

Following appropriate notice to members of the press, the Board of Trustees of the University of Central Arkansas met via telephone conference at 9:45 a.m. Tuesday, March 16, 2004. The following trustees participated in the call:

Chair:	Mr. Scott Roussel
Vice Chair:	Dr. Michael Stanton
Secretary:	Mrs. Patricia Bassett
	Dr. Conrad Garner
	Mr. Rush Harding
	Mrs. Kay Hinkle
	Mr. Randy Sims

with the following absent: None

constituting a quorum of said Board, at which meeting the following business was transacted:

INTRODUCTIONS AND ANNOUNCEMENTS

President Hardin announced that a press conference will be held at 2:00 p.m. tomorrow, March 17, at Community Bank of Cabot located at 2171 W. Main Street in Cabot. The press conference is being held to make a major announcement from a fund-raising standpoint. President Hardin invited members of the Board to attend if convenient.

President Hardin reminded members of the Board that the next regularly scheduled Board meeting will be held at 2:00 p.m. Friday, May 7, in the Fireplace Room in McCastlain Hall.

President Hardin introduced Mrs. Kay Hinkle, the newest Board member, who replaces Mr. Dalda Womack.

ACTION AGENDA

Bond Issues - The administration is currently preparing documentation for the construction of a new residence hall with an estimated construction cost of \$10,000,000, as authorized by the Board of Trustees on December 12, 2003. The new residence hall bond issue will require a total of \$11,000,000 in bonds. This issue will provide approximately \$10,000,000 to construct and furnish the facility and \$1,000,000 to fund the debt service reserve, to pay debt issuance costs, and to pay capitalized interest costs.

The administration is seeking to combine the new residence hall issue with the following bond issues. These bond issues will cover project costs, debt issuance costs, and fund the debt service requirements for the housing issues.

A. Technology Improvements

Phase One

There is a great need for technology infrastructure improvements to students, faculty, and staff a reliable and secure network. A study of the university infrastructure has been completed by IBM. That study indicates that it will cost approximately \$3,500,000 to provide the university with a campus-wide wireless environment and the needed security improvements and redundancy.

Phase Two

The university will also require substantial improvements in the software systems used by students, faculty and staff. The estimated cost of these software improvements is \$2,000,000, \$1,000,000 of which will be funded through the technology bond issue.

The technology bond issue will not exceed \$4,500,000 and will be repaid over a ten-year term at an interest rate of approximately 5%.

B. Purchase /Improvements to Housing

As discussed at the December 2003 board meeting, the administration continues to search for potential housing solutions. A new apartment complex has been identified and is in close proximity to the Torreyson Place Apartments. The owner has tentatively agreed to sell the property to the university. The property contains thirty-six, two-bedroom apartments which will house 128 students.

The administration also requests that it be allowed to seek reimbursement from the bond proceeds for major improvements, at a cost of approximately \$1,500,000, to the Stadium Park Complex and in other housing units at a cost of approximately \$500,000.

This purchase and these improvements will be funded through the bond issue not exceeding \$5,500,000, which includes the funding of the debt service reserve. The bonds will be repaid over a twenty-year term at an interest rate of approximately 5%.

Following lengthy discussion, during which President Hardin responded to questions and concerns from Board members, the following resolution was unanimously adopted upon motion by Mr. Harding with a second by Dr. Garner followed by a roll-call vote:

“BE IT RESOLVED: THAT THE BOARD OF TRUSTEES AUTHORIZES THE ADMINISTRATION TO SELECT BOND COUNSEL TO ASSIST WITH THE ISSUANCE OF BONDS NOT EXCEEDING \$21,000,000; AND

BE IT FURTHER RESOLVED: THE BOARD OF TRUSTEES AUTHORIZES THE ADMINISTRATION TO SEEK APPROVAL FROM THE ARKANSAS DEPARTMENT OF HIGHER EDUCATION FOR THE ISSUANCE OF BONDS NOT EXCEEDING \$4,500,000 (10-YEAR TERM) IN TECHNOLOGY IMPROVEMENTS; NOT EXCEEDING \$5,500,000 (20-YEAR TERM) FOR PURCHASE AND RENOVATION OF HOUSING UNITS; AND NOT EXCEEDING \$11,000,000 (30-YEAR TERM) FOR THE ADDITION OF A NEW RESIDENCE HALL; AND

BE IT FURTHER RESOLVED: THAT THE BOARD OF TRUSTEES AUTHORIZES THE ADMINISTRATION TO PURCHASE ADDITIONAL HOUSING UNITS, TO RENOVATE THE STADIUM PARK FACILITY AT AN ESTIMATED COST OF \$1,500,000, AND TO MAKE OTHER HOUSING IMPROVEMENTS AT AN ESTIMATED COST OF \$500,000; AND

NOW, THEREFORE, BE IT RESOLVED: THAT THE BOARD OF TRUSTEES WISHES TO EXPRESS ITS INTENT TO REIMBURSE CERTAIN FUNDS AND ACCOUNTS FOR ALL EXPENDITURES RELATED TO THE PURCHASE OF HOUSING UNITS AND RENOVATION PROJECTS FROM THE PROCEEDS OF THE BONDS OR THE NOTES. THE BOARD OF TRUSTEES ALSO DESIRES, WITH RESPECT TO ANY TAX-EXEMPT OBLIGATIONS, THAT SUCH REIMBURSEMENT COMPLIES WITH TREASURY REGULATION § 1.150-2 SO THAT PROCEEDS OF THE BONDS OR NOTES WILL BE DEEMED SPENT WHEN SUCH REIMBURSEMENT IS MADE.”

There being no further business to come before the Board, the meeting was adjourned upon motion by Dr. Stanton with a second by Mrs. Bassett.

Mr. Scott Roussel, Chair

Mrs. Patricia Bassett, Secretary