

**Arkansas State University
Board of Trustees
January 30, 2004**

The Arkansas State University Board of Trustees met by telephone conference call on Friday, January 30, 2004, in the conference room of the President's Office on the Jonesboro campus. Mr. Mike Medlock, Vice Chair of the Board of Trustees, called the meeting to order at 1:36 p.m. A roll call confirmed the presence of the following board members: Florine Tousant Milligan, Secretary; Richard Bell, Dallas Wood, and Mike Gibson. Dr. Wyatt and Mr. Medlock welcomed Mr. Gibson to the board and thanked him for his willingness to serve.

The first item of business was the election of officers. Mr. Bell presented the following slate of officers: Mike Medlock, Chair; Florine Tousant Milligan, Vice Chair, and Richard Bell, Secretary, and moved they be accepted, second by Mr. Gibson. A roll call was taken:

AYES: Medlock, Milligan, Bell, Wood, and Gibson

NAYS: None

- Resolution 04-01 Approval to Refund the 1992 H Consolidated Building System Student Fee Revenue bonds to Reduce the Overall Debt Service Requirements of Arkansas State University-Jonesboro.

Dr. Wyatt stated that he has discussed the issue with each board member individually and explained that it is an opportunity to save money on a bond issue.

Upon motion by Colonel Wood, second by Mrs. Milligan, Resolution 04-01

was approved.

AYES: Medlock, Milligan, Bell, Wood, and Gibson

NAYS: None

With no further business, and upon motion by Mr. Bell, second by Mr. Gibson, the Board adjourned at 1:40 p.m.

AYES: Medlock, Milligan, Bell, Wood, and Gibson

NAYS: None

Richard Bell, Secretary

Mike Medlock, Chair

Arkansas State University
Board of Trustees
January 30, 2004
Resolution 04-01

EXECUTIVE SUMMARY

Contact: Jennus Burton 910-8200

ACTION: ASU-Jonesboro requests approval to refund the 1992 H Consolidated Building System Student Fee Revenue Bonds to reduce the overall debt service requirements of Arkansas State University-Jonesboro.

ISSUE: ASU-Jonesboro would like to reduce its overall debt service payments by refunding an outstanding 1992 bond issue in the amount of \$2,360,000.

BACKGROUND:

- ASU-Jonesboro received Board approval at the December 19, 2003, Board meeting to issue \$43.2 million in new debt to fund several high priority construction projects and to acquire land. Moreover, ASU-J received approval from the ADHE Coordinating Board for this bond issue on January 6, 2004.
- The Board also provided authority to hire bond counsel and underwriters for the new bond sale. ASU has hired Crews & Associates and Stephens, Inc. to serve as co-managers of the bond sale to assure that ASU will achieve the lowest possible interest rate on the sale of the bonds. Crews and Stephens will share 50/50 in the transaction with Crews serving to manage the transaction books.
- After the Underwriter contract was awarded, and during the analysis to sell the new bonds, the Underwriters evaluated all of the existing outstanding debt for ASU-Jonesboro. One outstanding issue designated as the 1992 H Series has interest rates that if refunded, would allow for less debt service. The amount to be refunded is approximately \$2.45 million.
- Refunding the 1992 H bonds would provide for an annual savings in debt service of approximately \$17,000 to \$21,000, or a total net present value savings of approximately \$178,985 over the remaining life of the issue.
- ASU-Jonesboro would like approval from the Board to include the refunding of these bonds with the new issue. This would provide for the most cost effective method of refunding the bonds and would reduce ASU-Jonesboro's annual debt service. ASU-J does not require ADHE Coordinating Board approval for a refunding of an existing issue.

EXECUTIVE SUMMARY

Contact: Jennus Burton 910-8200

- The Chair of the Board, the President of the University, and the Vice President for Finance and Administration are authorized to execute such writings and take such action as may be appropriate to cause the bonds to be issued, including without limitation, and with respect to each issue, the execution and delivery of a trust indenture or trust indentures, a Bond Purchase Agreement with the Underwriters, a continuing disclosure agreement in compliance with the Securities and Exchange Commission Rule 15c2-12, and an Official Statement.
- All prior resolutions in conflict with this new issue debt are hereby repealed to the extent of such conflict.
- The new bonds shall mature over a period not greater than thirty (30) years. Moreover, the Underwriters' Discount shall not be more than 1.2% of the principal amount thereof.

RECOMMENDATION/RESOLUTION:

Be it resolved that Arkansas State University-Jonesboro is authorized to refund the 1992 H issue bonds in an amount not to exceed \$2,450,000. Furthermore, Arkansas State University-Jonesboro is authorized to engage the firm of Friday, Eldredge & Clark as bond counsel and is authorized to hire Crews & Associates and Stephens, Inc. as underwriters.

Richard Bell, Secretary

Mike Medlock, Chair