

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting via Conference Call
March 21, 2014

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting via conference call on Friday, March 21, 2014. The purpose of the meeting was to consider the economic feasibility of bond issue for Henderson State University. The meeting convened at 9:00 a.m. with a quorum present.

Coordinating Board present:

Kaneaster Hodges, Chair
Bob Crafton, Vice Chair
Dr. Charles Allen
Dr. Joe Bennett
Dr. Olin Cook
Horace Hardwick
Sherrel Johnson
Ben Pickard
Greg Revels

Coordinating Board absent:

Sarah Argue, Secretary
Florine Milligan
Mary Anne Salmon

Department staff present:

Shane Broadway, Director
Harold Criswell, Deputy Director
Chandra Robinson, Program Coordinator for Institutional Finance
Brandi Hinkle, Communications Coordinator
Nichole Abernathy, Executive Assistant

Presidents, chancellors, other institutional representatives, and guests were also present.

Chairman Hodges thanked the Coordinating Board members and guests for participating on the call.

Agenda Item No. 1
Economic Feasibility of Bond Issue
Henderson State University

Henderson State University requests approval of the economic feasibility of plans to issue bonds totaling approximately \$33.0 million with a term of up to thirty (30) years at an estimated annual interest rate not to exceed 6.35 percent. Proceeds from the bond issue will be used for auxiliary purposes. The Henderson State University Board of Trustees approved this financing at its meeting held on November 21, 2013.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Henderson State University to issue bonds not to exceed \$33.0 million in two terms of thirty (30) years at an estimated annual interest rate not to exceed 6.35 percent to purchase and update Whispering Oaks, a privately owned 288 bed apartment complex located on campus, construct a 300 bed residence hall and to construct a 240 bed apartment-style complex.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the President and the Chair of the Board of Trustees of Henderson State University of the Coordinating Board's resolution.

Chairman Hodges commented on the 6.35 percent interest rate with a term up to 30 years. He stated that's a long time.

Dr. Glen Jones, President of Henderson State University (HSU) said that he was pretty sure the interest rate would not come in close to 6.35 percent. However, when he was figuring this several months ago, he wanted to guard against interest rate risks. Because the dollar amount is so high, he wanted to make certain they would be able to cash flow this in their worst case scenario. Dr. Jones said he believes the interest rate is going to come in at 4.5 percent with a term closer to 25 years.

Dr. Charles Allen moved to recommend Agenda Item No. 1 to the Full Board for consideration. Horace Hardwick seconded, and the Committee unanimously approved.

Report of the Committee

Bob Crafton presented the report of the Finance Committee and moved approval of Agenda Item 1. Dr. Charles Allen seconded the motion and the Board unanimously approved.

Nichole Abernathy conducted a final roll call, reaffirming the quorum.

Chairman Hodges thanked everyone for participating in the meeting and announced that the next meeting would be April 25, 2014, at the Department of Higher Education in Little Rock.

With no further comments, the meeting adjourned at 9:08 a.m.

APPROVED:

Nichole Abernathy

Sarah Argue, Secretary