

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting via Conference Call
June 29, 2018**

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting via conference call on Friday, June 29, 2018. The purpose of the meeting was to consider the economic feasibilities for the University of Arkansas, Fayetteville and Southern Arkansas University. The meeting convened at 9:00 a.m., with a quorum present.

Coordinating Board present:

Dr. Charles Allen, Chair
Dr. Jim Carr, Vice Chair
Keven Anderson
Al Brodell
Dr. Olin Cook
Chris Gilliam
Sam Sicard
Greg Revels
Dr. Michael Stanton

Coordinating Board absent:

Lori Griffin
Sherrel Johnson

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
Alisha Lewis, Associate Director for Communications
Chandra Robinson, Program Coordinator for Institutional Finance
Nichole Abernathy, Executive Assistant

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

Vice Chair Jim Carr 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 Issues
University of Arkansas, Fayetteville

The University of Arkansas, Fayetteville requests approval of the economic feasibility of plans to issue bonds not to exceed \$32.0 million with a maximum term

of thirty (30) years at an estimated annual interest rate not to exceed 5.50 percent. Proceeds from the bond issue will be used for education and general (E&G) and auxiliary purposes. The University of Arkansas Board of Trustees approved this financing at its meeting on May 24, 2018.

The E&G issue will be up to \$22.67 million with an annual debt service of \$1,554,125 and a term of thirty (30) years. Proceeds from this bond issue will be used to (1) continue the construction of an approximately 27,000 sq. ft. library storage facility; (2) continue the renovation of an addition of approximately 3,965 sq. ft. to Kimpel Hall; (3) continue the construction phase of an approximately 35,500 sq. ft. Civil Engineering Research and Education Center; (4) proceed with the renovation of levels 3 and 4 of Mullins Library; (5) proceed with the initial planning of the construction of an approximately 75,000 sq. ft. Student Success Center; (6) proceed with continued construction of new intramural playing fields; (7) acquire, construct and equip improvements to the south campus steam and utility systems; and (8) fund the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property if proceeds are available. The debt service on the bond issue will be supported by tuition and fee revenue. Coordinating Board policy regarding debt service for education and general projects provides that a maximum of 25 percent of tuition and fee revenue, may be pledged to E&G debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for the University of Arkansas, Fayetteville to issue bonds in an amount not to exceed \$32.0 million with a term of thirty (30) years at an estimated interest rate not to exceed 5.50 percent for education and general purposes (E&G) to (1) continue the construction of an approximately 27,000 sq. ft. library storage facility; (2) continue the renovation of an addition of approximately 3,965 sq. ft. to Kimpel Hall; (3) continue the construction phase of an approximately 35,500 sq. ft. Civil Engineering Research and Education Center; (4) proceed with the renovation of levels 3 and 4 of Mullins Library; (5) proceed with the initial planning of the construction of an approximately 75,000 sq. ft. Student Success Center; (6) proceed with continued construction of new intramural playing fields; (7) acquire, construct and equip improvements to the south campus steam and utility systems; and (8) fund the acquisition, construction, improvement, renovation, equipping and/or furnishing of other capital improvements and infrastructure and the acquisition of various equipment and/or real property if proceeds are available. For auxiliary purposes to (1) construct a remote parking lot for faculty and staff south of the main campus; (2) renovate the existing Arkansas Union Food Court area; (3) renovate and improve approximately 12,000 sq. ft. of existing space and (4) to construct an addition of approximately 6,430 sq. ft. to Pomfret Dining Hall.

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 University of Arkansas and the Chancellor of the University of Arkansas, Fayetteville of the Coordinating Board's resolution.

There were no questions.

Keven Anderson moved to recommend Agenda Item No. 1 to the full board for consideration. Dr. Charles Allen seconded and the Committee approved.

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

Southern Arkansas University (SAUM) requests approval of the economic feasibility of plans to obtain a loan not to exceed \$1.4 million with a term of ten (10) years at an annual interest rate not to exceed 4.50 percent. Proceeds from the loan will be used for auxiliary purposes. The Southern Arkansas University Board of Trustees approved this financing at its meeting on June 25, 2018.

The auxiliary issue will be approximately \$1.4 million with an annual debt service of approximately \$259,500 and a term of ten (10) years. Proceeds from the loan will be used to purchase an apartment complex located adjacent to the university which would accommodate anticipated fall enrollment. The debt service on the bond issue will be supported by auxiliary revenues derived from student housing revenue.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for Southern Arkansas University to obtain a loan in an amount not to exceed \$1.4 million with a term of ten (10) years at an estimated interest rate not to exceed 4.50 percent for auxiliary purposes to purchase an apartment complex located adjacent to the university.

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. Keven Anderson seconded and the Committee approved.

Report of the Committee

Greg Revels presented the report of the Finance Committee and moved approval of Agenda Items 1-2. Dr. Charles Allen seconded and the board approved.

Remarks by Presidents and Chancellors

There were none.

Vice Chair Carr thanked everyone for participating in the special meeting and announced that the next regular meeting would be July 26-27, 2018 at the University of Arkansas at Fayetteville.

With no further comments, the meeting adjourned at 9:14 a.m.

Nichole Abernathy

APPROVED:

Sam Sicard, Secretary