval of the proposed Authorizing Resolution to issue Student Facilities System Revenue Refunding Bonds for Weber State University as proposed.

Attachments



WEBER STATE UNIVERSITY

October 22, 2019

Interim Commissioner David Woolstenhulme
Utah State Board of Regents
Board of Regents Building The Gateway
60 South 400 West
Salt Lake City, Utah 84101-1284

Subject: Weber State University's Request to Refund Student Facilities System Revenue Bonds

Dear Interim Commissioner Woolstenhulme:

Weber State University requests that the Board of Regents approve refunding of the Weber State University Student Facilities System Revenue Bonds, Series 2010A, which were issued as taxable Build America Bonds.

The current Series 2010A Bonds are "callable," and can be redeemed beginning October 1, 2020. Because the 2010A bonds are taxable bonds, they may be refunded as tax-exempt bonds in an advance refunding. Based on current rates, analysis shows that it would be advantageous for WSU to refund the eligible Series 2010A bonds. Currently, the NPV savings from this proposed refunding is approximately 4.87% or \$580,000.

Chapman and Cutler has been appointed to serve as bond and disclosure counsel.

We appreciate your support in this endeavor and ask that you present this item for Regents approval.

Sincerely,

A handwritten signature in black ink, appearing to read 'Norman C. Tarbox, Jr.'.

Norman C. Tarbox, Jr., Ed.D.,
Vice President for Administrative Services

Enclosures

C: Rich Amon, Associate Commissioner for Finance and Facilities
Brad Mortensen, President
Steven Nabor, Chief Financial Officer
Ronald Smith, Controller
Wendell Rich, Director of Financial Reporting and Investments
Brian Baker, Zions Bank Public Finance
Eric Hunter, Chapman and Cutler

Orem, Utah

November 15, 2019

The State Board of Regents of the State of Utah (the “*Board*”) met in regular session at Utah Valley University on November 15, 2019, commencing at _____ a.m/p.m. The following members of the Board were present:

Harris H. Simmons	Chair
Nina Barnes	Vice Chair
Jessellie Barlow Anderson	Member
Lisa-Michele Church	Member
Wilford Clyde	Member
Sanchaita Datta	Member
Alan E. Hall	Member
Marlin K. Jensen	Member
Ronald W. Jibson	Member
Patricia Jones	Member
Steven J. Lund	Member
Crystal Maggelet	Member
Sheva Mozafari	Member
Cristina Ortega	Member
Robert W. Prince	Member
Mark Stoddard	Member
Thomas Wright	

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, Series 2019.

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:

ABSTAIN:

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, SERIES 2019 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$12,000,000; AUTHORIZING THE EXECUTION OF A TENTH SUPPLEMENTAL INDENTURE OF TRUST 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 previously issued its Weber State University Taxable Student Facilities System Revenue Bonds, Series 2010A (Build America Bonds–Issuer Subsidy) (the “*Prior 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 refunding 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 a series of revenue refunding bonds to be designated as the “State Board of Regents of the State of Utah, Weber State University Student Facilities System Revenue Refunding Bonds, Series 2019” (the “*Bonds*”), for the purpose of refunding all or part of Prior Bonds (the “*Refunded Bonds*”), paying costs of issuance of the Bonds, and satisfying a debt service reserve requirement;

WHEREAS, the Bonds will be issued in an aggregate principle amount of not to exceed \$12,000,000 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 Tenth 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 has been presented to the Board at this meeting a form of the Supplemental Indenture; and

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 (the "*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 a preliminary official statement relating to the Bonds (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 the 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 the Board at 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 (the “*Escrow Agreement*”).

Section 5. For the purpose of providing funds to be used for the purpose of (a) refunding the Refunded Bonds, (b) funding a deposit to a debt service reserve fund or paying the premium on any surety bond utilized in lieu of such deposit, and (c) 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 \$12,000,000. The Bonds shall bear interest at the rates, and shall mature in the principal amounts and on the dates, 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% of the face amount of the Bonds. 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 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 and the Escrow Agreement 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 Escrow Agreement, the Preliminary Official Statement, or any other document herein authorized and approved that may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments, the provisions of this Resolution, any related 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-exempt status of interest on 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, the Escrow Agreement, 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. 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 13. 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 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 15th day of November 2019.

STATE BOARD OF REGENTS OF
THE STATE OF UTAH

Chair

ATTEST:

Secretary

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

Chair

ATTEST:

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

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 (the “*Board*”).

I further certify that the above and foregoing constitutes a true and correct copy of an excerpt of the minutes of a meeting of the Board held on November 15, 2019 and of a resolution adopted at such meeting, as such minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 15th day of November, 2019.

Secretary

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

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 November 15, 2019 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 Board at 60 South 400 West in Salt Lake City, Utah, on _____, 2019, at least 24 hours prior to the convening of such meeting, in the form attached hereto as *Exhibit A*; such 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 such Notice of Public Meeting, in the form attached hereto as *Exhibit A*, to be provided on _____, 2019, 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 that has requested notification of meetings of the Board; and causing a Notice of Public Meeting to be posted on _____, 2019 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 2019 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 2019, 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, and by causing a copy of such Notice of Annual Meeting Schedule to be provided during or before January 2019, to a newspaper of general circulation within the geographic jurisdiction of Salt Lake City, Utah; 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 electronically in the meeting, including a description of how they could be connected to the meeting. The Board held the meeting at a regularly designated location and provided space and facilities at such anchor location so that interested persons and the public could attend and participate.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature, this 15th day of November, 2019.

Secretary

SCHEDULE A

PARAMETERS

PRINCIPAL AMOUNT:	Not to exceed \$12,000,000.
TERM:	Not to exceed 21 years from their date or dates.
INTEREST RATE:	Fixed rates such that no coupon rate exceeds 5.00% per annum.
SALE PRICE:	Not less than 98% of the principal amount of the Bonds.

EXHIBIT A

[ATTACH NOTICE OF PUBLIC MEETING]

EXHIBIT B

[ATTACH NOTICE OF ANNUAL MEETING SCHEDULE]

EXHIBIT C

[ATTACH ELECTRONIC MEETING POLICY]

Weber State University
Student Facilities System Revenue Refunding Bonds, Series 2019
Preliminary Summary Sheet

Proposed Issue: Student Facilities System Revenue Refunding Bonds

Total Approximate Issue Size: \$10,770,000

Use of Funds: To generate debt service savings by refunding the previously issued Series 2010 Student Facilities System Revenue Bonds, which were issued as taxable Build America Bonds; satisfy any reserve fund requirements; and pay associated costs of issuance.

Details of Proposed Series 2019 Bonds:

Principal Amount: Not to exceed \$12,000,000

Interest Rate: Not to exceed 5%

Maturity Date: Not to exceed 21 years

Aggregate Discount: Not to exceed 2%

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

Bond Insurance: TBD, provided by AGM or BAM

Source of Repayment: Student Facilities System Revenues

Timetable Considerations: The Series 2010 Bonds are “callable,” and can be redeemed beginning October 1, 2020. Because the 2010 bonds are taxable bonds, they may be refunded as tax-exempt bonds in an advance refunding. Assuming that the Regents grant authorization at their November 15, 2019 meeting, and that the proposed Series 2019 Bonds continues to generate sufficient economic savings, the University anticipates selling bonds via a competitive sale on or around December 10, and closing on December 19.