

**ARKANSAS HIGHER EDUCATION COORDINATING BOARD
Special Meeting
March 19, 2020**

Minutes of Meeting

The Arkansas Higher Education Coordinating Board held a special meeting on Thursday, March 19, 2020, via conference call hosted at the Arkansas Department of Higher Education. Chair Dr. Jim Carr called the meeting to order at 9:00 a.m., with a quorum present.

Coordinating Board present:

Dr. Jim Carr, Chair
Al Brodell, Vice Chair
Chris Gilliam, Secretary
Keven Anderson
Lori Griffin
Chad Hooten
Andy McNeill
Dr. Michael Stanton

Coordinating Board absent:

Bill Clary
Dr. Olin Cook
Greg Revels

Department staff present:

Dr. Maria Markham, Director
Nick Fuller, Deputy Director
Dr. Jessie Walker, Senior Associate Director for Academic Affairs/Research & Analytics
Ann Clemmer, Senior Associate Director for Governmental Relations
Sonia Hazelwood, Associate Director for Research and Analytics
Alisha Lewis, Associate Director of Communications
Beth Stewart, Senior Research Specialist
Lillian Williams, Program Specialist for Academic Affairs
Nichole Abernathy, Executive Assistant

Presidents, chancellors, institutional representatives, members of the press, and guests were also present.

Chairman Carr welcomed presidents and chancellors to the special board meeting and thanked everyone for attending.

Agenda Item No. 1
Economic Feasibility of Loan Issue
East Arkansas Community College

East Arkansas Community College (EACC) requests approval of the economic feasibility of plans to secure a loan not to exceed \$2.7 million with a term of up to

twenty (20) years at an annual interest rate not to exceed 2.5 percent. Proceeds from the loan will be used for educational and general (E&G) purposes. East Arkansas Community College Board of Trustees approved this financing at its meeting on February 20, 2020.

The E&G loan issue will be up to \$2.7 million with an annual debt service of \$231,415 and a term of up to twenty (20) years. Proceeds from the loan will be used to finance an Energy Performance Project under the guidelines of the Arkansas Energy Performance Contracting (AEPC) Program overseen by the Arkansas Energy Office. The project includes full interior and exterior campus lighting retrofit to LED for all College facilities, new campus lighting and energy management controls for all College facilities, weatherization and building envelop improvements to multiple facilities, and replacement of 33 obsolete heating/air conditioning systems. As required by the AEPC Program, these improvements will generate annual savings guaranteed by the Energy Service Company, which will exceed the total project cost (construction, equipment and financing). Coordinating Board policy regarding debt service for E&G projects provides that a maximum of 25 percent of net tuition and fee revenue less unrestricted E&G scholarship expenditures may be pledged to E&G debt service.

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for East Arkansas Community College to secure a loan not to exceed \$2.7 million with a term of up to twenty (20) years at an expected annual interest rate not to exceed 2.5 percent to finance an Energy Performance Project under the guidelines of the Arkansas Energy Performance Contracting (AEPC) Program overseen by the Arkansas Energy Office. As required by the AEPC Program, these improvements will generate annual savings guaranteed by the Energy Service Company.

FURTHER RESOLVED, That the Director of the Division of Higher Education is authorized to notify the President and the Chair of the Board of Trustees of East Arkansas Community College of the Coordinating Board's resolution.

Keven Anderson asked what the projected payback is on this energy saving project.

Richard Stipe, EACC Vice Chancellor for Finance and Administration, said it is approximately a 16-year average payout.

Chair Carr said he was surprised by the 16 to 20 year savings prediction.

Mr. Stipe said that because EACC utilizes an electric coop, the savings are stretched out with a lower rate.

Chad Hooten moved to approve Agenda Item No. 1. Al Brodell seconded the motion and the Board unanimously approved.

With no further comments, the meeting adjourned at 9:10 a.m.

APPROVED:

Nichole Abernathy

Chris Gilliam, Secretary