

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Report of the Banking Committee  
**Date:** April 8, 2002

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**Recommended Actions:**

SUI Refunding  
Bonds

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

A Resolution providing for the sale and award of \$14,580,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 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 \$14,580,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 2002, for the purpose of refunding the 2003 through 2015 maturities of the \$19,620,000 Academic Building Revenue Bonds, Series S.U.I. 1992, dated April 1, 1992, presently outstanding and heretofore issued by the Board to defray costs of building construction projects on the campus of The State University of Iowa.

**(ROLL CALL VOTE)**

UNI Refunding  
Bonds

2. Adopt the following resolutions, subject to receipt of acceptable bids:

A Resolution providing for the sale and award of \$4,890,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 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 \$4,890,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 2002, for the purpose of refunding the 2003 through 2015 maturities of the \$5,530,000 Academic Building Revenue Bonds, Series U.N.I. 1991, dated July 1, 1991, presently outstanding and heretofore issued by the Board to defray costs of building construction projects on the campus of the University of Northern Iowa.

**(ROLL CALL VOTE)**

ISU Parking Bonds

3. Adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$6,250,000 Parking System Revenue Bonds, Series I.S.U. 2002.

**(ROLL CALL VOTE)**

ISU Scoreboard

4. Consider Iowa State University's request to purchase a scoreboard and video display system for Jack Trice Stadium, utilizing master lease financing.
  5. Accept the Report of the Banking Committee.
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**Executive Summary:**

The Banking Committee materials, which include a memorandum covering each item in detail, have been furnished to all Board members. During its meeting on April 17, 2002, the Banking Committee is scheduled to consider approval of:

- The minutes from the March 2002 Banking Committee meeting;
- Resolutions for Sale and Award of \$14,580,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 2002;
- Resolutions for Sale and Award of \$4,890,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 2002;
- Preliminary Resolution for the Sale of up to \$6,250,000 Parking System Revenue Bonds, Series ISU 2002; and
- Purchase and Master Lease Financing – Scoreboard and Video Display System, Jack Trice Stadium.

The Banking Committee is scheduled to receive:

- Semi-annual Master Lease Report and
  - Internal Audit Reports.
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**Background:**

Minutes

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

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SUI Refunding  
Bonds

The Board is asked to adopt two resolutions related to the sale, award and issuance of \$14,580,000 Academic Building Revenue Refunding Bonds, Series S.U.I. 2002.

At its March 2002 meeting, the Board authorized the Executive Director to fix the date(s) for the sale of the bonds, which would be sold to refund outstanding maturities of the SUI Academic Building Revenue Bonds, Series 1992.

The refunding would be a current refunding, as the call date for the outstanding bonds is July 1, 2002. All outstanding bonds of the 1992 Series would be called and principal payments made on July 1, 2002.

Tuition and fee revenues are used for debt service payments on Academic Building Revenue Bonds; a tuition replacement appropriation replaces that university revenue.

The estimated net and present value savings from the refunding in future tuition replacement appropriations between 2003 and 2015 total \$1.6 million and \$1.2 million, respectively.

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UNI Refunding  
Bonds

The Board is requested to adopt two resolutions related to the sale, award and issuance of \$4,890,000 Academic Building Revenue Refunding Bonds, Series U.N.I. 2002.

At its March 2002 meeting, the Board authorized the Executive Director to fix the date(s) for the sale of the bonds, which would be sold to refund outstanding maturities of the UNI Academic Building Revenue Bonds, Series 1991.

The refunding would be a current refunding, as the call date for the outstanding bonds is July 1, 2002. All outstanding bonds of the 1991 Series would be called and principal payments made on July 1, 2002.

Tuition and fee revenues are used for debt service payments on Academic Building Revenue Bonds; a tuition replacement appropriation replaces that university revenue.

The estimated net and present value savings from the refunding in future tuition replacement appropriations between 2003 and 2015 total \$0.5 million and \$0.4 million, respectively.

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ISU Parking Bonds

The Board is requested to adopt a resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$6,250,000 Parking System Revenue Bonds, Series I.S.U. 2002.

The calendar year 2002 bond issuance schedule, approved by the Board in November 2001, included the Iowa State University Parking System Revenue Bond sale in May 2002.

The bonds would be sold to finance 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 \$510,000 annually to be paid from the net rents, profits and income of the Parking System.

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Master Lease  
Report

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The Board has established a master lease agreement to provide short-term financing (3 to 10 years) for real and personal property. The Regent Policy Manual §7.32 requires that a semi-annual report on outstanding activity under the master lease agreement be submitted to the Banking Committee.

The master lease program has operated through Wells Fargo (previously known as Norwest Investment Services) as a result of Request for Proposal processes held in 1991, 1996, and 2001.

The Board approves each financing utilizing the master lease agreement and Wells Fargo must agree to lease the property. The institutions did not enter into any new leases under the master lease agreement during the last six-month period. Only Iowa State University has indicated specific plans to use master lease financing during the next six months.

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New ISU  
Scoreboard

The purchase and financing by Iowa State University of a scoreboard and video display system for Jack Trice Stadium were deferred at the March Banking Committee meeting.

The University had recommended award to Daktronics, based upon the sealed responses received to a Request for Proposals (RFP).

One of the unsuccessful vendors appealed the recommendation to award through University administrative remedies, consistent with the Regent Policy Manual §8.03G.

Following a meeting held as part of the appeal process, the University made the decision, consistent with its options as outlined in the RFP, to reject all proposals and issue a new RFP with revised specifications.

The responses to the RFP are due on April 9, 2002.

Further information regarding the responses received will be provided prior to the Banking Committee meeting.

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Internal Audit  
Report

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.

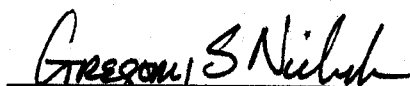
The Status of Internal Audit Follow-Up Table identifies 16 internal audit reports, 12 of which require follow-up.

Four follow-up reports are presented this month. All are closed.

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Pamela M. Elliott

Approved:

  
Gregory S. Nichols