AGENDA FOR CALLED MEETING OF BOARD OF TRUSTEES
OF
UNIVERSITY OF CENTRAL ARKANSAS
AT
9:00 A.M.
ON
APRIL 24, 2015
BOARD OF TRUSTEES CONFERENCE ROOM
WINGO HALL

I. CALL TO ORDER

II. ROLL CALL

III. ACTION AGENDA

A. Contract Review Procedures – Board Policy No. 416
- **Paladino-Nash, Inc.**
- **D & N Construction, LLC**

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

IV. BUDGET WORKSHOP

V. ADJOURNMENT

TABLE OF CONTENTS

ACTION ITEM **PAGE**

III. ACTION AGENDA

A. Contract Review Procedures – Board Policy No. 416

Pursuant to Board Policy No. 416, Contract Review Procedures, the administration must seek board approval for (i) any contract which will require the expenditure by the university of funds (at any time) in excess of $250,000; or (ii) any contract with a term exceeding one year, unless the Office of General Counsel certifies, in writing, that the contract may be terminated by the university on the giving of written notice of 90 days or less.

The administration is seeking board approval for the university to enter into contracts with the following:

- Paladino-Nash, Inc; and
- D & N Construction, LLC

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

"**BE IT RESOLVED: That the Board of Trustees authorizes the administration to enter into the contracts with the companies listed above.**"

UNIVERSITY OF CENTRAL ARKANSAS

REASON FOR REQUIRING BOARD REVIEW AND ACTION

(Board Policy #416)

Contract involving more than $250,000

SUMMARY

1. Parties: Agreement between the University of Central Arkansas and Paladino-Nash, Inc. (Conway).

2. Purpose: The purpose is to (a) remove the existing concrete and corrugated metal drainage pipe and structures and (b) replace with a precast concrete drainage system. The project title is "UCA Sowder Drive Drainage Improvements Phase II."

3. Term: N/A.

4. University Funds to be paid: $327,294.00.

5. Funds Received: None

6. Public Bid/Purchasing Approval: A competitive Invitation for Bid ("IFB") was issued to obtain a contractor to construct the new drainage system. The IFB opened on April 14, 2015. Three construction contractors submitted bids. The low bidder was Paladino-Nash, Inc. with a total bid amount of $327,294.00.

7. Special Provisions/Terms/Conditions: N/A.

8. Approval/Notification to UCA Foundation: N/A.

Form prepared by: Warren Readnour, General Counsel Date: April 20, 2015

UNIVERSITY OF CENTRAL ARKANSAS

REASON FOR REQUIRING BOARD REVIEW AND ACTION

(Board Policy #416)

Contract involving more than $250,000

SUMMARY

1. Parties: Agreement between the University of Central Arkansas and D & N Construction, LLC (Vilonia).

2. Purpose: The purpose is for the conversion of the Farris Center swimming pool into a basketball practice court.

3. Term: N/A.

4. University Funds to be paid: $807,773.00.

5. Funds Received: None

6. Public Bid/Purchasing Approval: A competitive Invitation for Bid ("IFB") was issued to obtain a contractor to convert the Farris Center swimming pool into a basketball practice court. The IFB opened on March 18, 2015. Two construction contractors submitted bids. The low bidder was D & N Construction, LLC with a total bid amount of $807,773.00.

7. Special Provisions/Terms/Conditions: N/A.

8. Approval/Notification to UCA Foundation: N/A.

Form prepared by: Warren Readnour, General Counsel Date: April 20, 2015

III. ACTION AGENDA

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

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.

On March 16, 2015, the Board of Trustees authorized the administration to work with bond counsel and the underwriter for the bonds in order to accomplish the refunding and to prepare the documents necessary for the issuance, marketing, and security of the bonds.

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 most recent calculated 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%; and
4. Student Fee Rev. 2007B (E&G-College of Bus, property purchases, various renovations, etc.) original par $16,000,000 at a rate of 4.98%

The administration now requests that the Board of Trustees authorize the issuance of bonds to refund the outstanding par amounts of 2006D, 2006E, 2007A, and 2007B.

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

"BE IT RESOLVED: That the Board of Trustees hereby adopts the bond resolution attached hereto, and authorizes the issuance and delivery of the bonds set forth therein for the terms and rates therein set forth, and further authorizes the administration to take all other steps as may be necessary and required to issue said bonds for the purpose of refunding the bonds set forth therein."

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

AUTHORIZING THE ISSUANCE OF BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS AUXILIARY REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS; AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT, BOND PURCHASE AGREEMENT, TRUST INDENTURE AND RELATED DOCUMENTS; AND PRESCRIBING 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 Bonds will be general obligations of the Board, and payment of debt service on the Bonds will be equally and ratably secured by "Pledged Revenues," (as defined in the Indenture (hereinafter defined)), which are generally 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; all revenues from the student center fee imposed by the University; 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 Bonds are to be issued on the terms and in the form set forth in a Trust Indenture to be dated as of the date of the Bonds (the "Indenture") between the Board and Bank of the Ozarks (the "Trustee"); and

WHEREAS, in order to proceed with the Refunding, it is necessary for the Board (i) to authorize the issuance and marketing of the Bonds; (ii) to authorize the President of the University to deem final the Preliminary Official Statement for the Bonds and to authorize its use; (iii) to authorize the pricing of the Bonds and the execution of a Bond Purchase Agreement with the Underwriter (as hereinafter defined) in connection therewith; and (iv) to authorize the execution of the Indenture and related documents, all relating to the security and issuance of the Bonds;

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

Section l. After receiving advice and the recommendation of the Vice President of Finance and Administration of the University, all or any portion of the Series 2006D Bonds may be refunded if such refunding would produce an aggregate net present value savings of at least three percent (3%) of the principal balance of the Series 2006D Bonds being refunded. In the event that such net present value savings threshold is met, the Bonds are hereby authorized to be issued to accomplish the Refunding of the Series 2006D Bonds selected for the Refunding. The Bonds allocable to the refunding of the Series 2006D Bonds shall have a final maturity date not later than the final maturity date of the Series 2006D Bonds being refunded. Any Series 2006D Bonds being refunded that mature after May 1, 2016, shall be called for redemption on such date.

After receiving advice and the recommendation of the Vice President of Finance and Administration of the University, all or any portion of the Series 2007 Bonds may be refunded if such refunding would produce an aggregate net present value savings of at least three percent (3%) of the principal balance of the Series 2007 Bonds being refunded. In the event that such net present value savings threshold is met, the Bonds are hereby authorized to be issued to accomplish the Refunding of the Series 2007 Bonds selected for the Refunding. The Bonds allocable to the refunding of the Series 2007 Bonds shall have a final maturity date not later than the final maturity date of the Series 2007 Bonds being refunded. Any Series 2007 Bonds being refunded that mature after November 1, 2017, shall be called for redemption on such date.

The Bonds shall have in their name a series designation based on the year issued and, if there are multiple series, the name shall contain a letter to differentiate series, in style and form acceptable to the Vice President of Finance and Administration of 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.

<u>Section 2</u>. In order to provide for the issuance of the Bonds and to prescribe the terms under which the Bonds will be secured, executed, authenticated, accepted and held, the Chairman, Secretary and Assistant Secretary of the Board, the President of the University and one or more Vice Presidents of the University as designated by the President, are hereby authorized to execute all documents necessary to the issuance of the Bonds, including without limitation:

(a) the Indenture setting forth the terms and conditions of the Bonds and providing for the issuance of the Bonds;

(b) a Bond Purchase Agreement between the Board and Crews & Associates, Inc. (the "Underwriter") setting forth the purchase price and the other terms and conditions upon which the Bonds will be sold to the Underwriter; and

(c) a Continuing Disclosure Agreement, between the Board and the Trustee, setting forth certain obligations of the Board to make continuing disclosure of financial information and material events to the secondary municipal marketplace, as set forth in Rule 15c2-12 of the Securities and Exchange Commission.

The Indenture, the Bond Purchase Agreement and the Continuing Disclosure Agreement are hereby authorized and shall be in substantially the form presented to this Board, but with such changes therein as shall be approved by the Chairman or the President. The Board recognizes that certain revisions may be made to the Indenture, the Bond Purchase Agreement and the Continuing Disclosure Agreement prior to the issuance of the Bonds, and hereby authorizes the Chairman or President to approve and accept such revisions, their signatures on each of such documents to constitute proof of their acceptance of such revisions. Specifically, the President or the Chairman is hereby authorized to (i) accept the final maturity schedule and interest rates for the Bonds if such President or Chairman deems such rates and maturity schedule to be appropriate and within the authority granted by this Resolution and execute the final Bond Purchase Agreement with the Underwriter, and (ii) execute the Continuing Disclosure Agreement. Prior to the sale of the Bonds, the President or the Chairman is hereby authorized to confer with Friday, Eldredge & Clark, LLP, as bond counsel, in allocating the principal amount of the Bonds between tax-exempt bonds and taxable bonds if advantageous for planning purposes or necessitated for federal income tax purposes.

The President is hereby authorized to negotiate an Underwriter's discount with the Underwriter that is not in excess of 0.465% of the par amount of the Bonds. The purchase price may include original issue premiums and discounts in such amounts as may be approved by the President.

<u>Section 3</u>. The Board hereby authorizes and ratifies the use of a Preliminary Official Statement in the marketing of the Bonds and authorizes the production of an Official Statement. The Preliminary Official Statement is hereby approved in substantially the form presented to the Board. The Board recognizes that certain revisions may be made to the Preliminary Official Statement prior to its delivery to prospective purchasers, and hereby authorizes the Chairman or the President to approve and accept such revisions, the signature of either on such Preliminary Official Statement to constitute proof of acceptance of such revisions. The Board hereby authorizes the President to "deem final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission the Preliminary Official Statement with such revisions as may be accepted by the President. The Board hereby further authorizes and approves the production of a final Official Statement, and authorizes and directs the President to execute and deliver the Official Statement, in such form as he deems acceptable, in connection with the issuance of the Bonds.

<u>Section 4</u>. The Bonds are authorized to be issued on a parity with all or any outstanding bonds that are secured by the Pledged Revenues to the extent that the various parity tests for those bonds can be met.

<u>Section 5.</u> The Chairman, Secretary and Assistant Secretary of the Board, and the President of the University and one or more Vice Presidents of the University (as designated by the President) are hereby authorized and directed to do any and all lawful things to effect the execution and delivery of the Bonds, the performance of all obligations of the Board and of the University, and the execution and delivery of all papers, documents, certificates and other instruments of whatever nature that may be necessary or desirable for carrying out the authority conferred by this Resolution or evidencing the authority and its exercise. The Secretary or Assistant Secretary of the Board is hereby authorized to acknowledge and attest the signatures of the Chairman and the President and to execute such other documents as may be required in connection with the issuance of the Bonds.

Section 6. 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 7. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

ADOPTED: ____________, 2015.

ATTEST:

By ________________________________

Brad Lacy, Chair

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Elizabeth C. Farris, Secretary

(SEAL)

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

AUTHORIZING THE ISSUANCE OF BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS STUDENT FEE REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS; AUTHORIZING THE EXECUTION OF AN OFFICIAL STATEMENT, BOND PURCHASE AGREEMENT, TRUST INDENTURE AND RELATED DOCUMENTS; AND PRESCRIBING 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 Bonds will be general obligations of the Board, and payment of debt service on the Bonds will be equally and ratably secured by "Pledged Revenues," (as defined in the Indenture (hereinafter defined)), which are generally the general tuition and fees paid by students attending the University; and

WHEREAS, the Bonds are to be issued on the terms and in the form set forth in a Trust Indenture to be dated as of the date of the Bonds (the "Indenture") between the Board and Bank of the Ozarks (the "Trustee"); and

WHEREAS, in order to proceed with the Refunding, it is necessary for the Board (i) to authorize the issuance and marketing of the Bonds; (ii) to authorize the President of the University to deem final the Preliminary Official Statement for the Bonds and to authorize its use; (iii) to authorize the pricing of the Bonds and the execution of a Bond Purchase Agreement with the Underwriter (as hereinafter defined) in connection therewith; and (iv) to authorize the execution of the Indenture and related documents, all relating to the security and issuance of the Bonds;

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

Section l. After receiving advice and the recommendation of the Vice President of Finance and Administration of the University, all or any portion of the Series 2006E Bonds may be refunded if such refunding would produce an aggregate net present value savings of at least three percent (3%) of the principal balance of the Series 2006E Bonds being refunded. In the event that such net present value savings threshold is met, the Bonds are hereby authorized to be issued to accomplish the Refunding of the Series 2006E Bonds selected for the Refunding. The Bonds allocable to the refunding of the Series 2006E Bonds shall have a final maturity date not later than the final maturity date of the Series 2006E Bonds being refunded. Any Series 2006E Bonds being refunded that mature after May 1, 2016, shall be called for redemption on such date.

After receiving advice and the recommendation of the Vice President of Finance and Administration of the University, all or any portion of the Series 2007 Bonds may be refunded if such refunding would produce an aggregate net present value savings of at least three percent (3%) of the principal balance of the Series 2007 Bonds being refunded. In the event that such net present value savings threshold is met, the Bonds are hereby authorized to be issued to accomplish the Refunding of the Series 2007 Bonds selected for the Refunding. The Bonds allocable to the refunding of the Series 2007 Bonds shall have a final maturity date not later than the final maturity date of the Series 2007 Bonds being refunded. Any Series 2007 Bonds being refunded that mature after November 1, 2017, shall be called for redemption on such date.

The Bonds shall have in their name a series designation based on the year issued and, if there are multiple series, the name shall contain a letter to differentiate series, in style and form acceptable to the Vice President of Finance and Administration of 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. In order to provide for the issuance of the Bonds and to prescribe the terms under which the Bonds will be secured, executed, authenticated, accepted and held, the Chairman, Secretary and Assistant Secretary of the Board, the President of the University and one or more Vice Presidents of the University as designated by the President, are hereby authorized to execute all documents necessary to the issuance of the Bonds, including without limitation:

(a) the Indenture setting forth the terms and conditions of the Bonds and providing for the issuance of the Bonds;

(b) a Bond Purchase Agreement between the Board and Crews & Associates, Inc. (the "Underwriter") setting forth the purchase price and the other terms and conditions upon which the Bonds will be sold to the Underwriter; and

(c) a Continuing Disclosure Agreement, between the Board and the Trustee, setting forth certain obligations of the Board to make continuing disclosure of financial information and material events to the secondary municipal marketplace, as set forth in Rule 15c2-12 of the Securities and Exchange Commission.

The Indenture, the Bond Purchase Agreement and the Continuing Disclosure Agreement are hereby authorized and shall be in substantially the form presented to this Board, but with such changes therein as shall be approved by the Chairman or the President. The Board recognizes that certain revisions may be made to the Indenture, the Bond Purchase Agreement and the Continuing Disclosure Agreement prior to the issuance of the Bonds, and hereby authorizes the Chairman or President to approve and accept such revisions, their signatures on each of such documents to constitute proof of their acceptance of such revisions. Specifically, the President or the Chairman is hereby authorized to (i) accept the final maturity schedule and interest rates for the Bonds if such President or Chairman deems such rates and maturity schedule to be appropriate and within the authority granted by this Resolution and execute the final Bond Purchase Agreement with the Underwriter, and (ii) execute the Continuing Disclosure Agreement. Prior to the sale of the Bonds, the President or the Chairman is hereby authorized to confer with Friday, Eldredge & Clark, LLP, as bond counsel, in allocating the principal amount of the Bonds between tax-exempt bonds and taxable bonds if advantageous for planning purposes or necessitated for federal income tax purposes.

The President is hereby authorized to negotiate an Underwriter's discount with the Underwriter that is not in excess of 0.465% of the par amount of the Bonds. The purchase price may include original issue premiums and discounts in such amounts as may be approved by the President.

Section 3. The Board hereby authorizes and ratifies the use of a Preliminary Official Statement in the marketing of the Bonds and authorizes the production of an Official Statement. The Preliminary Official Statement is hereby approved in substantially the form presented to the Board. The Board recognizes that certain revisions may be made to the Preliminary Official Statement prior to its delivery to prospective purchasers, and hereby authorizes the Chairman or the President to approve and accept such revisions, the signature of either on such Preliminary Official Statement to constitute proof of acceptance of such revisions. The Board hereby authorizes the President to "deem final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission the Preliminary Official Statement with such revisions as may be accepted by the President. The Board hereby further authorizes and approves the production of a final Official Statement, and authorizes and directs the President to execute and deliver the Official Statement, in such form as he deems acceptable, in connection with the issuance of the Bonds.

Section 4. The Bonds are authorized to be issued on a parity with all or any outstanding bonds that are secured by the Pledged Revenues to the extent that the various parity tests for those bonds can be met.

Section 5 The Chairman, Secretary and Assistant Secretary of the Board, and the President of the University and one or more Vice Presidents of the University (as designated by the President) are hereby authorized and directed to do any and all lawful things to effect the execution and delivery of the Bonds, the performance of all obligations of the Board and of the University, and the execution and delivery of all papers, documents, certificates and other instruments of whatever nature that may be necessary or desirable for carrying out the authority conferred by this Resolution or evidencing the authority and its exercise. The Secretary or Assistant Secretary of the Board is hereby authorized to acknowledge and attest the signatures of the Chairman and the President and to execute such other documents as may be required in connection with the issuance of the Bonds.

Section 6. 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 7. 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)