

**AGENDA FOR CALLED TELECONFERENCE MEETING OF BOARD OF TRUSTEES
OF
UNIVERSITY OF CENTRAL ARKANSAS
AT
3:00 P.M.
ON
MARCH 16, 2015
CALL-IN NUMBER: 1-855-332-4181
ACCESS CODE: 4503173
*(If you have any problems placing the call please call 501-450-3116)***

**Mr. Brad Lacy – Chair
Ms. Shelia Vaught – Vice Chair
Ms. Elizabeth Farris - Secretary
Mr. Victor Green
Ms. Kay Hinkle
Mr. Bobby Reynolds
Mr. Joe Whisenhunt**

I. CALL TO ORDER

II. ROLL CALL

III. ACTION AGENDA

**Request for Authorization to Issue Bonds to Refund the Outstanding Par Amounts of
2006D, 2006E, 2007A, and 2007B**

IV. ADJOURNMENT

III. ACTION AGENDA

Request for Authorization to Issue Bonds to Refund the Outstanding Par Amounts of 2006D, 2006E, 2007A, and 2007B

On February 13, 2015, the Audit and Finance Committee reviewed information related to potential savings by refunding bonds dated April 1, 2006 and June 1, 2007. The net present value savings was significant enough for the committee to ask the administration to pursue the refunding if the financial climate remained favorable. A follow up report of potential savings was shared with the members of the Audit and Finance Committee on March 10, 2015.

The 2015 par amount of the refunding will be approximately \$25,000,000 at such a rate that provides for a minimum of a 3% net present value savings. The current estimated net present value savings is \$1,424,781 with a savings benefit of 6.10%. The savings will mainly be derived from an accelerated payoff of both issues. The 2006D and 2006E will be paid off approximately five years early and the 2007A and 2007B will be paid off approximately a year and a half early.

The following bonds are included in the refunding.

1. Auxiliary 2006D (Student Health/Athletics) original par \$7,200,000 at a rate of 4.52%
2. Student Fee Rev. 2006E (E&G-soccer/track facility) original par \$3,800,000 at a rate of 4.48%
3. Auxiliary 2007A (Athletic facilities renovation) original par \$2,000,000 at a rate of 4.91%
4. Student Fee Rev. 2007B (E&G-College of Business, property purchases, various renovations, etc.) original par \$16,000,000 at a rate of 4.98%

Therefore, the president recommends to the Board of Trustees the following resolution:

“BE IT RESOLVED: That the Board of Trustees hereby adopts the intent resolutions attached hereto, and authorizes the administration to work with bond counsel and the underwriter for the bonds identified in the resolutions in order to accomplish the refunding and to prepare the documentation necessary to the issuance, marketing and security of the bonds.”

RESOLUTION
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF CENTRAL ARKANSAS

EXPRESSING THE INTENT OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS TO ISSUE AUXILIARY REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS; RETAINING BOND COUNSEL AND AN UNDERWRITER TO ASSIST THE BOARD IN THE ISSUANCE OF THE BONDS; AND SETTING FORTH OTHER MATTERS PERTAINING THERETO.

WHEREAS, the Board of Trustees (the "Board") of the University of Central Arkansas (the "University") is authorized under the Constitution and laws of the State of Arkansas (the "State"), including particularly Arkansas Code of 1987 Annotated, Title 6, Chapter 62, Subchapter 3 (the "Act"), to borrow money for the purpose of acquiring, constructing and equipping capital improvements for use by the University and to refund bonds issued under the Act to finance such capital improvements; and

WHEREAS, the Board has previously issued its Auxiliary Revenue Capital Improvement Bonds, Series 2006D (the "Series 2006D Bonds") and its Auxiliary Revenue Capital Improvement Bonds, Series 2007A (the "Series 2007 Bonds"), under the Act for the purpose of financing capital improvements for the University; and

WHEREAS, the Series 2006D Bonds are in the outstanding principal amount of \$5,015,000, and the Series 2006D Bonds maturing after May 1, 2016 are subject to optional redemption by the Board without penalty on and after May 1, 2016; and

WHEREAS, the Series 2007 Bonds are in the outstanding principal amount of \$1,740,000, and the Series 2007 Bonds maturing after November 1, 2017 are subject to optional redemption by the Board without penalty on and after November 1, 2017; and

WHEREAS, it has been found and determined, based on the advice of the staff of the University, that the Board can, based on current market conditions, recognize net present value savings by the refunding of all or portions of the outstanding Series 2006D Bonds and/or the outstanding Series 2007 Bonds (the "Refunding"), and that the Refunding should be financed by the Board's Auxiliary Revenue Refunding Bonds (the "Bonds"), the proceeds of the sale thereof to be used for accomplishing the Refunding, paying the costs of issuing the Bonds and, if desirable, paying the costs of insuring the Bonds; and

WHEREAS, the Board wishes to express its intent to accomplish the Refunding and issue the Bonds if certain net present value savings can be realized; and

WHEREAS, the Bonds will be general obligations of the Board, and payment of debt service on the Bonds will be generally secured by all revenues received by the University from the sale of parking decals to the faculty, staff and students of the University and collection of parking meter revenues and parking fines, student, faculty and staff facilities recreational fees

imposed by the University, all revenues from student athletic fees, athletic ticket sales, concession income, program advertising and sales and related miscellaneous revenues, and such other fees imposed by the University from time to time as may be specifically designated, excluding general tuition and fees paid by students attending the University; and

WHEREAS, the Board intends to issue the Bonds pursuant to a definitive resolution to be subsequently adopted for this purpose;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS:

Section 1. The Board intends to issue the Bonds to accomplish the Refunding if such Refunding would produce an aggregate net present value savings of at least three percent (3%) of the principal balance of the bonds being refunded. The Bonds shall be secured by all revenues received by the University from the sale of parking decals to the faculty, staff and students of the University and collection of parking meter revenues and parking fines, student, faculty and staff facilities recreational fees imposed by the University, all revenues from student athletic fees, athletic ticket sales, concession income, program advertising and sales and related miscellaneous revenues, and such other fees imposed by the University from time to time as may be specifically designated, excluding general tuition and fees paid by students attending the University.

The Bonds shall be issued in an aggregate principal amount not greater than the amount needed to accomplish the Refunding and to pay the estimated costs of issuing and insuring the Bonds and accomplishing the Refunding.

Section 2. The Board hereby authorizes the preparation of the documents necessary for the issuance, marketing and security of the Bonds, including particularly, without limitation, a Preliminary Official Statement, a Trust Indenture, a Continuing Disclosure Agreement, and a Bond Purchase Agreement.

Section 3. In order to provide credit enhancement for the Bonds, the Board recognizes that it may be economically desirable to obtain a policy of municipal bond insurance (the "Policy"). The Board hereby authorizes the President of the University to obtain a Policy from among proposals by municipal bond insurers, if the terms and conditions of such Policy are favorable and provide economic benefit to the Board. The Chairman or President is hereby authorized and directed to execute all documents in connection with the Policy, provided that the Chairman or President determine that the terms and conditions of the Policy are favorable and provide economic benefit to the Board.

Section 4. The Board hereby designates Friday, Eldredge & Clark, LLP, Little Rock, Arkansas as bond counsel and Crews and Associates, Inc. as Underwriter for the Bonds.

Section 5. The provisions of this Resolution are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Resolution.

Section 6. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

ADOPTED: _____, 2015.

ATTEST:

By _____
Brad Lacy, Chair

Elizabeth C. Farris, Secretary

(SEAL)

RESOLUTION
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF CENTRAL ARKANSAS

EXPRESSING THE INTENT OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS TO ISSUE STUDENT FEE REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS; RETAINING BOND COUNSEL AND AN UNDERWRITER TO ASSIST THE BOARD IN THE ISSUANCE OF THE BONDS; AND SETTING FORTH OTHER MATTERS PERTAINING THERETO.

WHEREAS, the Board of Trustees (the "Board") of the University of Central Arkansas (the "University") is authorized under the Constitution and laws of the State of Arkansas (the "State"), including particularly Arkansas Code of 1987 Annotated, Title 6, Chapter 62, Subchapter 3 (the "Act"), to borrow money for the purpose of acquiring, constructing and equipping capital improvements for use by the University and to refund bonds issued under the Act to finance such capital improvements; and

WHEREAS, the Board has previously issued its Student Fee Revenue Capital Improvement Bonds, Series 2006E (the "Series 2006E Bonds") and its Student Fee Revenue Capital Improvement Bonds, Series 2007B (the "Series 2007 Bonds"), under the Act for the purpose of financing capital improvements for the University; and

WHEREAS, the Series 2006E Bonds are in the outstanding principal amount of \$2,645,000, and the Series 2006E Bonds maturing after May 1, 2016 are subject to optional redemption by the Board without penalty on and after May 1, 2016; and

WHEREAS, the Series 2007 Bonds are in the outstanding principal amount of \$13,970,000, and the Series 2007 Bonds maturing after November 1, 2017 are subject to optional redemption by the Board without penalty on and after November 1, 2017; and

WHEREAS, it has been found and determined, based on the advice of the staff of the University, that the Board can, based on current market conditions, recognize net present value savings by the refunding of all or portions of the outstanding Series 2006E Bonds and/or the outstanding Series 2007 Bonds (the "Refunding"), and that the Refunding should be financed by the Board's Student Fee Revenue Refunding Bonds (the "Bonds"), the proceeds of the sale thereof to be used for accomplishing the Refunding, paying the costs of issuing the Bonds and, if desirable, paying the costs of insuring the Bonds; and

WHEREAS, the Board wishes to express its intent to accomplish the Refunding and issue the Bonds if certain net present value savings can be realized; and

WHEREAS, the Bonds will be general obligations of the Board, and payment of debt service on the Bonds will be generally secured by the general tuition and fees paid by students attending the University; and

WHEREAS, the Board intends to issue the Bonds pursuant to a definitive resolution to be subsequently adopted for this purpose;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS:

Section 1. The Board intends to issue the Bonds to accomplish the Refunding if such Refunding would produce an aggregate net present value savings of at least three percent (3%) of the principal balance of the bonds being refunded. The Bonds shall be secured by the general tuition and fees paid by students attending the University.

The Bonds shall be issued in an aggregate principal amount not greater than the amount needed to accomplish the Refunding and to pay the estimated costs of issuing and insuring the Bonds and accomplishing the Refunding.

Section 2. The Board hereby authorizes the preparation of the documents necessary for the issuance, marketing and security of the Bonds, including particularly, without limitation, a Preliminary Official Statement, a Trust Indenture, a Continuing Disclosure Agreement, and a Bond Purchase Agreement.

Section 3. In order to provide credit enhancement for the Bonds, the Board recognizes that it may be economically desirable to obtain a policy of municipal bond insurance (the "Policy"). The Board hereby authorizes the President of the University to obtain a Policy from among proposals by municipal bond insurers, if the terms and conditions of such Policy are favorable and provide economic benefit to the Board. The Chairman or President is hereby authorized and directed to execute all documents in connection with the Policy, provided that the Chairman or President determine that the terms and conditions of the Policy are favorable and provide economic benefit to the Board.

Section 4. The Board hereby designates Friday, Eldredge & Clark, LLP, Little Rock, Arkansas as bond counsel and Crews and Associates, Inc. as Underwriter for the Bonds.

Section 5. The provisions of this Resolution are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Resolution.

Section 6. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

ADOPTED: _____, 2015.

ATTEST:

By _____
Brad Lacy, Chair

Elizabeth C. Farris, Secretary

(SEAL)