

Arbitrage Rebate RFP Questions and Responses

Who is your current arbitrage rebate compliance provider?

Berens-Tate Consulting Group

What is the current fee structure? What are their annual fees for issues with unspent construction and reserve funds and for reserve fund only issues? What fees are currently being charged for each arbitrage rebate report?

The current fee structure for arbitrage rebate calculations is as follows:

- \$1,200 per issue for both construction and reserve fund calculations
- \$700 per issue for reserve fund calculations only
- \$500 per issue with additional fund in calculation (e.g. Escrow Fund)

What is the Board's policy on rebate?

No written policy on rebates is in effect.

Are calculations done annually or on IRS filing dates?

Calculations for each bond issue have historically been completed on an annual basis and upon retirement.

How many issues currently outstanding require arbitrage rebate calculation to be performed?

The Board estimates 90-95 bond issues will require arbitrage rebate calculations for the current year.

How does the Board manage the investment and accounting related to bond proceeds (segregated investment accounts or through your financial and accounting systems through a fund designation with investments in a commingled pool)? How are the bond proceeds invested and managed?

Proceeds from advance refunding bonds are held in escrow by a trustee until the call date. For all other bond issues, investments are administered by the universities. All investment and accounting is segregated, with separate investment accounts and internal accounting procedures for each bond issue.

How will data be transmitted: online access, data file, PDF or hard copy? Can the trustee and non-trustee data be provided in Excel or an ASC file?

Information is provided to the rebate consultant either in the form of excel spreadsheets typically submitted as an attachment in an e-mail and/or on-line access to accounts.

Does the Board maintain a parity reserve fund? For bonds with Debt Service Reserve Funds, do the Universities maintain common or separate reserve funds for all their issues? Please describe any commingling of bond proceeds with other bond proceeds or other funds. Are the debt service, construction, and reserve funds commingled within each institution or at the Board level?

Each university maintains a commingled Debt Service Reserve Fund for Academic Building Revenue Bonds. In general for all other bond issues, a separate Debt Service Reserve Fund is maintained by each university for each issue.

When was the last arbitrage rebate compliance reporting completed on these Issues and what were the calculation results?

Calculations for each bond issue have been completed timely on an annual basis. A calculation for each issue was completed for FY 2020. There were no positive arbitrage rebate earnings, no payments due and no filings required with the Internal Revenue Service.

Why is the Board requesting proposals?

The current 5-year agreement expires on August 31, 2021. The Iowa Administrative Code requires the Board to issue an RFP for bond service providers a minimum of every five-years.

Are the funds held by a trustee bank? If yes, what bank?

Yes, Wells Fargo and US Bank

Which Bond Issues have Project Fund gross proceeds outstanding? Can you provide an issue listing that indicates which issues have unspent construction funds and those with reserve funds? What outstanding Bond Issues require the arbitrage rebate compliance to be performed?

The following bond issues currently have unspent project funds. In addition, the Board expects to sell two bond issues this spring/summer that will have project funds (ISU Memorial Union and SUI Dormitory System).

- Athletic Facilities Revenue Bonds Series ISU 2020
- Utility System Revenue Bonds, Series UNI 2020
- SUI Facility Corporation Revenue Bonds, Series SUI 2019

A listing of bond issues with reserve funds is provided on the following page.

Type of Revenue Bonds	Year of Issue	True Interest Cost	Initial Principal	Final Maturity
SUI - ACADEMIC BUILDING	2012	2.70%	26,830,000	2033
	2013	2.42%	18,780,000	2024
	2013A	4.12%	30,100,000	2034
	2014	3.05%	27,500,000	2035
	2014A	3.01%	24,560,000	2035
	2015	2.86%	14,055,000	2036
	2016	1.74%	19,785,000	2028
	2016A	1.90%	23,640,000	2030
	2020	1.15%	6,775,000	2033
SUI - DORMITORY SYSTEM	2010	2.78%	20,015,000	2021
	2012	2.28%	16,340,000	2024
	2012A	2.75%	29,000,000	2033
	2014	3.26%	27,935,000	2034
	2015	3.40%	34,680,000	2040
	2016	3.05%	34,450,000	2041
	2017	3.40%	28,485,000	2042
SUI - SELF-SUPPORTING FACILITIES				
Athletic Facilities	2010	3.65%	19,775,000	2036
Telecommunications	2011	3.92%	11,830,000	2032
Parking System	2013A	3.01%	25,000,000	2040
Parking System Refund	2013	1.75%	12,010,000	2025
Iowa Memorial Union	2014	2.09%	6,420,000	2025
Parking System	2014	3.57%	20,000,000	2040
Athletic Facilities	2015	2.79%	20,885,000	2031
Athletic Facilities	2015A	2.92%	19,315,000	2030
Recreational Facilities Ref	2017	3.35%	18,650,000	2034
Recreational Facilities Ref	2017A	2.85%	20,625,000	2034
Recreational Facilities Ref	2017B	2.58%	20,685,000	2034
Athletic Facilities	2017	2.75%	31,685,000	2037
Athletic Facilities Ref	2017A	2.67%	22,075,000	2035
Athletic Facilities	2018	3.16%	32,905,000	2038
Athletic Facilities	2018A	3.50%	28,965,000	2038
Telecommunications	2020	2.42%	17,665,000	2036
SUI - UNIVERSITY HOSPITALS	2011	3.69%	26,800,000	2032
	2011A	3.50%	20,355,000	2028
	2012	3.50%	190,000,000	2038
	2016	1.74%	29,000,000	2038
	2016A	1.85%	23,860,000	2028
	2018	3.47%	32,665,000	2043
	2019	2.99%	42,475,000	2039
	2020	1.58%	20,910,000	2036
SUI - FACILITIES CORPORATION	2011A	2.47%	5,555,000	2023
	2012	2.55%	12,555,000	2028
	2012A	2.93%	22,795,000	2030
	2012B	3.08%	27,000,000	2038
	2014	2.22%	7,970,000	2025
	2015	2.83%	18,675,000	2031
	2019	2.84%	30,150,000	2050
	2020	1.59%	28,985,000	2037

Type of Revenue Bonds	Year of Issue	True Interest Cost	Initial Principal	Final Maturity
ISU - ACADEMIC BUILDING	2014	2.29%	16,315,000	2027
	2015	2.02%	12,095,000	2027
	2016	2.40%	23,160,000	2035
	2017	2.39%	24,175,000	2030
	2017A	2.66%	25,360,000	2035
	2020	1.36%	22,990,000	2035
ISU - DORMITORY SYSTEM	2009	3.84%	10,925,000	2025
	2013	2.34%	16,580,000	2029
	2013A	2.87%	25,000,000	2033
	2013B	2.36%	5,350,000	2024
	2013C	3.52%	8,750,000	2033
	2015	3.09%	30,000,000	2035
	2015A	3.17%	30,000,000	2035
	2016	1.79%	14,345,000	2027
	2017	2.45%	8,295,000	2028
	2020	2.06%	17,650,000	2028
ISU - SELF-SUPPORTING FACILITIES				
Athletic Facilities	2012	3.16%	25,845,000	2037
Parking System	2012	1.95%	3,485,000	2022
Utility Refunding	2013	2.25%	7,405,000	2024
Memorial Union	2013	2.66%	20,155,000	2030
Utility Revenue Bonds	2013A	3.42%	27,475,000	2033
Utility Revenue Bonds	2015	2.91%	16,500,000	2035
Athletic Facilities	2015	3.01%	32,335,000	2040
Utility Revenue Bonds	2016	2.54%	24,480,000	2036
Recreational System Facilities	2017	2.76%	25,170,000	2037
Recreational System Facilities	2017A	2.76%	21,465,000	2037
Athletic Facilities	2017	2.49%	6,255,000	2033
Athletic Facilities	2020	2.11%	59,575,000	2040
ISU - FACILITIES CORPORATION	2017	2.99%	37,905,000	2037
UNI - ACADEMIC BUILDING	2016	1.86%	14,015,000	2027
	2016A	2.52%	12,460,000	2035
	2017	2.78%	13,835,000	2035
UNI - DORMITORY SYSTEM	2011	3.20%	24,870,000	2033
	2012	2.09%	13,810,000	2023
	2016	2.72%	23,765,000	2037
	2017	2.33%	13,330,000	2030
UNI - SELF-SUPPORTING FACILITIES				
University Union	2011	2.37%	8,425,000	2022
Student Health System	2013	2.00%	2,435,000	2024
Field House (McLeod) Ref	2013	2.02%	4,815,000	2024
Field House (UNI-Dome)	2015	1.94%	3,460,000	2022
Utility System	2020	2.07%	16,250,000	2040