

# **ARKANSAS HIGHER EDUCATION COORDINATING BOARD SPECIAL MEETING**

**“Next Level Events” Center  
Little Rock, Arkansas**

**Tuesday, February 20, 2007  
9:45 a.m.**

## **AGENDA**

1. Economic Feasibility of Bond Issue for Mid-South Community College  
(Dr. Williams)

**ECONOMIC FEASIBILITY OF BOND ISSUE  
MID-SOUTH COMMUNITY COLLEGE**

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Mid-South Community College (MSCC) requests approval of the economic feasibility of plans of a \$16 million bond issue for a term of 32 years at an estimated average annual interest rate of 4.4 percent. Bond proceeds will be used to refinance a 2003 bond issue and a 1997 issue and to expand the Information Technology Building which is under construction. The proposed bond issue was approved by the MSCC Board of Trustees on February 12, 2007.

The debt service will be supported by millage proceeds. MSCC receives approximately \$1.9 million annually from millage proceeds. According to Coordinating Board policy, millage proceeds must be a minimum of 120 percent of the estimated debt service.

Relevant data follow:

Actual Millage Revenue FY 2006 . . . . .	\$1,961,838
Maximum Debt Service (\$1,961,838/120%) . . . . .	1,634,865
Existing Debt Service . . . . .	610,116
Less Debt Service of Refunded Bonds. . . . .	<610,116>
Debt Service for Proposed Issue . . . . .	941,310
Amount Remaining for Additional Debt Service . . . . .	\$693,555

The above data demonstrate that MSCC has sufficient millage to support a bond issue of \$16 million for a term of 32 years at an estimated annual interest rate of 4.4 percent.

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

**RESOLVED**, That the Arkansas Higher Education Coordinating Board considers economically feasible the plans of Mid-South Community College to issue bonds for \$16 million for a term of 32 years at an average interest rate of 4.4 percent per annum to refinance bonds issued in 2003 and 1997 and to expand the Information Technology Building which is under construction.

**FURTHER RESOLVED**, That the Director of the Arkansas Department of Higher Education is authorized to notify the President and Chair of the Board of Trustees of Mid-South Community College of the Coordinating Board's resolution.