

ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting via Conference Call
September 30, 2016

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting via conference call on Friday, September 30, 2016. The purpose of the meeting was to consider the economic feasibilities for three institutions. The meeting convened at 10:30 a.m. with a quorum present.

Coordinating Board present:

Bob Crafton, Chair
 Sherrel Johnson, Vice Chair
 Chris Gilliam, Secretary
 Ben Pickard
 Florine Milligan
 Greg Revels
 Sam Sicard
 Dr. Michael Stanton

Coordinating Board absent:

Dr. Charles Allen
 Dr. Jim Carr
 Dr. Olin Cook
 Jim von Grep

Department staff present:

Dr. Maria Markham, Director
 Harold Criswell, Senior Associate Director of Administration and Finance
 Tara Smith, Senior Associate Director for Institutional Finance
 Chandra Robinson, Program Specialist for Institutional Finance
 Lisa Smith, Communications/Outreach Coordinator
 Nichole Abernathy, Executive Assistant

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

Chairman Crafton thanked the Coordinating Board members and guests for participating on the call.

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

Agenda Item No. 1
 Economic Feasibility of Loan Issue
 University of Arkansas Community College at Batesville

The University of Arkansas Community College at Batesville (UACCB) requests approval of the economic feasibility of plans to secure a loan from the College Savings Bond Revolving Loan Fund in the amount of \$2,000,000 with a term of ten (10) years with an annual interest rate not to exceed 0.68 percent. Proceeds from the loan will be used for educational & general (E&G) purposes, along with

reserves set aside for this project. The University of Arkansas Board of Trustees approved this loan financing at its meeting on September 8, 2016.

RESOLVED, That the Arkansas Higher Education Coordinating Board approves the loan from the College Savings Bond Revolving Loan Fund to The University of Arkansas Community College at Batesville (UACCB) for \$2,000,000 with a term of ten (10) years at an interest rate not to exceed 0.68 percent to construct a Workforce Training 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 the University of Arkansas and the Chancellor of the University of Arkansas Community College at Batesville of the Coordinating Board's resolution.

Chris Gilliam moved to recommend Agenda Item No. 1 to the full Board for consideration. Sherrel Johnson seconded and the Committee approved.

Agenda Item No. 2
Economic Feasibility of Loan Issue
South Arkansas Community College

South Arkansas Community College requests approval of the economic feasibility of plans to obtain a loan not to exceed \$2.5 million with a term of up to fifteen (15) years at an annual interest rate not to exceed 2.05 percent. Proceeds from the loan will be used for educational and general (E&G) purposes. South Arkansas Community College Board of Trustees approved this financing at its meeting on September 20, 2016.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for South Arkansas Community College to obtain a loan not to exceed \$2.5 million with a term of up to fifteen (15) years at an expected annual interest rate not to exceed 2.05 percent to finance an Energy Performance Project under the guidelines of the Arkansas Energy Performance Contracting (AEPC) Program overseen by the Arkansas Energy Office.

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 South Arkansas Community College of the Coordinating Board's resolution.

Sherrel Johnson moved to recommend Agenda Item No. 2 to the full Board for consideration. Chris Gilliam seconded and the Committee approved.

Agenda Item No. 3
Economic Feasibility of Bond Issue
University of Arkansas, Fayetteville

The University of Arkansas, Fayetteville requests approval of the economic feasibility of plans to issue bonds not to exceed \$120.0 million with a term of twenty (20) years at an annual interest rate not to exceed 5.50 percent. Proceeds from the bond issue will be used for auxiliary purposes. The University of Arkansas Board of Trustees approved this financing at its meeting on September 8, 2016.

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 \$120.0 million with a term of twenty (20) years at an estimated interest rate not to exceed 5.50 percent for auxiliary purposes to fund the Donald W. Reynolds Razorback Stadium project, which includes a north end zone expansion, improvements and updates to existing areas in the stadium, and replacement of the Broyles Athletic 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 University of Arkansas and the Chancellor of the University of Arkansas, Fayetteville of the Coordinating Board's resolution.

Chairman Crafton commented that the Coordinating Board's role is merely to look at the economic feasibility and make a recommendation. Based on the information that was provided to him, he personally doesn't have a problem with this bond, said Crafton.

Greg Revels agreed that the board is giving advice on the economic feasibility as defined by policy. This is something that we might want to visit in the future to see if we might want to make any changes, said Revels.

Ben Pickard thanked Chairman Crafton for clarifying the boards role in this process.

Sherrel Johnson stated that she relies on the knowledge and recommendation of ADHE staff when making her decision. She said she is confident that they have looked at all the numbers and once the recommendation reaches the board, she will support the staff.

Greg Revels agreed.

Chris Gilliam moved to recommend Agenda Item No. 3 to the full Board for consideration. Sherrel Johnson 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 - 3. Sherrel Johnson seconded the motion and the Board unanimously approved.

Chairman Crafton thanked everyone for participating in the special meeting and announced that the next regular board meeting would be October 28, 2016, at the Arkansas Department of Higher Education in Little Rock.

With no further comments, the meeting adjourned at 10:50 a.m.

Nichole Abernathy

APPROVED:

Chris Gilliam, Secretary