

# Southern Illinois University – Board of Trustees

MAILCODE 6801  
CARBONDALE, ILLINOIS 62901-6801



## CERTIFICATION

I, Misty Whittington, Executive Secretary of the Board of Trustees of Southern Illinois University and keeper of the records thereof, do hereby certify that attached hereto is a true, perfect, and complete copy of a Board matter entitled, "Project and Budget Approval: Quigley Hall Renovation, Carbondale Campus, SIUC" approved by the Board of Trustees at its meeting on Thursday, November 14, 2013.

IN WITNESS WHEREOF, I have hereunto set my name and affixed the official seal of the said Board of Trustees this 25<sup>th</sup> day of November, 2013.

A handwritten signature in cursive script that reads "Misty D. Whittington".

Misty D. Whittington  
Executive Secretary  
of the Board of Trustees  
Southern Illinois University

(SEAL)

Southern Illinois University  
Board of Trustees  
November 14, 2013

PROJECT AND BUDGET APPROVAL:  
QUIGLEY HALL RENOVATION,  
CARBONDALE CAMPUS, SIUC

Summary

This matter seeks project and budget approval for renovations at Eileen E. Quigley Hall. The estimated cost for this project is \$1,200,000.

Rationale for Adoption

The Eileen E. Quigley Hall, constructed in 1959, was originally the Home Economics building. Today it houses the School of Social Work and the School of Architecture. As the renovation of Pulliam Hall continues, plans have been developed to move the School of Social Work to Pulliam Hall and consolidate the School of Architecture into Quigley Hall.

This project will focus on the renovation of Quigley Hall to meet the needs of the School of Architecture. The design will be accomplished with in-house resources and the work will be completed with in-house labor and through the external bid process. This project will be funded from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid from the Facilities Maintenance Fee.

The Chancellor, SIUC, and the Vice Chancellor for Administration and Finance recommended this item to the President.

Considerations Against Adoption

University officials are aware of none.

Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) Project and budget approval for the renovation of Quigley Hall, Carbondale Campus, SIUC, at an estimated cost of \$1,200,000 be and is hereby approved.

(2) The Board of Trustees hereby authorizes the purchase of goods and services required to complete this project.

(3) Funding for this work will come from external and/or internal financing as determined by the Board Treasurer. The debt payment will be repaid from the Facilities Maintenance Fee.

(4) The President of Southern Illinois University be and is hereby authorized to take whatever action may be required in the execution of this resolution in accordance with established policies and procedures.

# Southern Illinois University – Board of Trustees

MAILCODE 6801  
CARBONDALE, ILLINOIS 62901-6801



## CERTIFICATION

I, Misty Whittington, Executive Secretary of the Board of Trustees of Southern Illinois University and keeper of the records thereof, do hereby certify that attached hereto is a true, perfect, and complete copy of a Board matter entitled, "Authorization for the Sale of Certificates of Participation (Capital Improvement Projects), Series 2014A" approved by the Board of Trustees at its meeting on Thursday, November 14, 2013.

IN WITNESS WHEREOF, I have hereunto set my name and affixed the official seal of the said Board of Trustees this 25<sup>th</sup> day of November, 2013.

A handwritten signature in cursive script that reads "Misty D. Whittington".

Misty D. Whittington  
Executive Secretary  
of the Board of Trustees  
Southern Illinois University

(SEAL)

Southern Illinois University  
Board of Trustees  
November 14, 2013

AUTHORIZATION FOR THE SALE OF CERTIFICATES OF PARTICIPATION  
(CAPITAL IMPROVEMENT PROJECTS), SERIES 2014A

Summary

The Board of Trustees has previously supported a plan to debt finance \$30 million of maintenance at SIUC. Despite recent downgrades of debt ratings for the State of Illinois and for nearly all Illinois state universities, it is expected that current markets will provide favorable interest rates.

This matter requests Board approval to: issue Certificates of Participation (COPs), in one or more series, to fund new money projects and to refund all or a portion of the Series 2004A COPs if present value savings at time of sale warrant such refunding; authorize the distribution of the Preliminary and Final Official Statements; execute and deliver the Installment Purchase Contract, Indenture of Trust, Acquisition Agreement, Certificate Purchase Agreement(s) and Continuing Disclosure Agreement; appoint the parties who will participate in the sale; and authorize the Board Treasurer and authorized officers to take actions necessary to complete the proposed sale.

Rationale for Adoption

The Board has authority pursuant to the State University Certificates of Participation Act, 110 ILCS 73 (the "COPs Act"), to sell Certificates of Participation and enter into related financing agreements in connection with the financing of capital improvements. Issuance of the COPs is subject to compliance with the COPs Act which includes approval by the Commission on Government Forecasting and Accountability.

The following projects (the "Capital Improvement Projects") have received approval from the Board with the funding to come from external and/or internal financing as determined by the Board Treasurer.

At its May 10, 2012, meeting, the Board approved the Renovation of Pulliam Hall, SIUC, for a total estimated cost of \$7,000,000. The project scope included decommissioning the pools, installing a new floor, adding a new level in the gymnasium area, constructing a new studio, classrooms and faculty offices and upgrades to the mechanical, electrical and plumbing systems. On November 8, 2012, the Board approved a revised project and budget for the renovation of Pulliam Hall. The project scope was increased to include replacement of the roof and windows and the budget was increased by \$1,250,000.

At its July 12, 2012, meeting, the Board approved the project, Parkinson Laboratory HVAC, SIUC, for a total estimated cost of \$4,300,000. The project will replace the thirty-four year old heating, ventilation and air conditioning (HVAC) system.

At its July 12, 2012, meeting, the Board approved the project, Faner Hall HVAC, SIUC, for a total estimated cost of \$2,200,000. The project will replace the forty year old HVAC system.

At its July 12, 2012, meeting, the Board approved the project, James W. Neckers Building HVAC, SIUC, for a total estimated cost of \$1,500,000. The project will replace the fifty year old HVAC system.

At its July 12, 2012, meeting, the Board approved the project, Woody Hall Renovations, SIUC, for a total estimated cost of \$5,000,000. Most of the departments in Woody Hall have been moved to the new Student Services Building. This project will include renovations to the building and replacement or repairs to the mechanical, electrical and plumbing systems.

At its July 12, 2012, meeting, the Board approved the project, Roof Replacements, SIUC, for a total estimated cost of \$2,000,000. The project includes the replacement of roofs at the Wham Building, Pulliam-Wham Breezeway, Rehn Hall, Life Science III, and Studio Arts buildings.

At its July 12, 2012, meeting, the Board approved the project, Campus Lighting Upgrades, SIUC, for a total estimated cost of \$1,000,000. The project will identify specific areas and lighting types required to provide increased campus safety and a consistency of appearance across the main campus.

At its July 12, 2012, meeting, the Board approved the project, Steam Tunnel Repairs, SIUC, for a total estimated cost of \$1,000,000. The project will provide structural improvements to the fifty year old steam tunnels, including the replacement of pipe stanchions, expansion joints and steam specialties.

At its July 12, 2012, meeting, the Board approved the project, Window and Door Replacements, SIUC, for a total estimated cost of \$1,000,000. The project will identify specific buildings and repair or replace windows and doors to improve energy efficiency and provide functioning access hardware for increased security of the building.

At its September 13, 2012, meeting, the Board approved the project, Electrical Distribution Upgrades, SIUC, for a total estimated cost of \$5,000,000. The project will replace the electrical feeders and associated equipment in the campus distribution system that are at risk of failure due to deterioration and includes the purchase of a new 12.5kV source for installation at the east campus substation. Replacement of the feeders and equipment will be sized to convert the electrical distribution from 5kV to 12.5kV, which will greatly improve the efficiency and reliability of the system and result in significant long-term savings in the purchase of electricity.

At this November 14, 2013, meeting, the Board will consider the project, Quigley Hall Renovation, SIUC, for a total estimated cost of \$1,200,000. If approved, the project will focus on the renovation of Quigley Hall to meet the needs of the School of Architecture.

A preliminary review indicates that it may be desirable to refund all or a portion of the Certificates of Participation, Series 2004A. The outstanding principal balances of these certificates are \$15,750,000. Funding for the refunding will come from the sale of additional new Certificates of Participation. Based on market conditions as of September 24, 2013, it is anticipated that \$13,990,000 of the Series 2004A COPs will be refunded. A refunding of these certificates is estimated to yield present value savings of approximately \$988,208 or 7.06%. The Board Treasurer will assess market conditions at the time of sale and will adjust the refunding component accordingly.

The Board Treasurer recommends funding for up to \$30,000,000 of the Capital Improvement Projects and for \$13,990,000 to refund the Series 2004A COPs to come from the sale of the Series 2014A COPs in the estimated sum not to exceed \$46,000,000 (net of original issue discount, if any); such sum to include allowable amounts for the costs of issuance. Funds to repay the Certificates of Participation will come from the Facilities Maintenance Fee, appropriated funds and other legally available non-appropriated funds available to the University.

On June 6, 2013, Moody's downgraded the State of Illinois General Obligation bonds from A2 (negative) to A3 (negative). Following the State's downgrade, Moody's placed the long-term rating of all Illinois public universities on review, and on August 9, 2013, downgraded almost every Illinois public universities' long-term rating. Southern Illinois University's rating was downgraded from A2 (negative) to A3 (negative). Despite the downgrade, the proposed COPs financing is expected to be accomplished at a favorable interest rate.

The Board Treasurer has recommended this matter to the President.

#### Considerations Against Adoption

University officers are aware of none.

#### Constituency Involvement

The Facilities Maintenance Fee, SIUC, was created and became effective Fall Semester 2007. The proposed fee was discussed with the Chancellor's Planning and Budget Advisory Committee, Undergraduate Student Government (USG) and Graduate and Professional Student Council (GPSC). Proposed fee increases are presented annually to the USG and GPSC.

#### Resolution

BE IT RESOLVED, By the Board of Trustees of Southern Illinois University in regular meeting assembled, That:

(1) It is hereby determined to be desirable that the Board of Trustees of Southern Illinois University (the "Board") authorize the issuance of Certificates of Participation (Capital Improvement Projects), Series 2014A (the "Certificates"), in one or more series in order to provide funds to: (a) fund the Capital Improvement Projects; and (b) refund all or a portion of the outstanding Certificates of Participation (Capital Improvement Projects), Series 2004A (the "Series 2004A COPs").

(2) Pursuant to the University's existing contract, the firm of Chapman and Cutler LLP, Chicago, Illinois, be and is hereby retained as Special Counsel to the Board for all legal matters incidental to the authorization and issuance of the Certificates.

(3) Pursuant to the University's existing contract, the firm of John S. Vincent and Company LLC, Chicago, Illinois, be and is hereby retained as Financial Advisor for the preparation of the Preliminary and Final Official Statement and other matters related to the sale.

(4) U.S. Bank National Association, Chicago, Illinois, be and is hereby authorized to serve as Registrar and Paying Agent for the Certificates.

(5) Pursuant to the Board's approval to purchase investment banking services at this November 14, 2013, meeting, the firm of Raymond James, Memphis, TN, be and is hereby retained as Managing Underwriter for the issuance of the Certificates, with fees for such services contingent upon the actual sale of the Certificates. The Treasurer is hereby authorized to retain such other managing underwriter in lieu of or in addition to Raymond James and such other co-managing underwriters as he deems to be in the best interest of the Board.

(6) The Treasurer is hereby further authorized to negotiate a direct purchase of all or a portion of the Certificates by Raymond James Bank, N.A. (the "Bank") and/or Raymond James Capital Funding, Inc. ("RJCF"), in a principal amount that he deems to be in the best interest of the Board.

(7) For the sale of the Certificates, the Treasurer of this Board is hereby authorized to enter into a (i) Certificate Purchase Agreement with the Managing Underwriter, as representative of the Underwriters, (ii) Bank Certificate Purchase Contract with the Bank, and/or (iii) Certificate Purchase Contract with RJCF, each in substantially the form which is before the Board at this meeting.<sup>1</sup>

(8) In order to provide for the refunding of all or a portion of the Board's outstanding Series 2004A COPs, the payment of the costs of the Capital Improvement Projects and the payment of costs of issuance, the Board authorizes the issuance of its Certificates, in one or more series, in an aggregate original principal amount not to exceed \$46,000,000 or \$32,000,000 if refunding Certificates are not issued (in each case, net of original issue discount, if any), with a final maturity of not later than February 15, 2034. The price at which the Certificates will be purchased by the Underwriters or directly by the Bank and/or RJCF shall not be less than 97% (exclusive of original issue discount) and the true interest cost (TIC) of borrowing for the Certificates

that are issued on a tax-exempt basis will not exceed 6% (or in the event the Certificates or a portion of the Certificates are issued on a taxable basis, 8% per annum). The Certificates may be subject to optional redemption at a premium not in excess of 3% of the principal amount thereof.

(9) The Board approves the refunding of all or a portion of the Series 2004A COPs. Such Series 2004A COPs shall be refunded only if the Treasurer determines such refunding to be in the best interest of the Board and if aggregate savings attributable to such refunding are at least 3% of the principal amount of the Series 2004A COPs refunded.

(10) In the event that the Managing Underwriter determines that the acquisition of bond insurance for all or a portion of the Certificates is economical, the Treasurer is hereby authorized to agree to such standard covenants with a bond insurer, which is deemed by the Treasurer to be in the best interest of the Board.

(11) The Board approves the preparation and distribution of a Preliminary Official Statement, Official Statement, and Continuing Disclosure Agreement as prepared by the Financial Advisor and as shall be approved by the Underwriter, Special Counsel and Board Treasurer, and the execution of the Official Statement and Continuing Disclosure Agreement in substantially the forms which are before the Board at this meeting.<sup>1</sup>

(12) The Board hereby approves the form of the Installment Purchase Contract, Indenture of Trust, and Acquisition Agreement, with such necessary changes as shall be approved by the Board Treasurer.<sup>1</sup>

(13) The members, officers, agents and employees of this Board are hereby authorized and directed to do all such acts and to execute all such documents as may be necessary to carry out and comply with the provisions of these resolutions and with the acts and doings of the members, officers, agents, and employees of the Board which are in conformity with the intent and purposes of these Resolutions, whether heretofore or hereafter taken or done, shall be and are ratified, confirmed and approved.

---

<sup>1</sup> Copies of such documents are on file with the Secretary of the Board for recording. The Chairman, the Treasurer, the Secretary and other appropriate officers of the Board are hereby authorized and directed to execute such documents in the name of, and on behalf of, the Board in substantially the forms presented to this meeting, or with such changes as may be approved by the officer or officers of the Board executing the same (including, but not limited to, changes relating to the issuance of more than one series of Certificates, the interest on one of which may be taxable and the other tax-exempt), his/her or their execution thereof to constitute conclusive evidence of the Board's approval of all changes from the forms thereof presented to this meeting.