

**AGENDA**  
**ARKANSAS STATE UNIVERSITY**  
**BOARD OF TRUSTEES**  
**October 18, 2005**  
**Telephone Conference Call**  
**Jonesboro Campus**

I. Call to Order

Florine Tousant Milligan, Chair

II. Roll Call

\*III. Agenda

- Resolution Authorizing ASU-Beebe to Issue Bonds for the Construction of the ASU-Heber Springs Campus.

\*IV. Adjournment

\*Action Item

**Arkansas State University  
Board of Trustees  
October 18, 2005**

The Arkansas State University Board of Trustees met by conference call on Tuesday, October 18, 2005, in the conference room of the President's Office on the Jonesboro campus. Mrs. Florine Tousant Milligan, Chair of the Board of Trustees, called the meeting to order at 2:02 p.m. A roll call confirmed the presence of the following Board members: Mr. Jim Pickens, member; Colonel Dallas Wood Secretary; Mr. Mike Gibson, member; and Mr. Mike Medlock, member. In addition, ASU-Beebe Chancellor Eugene McKay, Mr. Jerry Carlisle, ASU-Beebe Vice Chancellor for Finance and Administration, and Mr. Lyndle McCurley, ASU-Mountain Home Vice Chancellor for Administrative Affairs, joined the conference call. Members of the ASU-Jonesboro staff were present.

**Agenda:**

- Resolution Authorizing ASU-Beebe to Issue bonds for the Construction of the ASU-Heber Springs Campus.

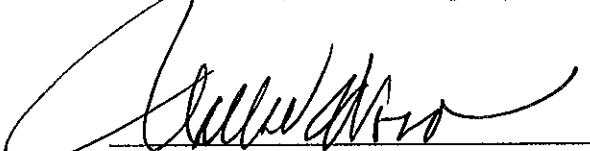
Chancellor Eugene McKay said that a master plan for the campus has already been developed and submitted to the Board. The proposed request to issue bonds will allow construction to begin.

Upon motion by Mr. Gibson, second by Colonel Wood, Resolution 05-41 was approved. A roll call revealed the following responses:

AYES: Milligan, Pickens, Wood, Gibson, Medlock

NAYS: None

With no further business, and upon motion by Mr. Pickens, second by Mr. Medlock, the meeting adjourned at 2:07 p.m.

  
Dallas Wood, Secretary

  
Florine Tousant Milligan, Chair

**EXECUTIVE SUMMARY**

Contact: Jerry Carlisle 501-882-8235

**ACTION ITEM:**

Arkansas State University-Beebe requests approval to issue bonds to provide funds for Phase I construction of the ASU-Heber Springs campus, a center of ASU-Beebe.

**ISSUE:**

ASU-Beebe faces the challenge of constructing a new campus for ASU-Heber Springs. Funding from the proposed bond issue will provide the opportunity to design and build the first phase of the new campus. Proposed development includes approximately 29,400 square feet for an administration and student services building and a 43,450 square foot building for classrooms, faculty offices, and academic work space. The initial site work for the long-term development of the campus will be provided in this first construction phase.

**BACKGROUND:**

- ASU-Beebe proposes to issue bonds, not to exceed \$15,900,000, to provide funds for Phase I construction of the ASU-Heber Springs campus, a center of ASU-Beebe.
- The Board will need to provide authority to hire bond counsel and underwriters for the bond sale. ASU-Beebe has hired Stephens, Inc. to serve as manager of the bond sale to assure that ASU-Beebe will achieve the lowest possible interest rate on the sale of the bonds.
- The university will pledge tuition and fee revenues of the Heber Springs campus to the debt service payment for the bonds. Estimated tuition and fee revenue for FY 06 is \$675,000. Pledged revenue will not be sufficient to cover debt service payments. Debt service will be paid from cash funds of ASU-Heber Springs.
- The university will receive dedicated local sales tax revenue for the Heber Springs campus. Estimated tax revenue for FY 06 is \$1,300,000. Under the laws of the State permitting the levy of sales and use taxes, the levy of the taxes may be terminated by a vote of the legal voters of Cleburne County at an election called by the Quorum Court or upon petition signed by at least fifteen percent (15%) of the qualified voters of the county. If the sales tax is terminated by the voters of Cleburne County the university would have to rely on tuition and fees revenue from all campuses for debt service payments.

**EXECUTIVE SUMMARY**

Contact: Jerry Carlisle 501-882-8235

- The university will seek ADHE Coordinating Board approval for the bond issue.
- The Chair of the Board, the President of the University, and 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.

**RECOMMENDATION/RESOLUTION:**

Be it resolved that Arkansas State University-Beebe is authorized to issue bonds, not to exceed the amount of \$15,900,000, for the construction of the ASU-Heber Springs campus. The average rates of interest would not exceed 5.25% and final maturity shall not exceed thirty (30) years. Furthermore, Arkansas State University-Beebe is authorized to engage the firm of Friday, Eldredge & Clark as bond counsel and is authorized to hire Stephens, Inc. as underwriters.

  
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Dallas Wood, Secretary

  
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Florine Tousant Milligan, Chair