

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD  
Special Meeting  
December 14, 2004**

**Minutes of Meeting**

The December 14, 2004 special meeting of the Arkansas Higher Education Coordinating Board was held in the DeCantillon Meeting Room at the Wydham Hotel in North Little Rock. The only agenda item was the economic feasibility of a bond issue for National Park Community College. Chairman Phil Ford called the meeting to order at 11:50 a.m. with a quorum of Board members present.

Coordinating Board present:

Phil Ford, Chair  
Dr. Dan Grant, Vice Chair  
Betsy Thompson, Secretary  
Jodie Carter  
Jim Creech  
Kaneaster Hodges  
Dr. Lynda Phillips Johnson  
David Leech

Coordinating Board absent:

Bob Cheyne  
Bill Johnson  
David Damron  
Dr. Anne Trussell

Department staff present:

Dr. Steve Floyd, Deputy Director  
Dr. Stan Williams, Sr. Associate Director for Institutional Finance  
George Smith, Communications Manager  
Christina Miller, Coordinator of General Administration

Chairman Ford introduced Dr. Tom Spencer, President of National Park Community College and called on Dr. Stan Williams to present the background information.

Agenda Item No. 1  
Economic Feasibility Of Bond Issue  
National Park Community College

The National Park Community College, requests approval of the economic feasibility of plans to issue millage based bonds to build new science labs and classrooms, for renovations to the current math/science building, and refunding existing debt.

Refunding the 1998 bonds, constructing new science labs and classrooms, and making renovations to the current math/science building will be funded by a bond issue of approximately \$9.3 million with a 25-year term at an estimated annual interest rate of 4.12%. The National Park Community College Board of Trustees approved this request on September 22, 2004.

Debt service for the bonds will be supported by millage income. Coordinating Board policy regarding debt service for millage backed projects provides that annual millage collected should be no less than 120 percent of the total annual millage debt service.

Relevant data follow:

Projected 2003-04 Millage Income.....	\$ 724,156
Maximum Annual Debt Service (724,156/120%).....	603,463
Existing Debt Service.....	307,255
Debt Service of Refunded Bonds.....	<307,255>
Estimated Debt Service for Proposed Bond Issues.....	603,463
Estimated Millage Income Remaining for Additional Debt Service.....	\$ 0

The above data demonstrate that the National Park Community College has sufficient millage income to support a bond issue of approximately \$9.3 million with a term of 25 years at an estimated annual interest rate of 4.12%.

The following resolution is presented for the Board's consideration:

**RESOLVED**, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for National Park Community College, to issue millage income supported bonds of approximately \$9.3 million with a term of 25 years at an estimated annual interest rate of 4.12% to refund the 1998 bonds and to construct new science labs and classrooms, and make renovations to the current math/science building.

**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 National Park Community College of the Coordinating Board's resolution.

Kaneaster Hodges said the zero debt service was unusual and asked for further explanation. Dr. Williams said the debt service amount was based on last year's information. This year's (2005) revenue will allow for additional debt service if need. Dr. Williams also stated that National Park Community College would have additional debt service capacity through tuition related bonds since they currently have no tuition related bonds. They can spend up to 25% of tuition revenue for Debt Services.

Dr. Spencer added that the National Park Community College Board is very serious about keeping tuition low. He also said that after this lab is built, the bond resources would allow for the renovation of an existing building.

Kaneaster Hodges moved approval of the bond issue, Dr. Dan Grant seconded the motion, and the board unanimously concurred.