

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting via Conference Call
February 16, 2018**

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting via conference call on Friday, February 16, 2018. The purpose of the meeting was to consider the economic feasibilities of bond issues for National Park College and Southern Arkansas University. The meeting convened at 9:30 a.m., with a quorum present.

Coordinating Board present:

Dr. Charles Allen, Chair
Sam Sicard, Secretary
Keven Anderson
Al Brodell
Dr. Olin Cook
Chris Gilliam
Lori Griffin
Greg Revels

Coordinating Board absent:

Dr. Jim Carr, Vice Chair
Sherrel Johnson
Dr. Michael Stanton

Department staff present:

Dr. Maria Markham, Director
Nick Fuller, Deputy Director
Dr. Jessie Walker, Senior Associate Director for Academic Affairs
Ann Clemmer, Senior Associate Director for Government Relations/Special Projects
Alisha Lewis, Associate Director for Communications
Chandra Robinson, Program Coordinator for Institutional Finance
Lillian Williams, Program Coordinator for Academic Affairs
Nichole Abernathy, Executive Assistant

Presidents, chancellors, other institutional representatives, and guests also participated.

Chair Allen thanked the Coordinating Board members and guests for participating on the call.

Nichole Abernathy conducted a roll call to confirm there was a quorum.

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

National Park College (NPC) requests approval of the economic feasibility of plans to issue bonds not to exceed \$14.0 million with a term of up to thirty (30) years at

an annual interest rate not to exceed 4.50 percent. Proceeds from the bond issue will be used for educational and general (E&G) purposes. The National Park College Board of Trustees approved this financing at its meeting on January 24, 2018.

The educational and general issue will be approximately \$14.0 million with an annual debt service of \$1,205,375 and a term of up to thirty (30) years. Proceeds will be used to refund Series 2004 and Series 2008 bond issues, fund the construction of a new student commons building, new marine technology building, expansion of the west parking lot, construction of a new student campus entrance and certain improvements to the Fisher Campus Center to add instructional space. The improvements will allow National Park College to educate more students, increase the number of graduates and credentials. As well as positively impact the educational attainment levels in Garland County and the State of Arkansas. Coordinating Board policy regarding debt service for projects financed by local tax or millage provides that annual net millage revenue should be no less than 120 percent of the total annual debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for National Park College to issue bonds in an amount not to exceed \$14.0 million with a term of up to thirty (30) years at an expected annual interest rate not to exceed 4.50 percent to refund Series 2004 and Series 2008 bond issues, fund the construction of a new student commons building, new marine technology building, expansion of the west parking lot, construction of a new student campus entrance and certain improvements to the Fisher Campus Center.

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 College of the Coordinating Board's resolution.

There were no questions.

Greg Revels moved to recommend Agenda Item No. 1 to the full board for consideration. Chris Gilliam seconded and the Committee approved.

Agenda Item No. 2
Economic Feasibility of Bond Issue
Southern Arkansas University

Southern Arkansas University (SAU) requests approval of the economic feasibility of plans to issue bonds not to exceed \$19,175,000 with a term of thirty (30) years at an annual interest rate not to exceed 4.0 percent. Proceeds from the bond issues will be used for educational and general (E&G) and auxiliary purposes.

Southern Arkansas University Board of Trustees approved this financing at its meeting on January 30, 2018.

The educational and general issue will be approximately \$17.0 million with an annual debt service of \$943,550 and a term of thirty (30) years. Proceeds will be used to refund the 2007 Series bonds in the amount of approximately \$11,730,000. New funding in the amount of approximately \$5,000,000 will be used to construct an Education building annex, expand the existing band hall facility, and for other E&G renovation projects. The debt service on the bond issue will be supported by tuition and fee revenue. Coordinating Board policy regarding debt service for E&G projects provides that a maximum of 25 percent of tuition and fee revenue, net of scholarship expense, may be pledged to E&G debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Southern Arkansas University to issue bonds in an amount not to exceed \$19,175,000 with a term of thirty (30) years at an estimated interest rate not to exceed 4.0 percent for educational and general purposes to refund the 2007 Series bonds, to construct an Education building annex, expand the existing band hall facility, and for other E&G renovation projects. The auxiliary purposes will be to refund the 2005B Series bonds, address critical HVAC needs, residence hall renovations, and other auxiliary renovation projects.

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 Southern Arkansas University of the Coordinating Board's resolution.

There were no questions.

Chris Gilliam moved to recommend Agenda Item No. 2 to the full board for consideration. Sam Sicard seconded and the Committee approved.

Report of the Committee

Al Brodell presented the report of the Finance Committee and moved approval of Agenda Items 1 and 2. Lori Griffin seconded and the board approved.

Remarks by Presidents and Chancellors

There were none.

Chair Allen thanked everyone for participating in the special meeting and announced that the next regular meeting would be April 20, 2018 at the Arkansas Department of Higher Education in Little Rock.

With no further comments, the meeting adjourned at 9:38 a.m.

Nichole Abernathy

APPROVED:

Sam Sicard, Secretary