

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Report of the Banking Committee  
**Date:** May 6, 2002

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**Recommended Actions:**

ISU Parking Bonds 1. Adopt the following resolutions, subject to receipt of acceptable bids:

A Resolution providing for the sale and award of \$6,110,000 Parking System Revenue Bonds, Series I.S.U. 2002, and approving and authorizing the agreement of such sale and award.

A Resolution authorizing and providing for the issuance and securing the payment of \$6,110,000 Parking System Revenue Bonds, Series I.S.U. 2002, to pay the costs of constructing, extending, improving and equipping the University parking facilities on the campus of the Iowa State University of Science and Technology, funding a debt service reserve fund, and paying the costs of issuing said Bonds.

**(ROLL CALL VOTE)**

SUI Facilities  
Corporation Bonds

2. Adopt the following resolution:

A Resolution authorizing the Executive Director to take any and all action deemed necessary to effect the issuance of not to exceed an aggregate principal amount of \$7,975,000 University of Iowa Facilities Corporation Revenue Bonds (Medical Education and Biomedical Research Facility Project), Series 2002.

**(ROLL CALL VOTE)**

3. Accept the Report of the Banking Committee.

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**Executive Summary:**

Approvals

The Banking Committee materials, which include a memorandum covering each item in detail, have been furnished to all Board members. During its meeting on May 15, 2002, the Banking Committee is scheduled to consider approval of:

- The minutes from the April 2002 Banking Committee meeting;
- Resolutions for Sale and Award of \$6,110,000 Parking System Revenue Bonds, Series ISU 2002; and
- Resolution Authorizing the Executive Director to Effect the Issuance of up to \$7,975,000 University of Iowa Facilities Corporation Revenue Bonds (Medical Education and Biomedical Research Facility Project), Series 2002.

Receipt                      The Banking Committee is scheduled to receive reports on:

- Costs of Bond Issuances and
- Internal Audits.

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**Background:**

Minutes                      The minutes of the April 2002 Banking Committee meeting are included with the Banking Committee materials.

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ISU Parking Bonds        The Board is asked to adopt two resolutions related to the sale, award and issuance of \$6,110,000 Parking System Revenue Bonds, Series I.S.U. 2002.

At its April 2002 meeting, the Board authorized the Executive Director to fix the date(s) for the sale of the bonds, which would be sold to finance, in part, expanded and improved parking at Jack Trice Stadium, construction of a new single-level parking deck in central campus, and other improvements to the System.

Principal on the bonds would be repaid over a period of 20 years, with debt service of approximately \$480,000 annually to be paid from the net rents, profits and income of the Parking System.

The University's Parking System is a self-supporting operation. Parking user fees and fines support all parking operations, including maintenance, capital improvements and the free campus shuttle service.

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SUI Facilities Corporation Revenue Bonds        The Board is asked to adopt a resolution authorizing the Executive Director to take action needed for the issuance of not more than \$7,975,000 University of Iowa Facilities Corporation Revenue Bonds for the University of Iowa College of Medicine Medical Education and Biomedical Research Facility (MEBRF) project.

The bonds would be sold to provide funds to complete the cost of constructing, improving, expanding and equipping the Facility.

The calendar year 2002 bond issuance schedule, approved by the Board in November 2001, included a sale by the University of Iowa Facilities Corporation in June 2002.

The last maturity of the bonds to be issued will be June 1, 2023. Debt service of approximately \$628,000 annually will be paid from lease rentals, which will be paid by the University to the Facilities Corporation under the terms of a lease.

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Costs of Bonds  
Issuance

The Banking Committee has requested reports identifying the costs associated with each bond issuance.

This month's report includes the issuance costs for the January 2002 sale of Iowa State University \$14,980,000 Dormitory Revenue Bonds, and the February 2002 sale of University of Iowa \$15,000,000 Utility System Revenue Bonds.

- The Dormitory Revenue Bonds were sold to finance, in part, the construction of a new community center for the Union Drive Neighborhood Residential Community. The costs of issuance total \$57,969.78.
- The Utility System Revenue Bonds were sold to finance, in part, Utility System projects including improvements to steam and electrical distribution systems, chilled water systems, storm sewers and utilities relocation. The costs of issuance total \$45,641.50.

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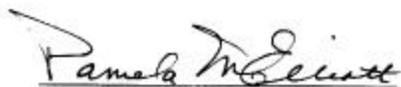
Internal Audit  
Reports

Completed institutional internal audit reports are presented to the Banking Committee, as required by Board policy. The Board Office monitors the progress of the institutions' follow-up on these reports. When corrective action has been satisfactorily completed, the audits are closed.

Nine new and one follow-up audit reports are presented.

The Status of Internal Audit Follow-Up Table identifies 12 internal audit reports, 11 of which require follow-up.

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Pamela M. Elliott

Approved:   
Gregory S. Nichols