

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting
February 20, 2007**

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting on Tuesday, February 20, 2007 at "Next Level Events" located in Little Rock. The purpose of the meeting was to review the Economic Feasibility of a Bond Issue for Mid-South Community College. The meeting convened at 9:50 a.m. with a quorum present.

Coordinating Board present:

Kaneaster Hodges, Chair
David Leech, Vice Chair
Dr. Lynda Johnson, Secretary
Jodie Carter
Dr. Dan Grant
Bill Johnson
Mark Smith
Dick Trammel

Coordinating Board absent:

David Damron
Phil Ford
Steve Luelf
Dr. Anne Trussell

Department staff present:

Dr. Linda Beene, Director
Dr. Stanley Williams, Senior Associate Director for Finance
Nichole Abernathy, Administrative Support

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

Chairman Hodges called the meeting to order and thanked the Coordinating Board members for participating in the meeting.

Agenda Item No. 1
Economic Feasibility of Bond Issue
Mid-South Community College

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	\$306,445

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.

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.

Dick Trammel moved to approve Agenda Item No. 1. Jodie Carter seconded the motion, and the Board unanimously approved.

Chairman Hodges thanked everyone for participating in the meeting and announced that the next Coordinating Board meeting will be April 27, 2007 at NorthWest Arkansas Community College in Bentonville.

With no further comments, the meeting adjourned.