

MINUTES OF THE BOARD OF REGENTS
OF HIGHER EDUCATION
MONTANA UNIVERSITY SYSTEM

Conference Call Meeting

DATE: November 19, 1985

TIME: 8:00 a.m.

LOCATION: Office of Commissioner of Higher Education
33 South Last Chance Gulch
Helena, Montana

REGENTS PARTICIPATING BY TELEPHONE: Regents McCarthy, Hurwitz
CONFERENCE CALL: Redlin, Paoli

PRESENT IN COMMISSIONER'S OFFICE: Acting Commissioner of Higher Education
Carrol Krause
Deputy Commissioner Jack Noble

REGENTS ABSENT: Morrison, Lind, Scully

In the absence of Chairman Morrison, Acting Commissioner Krause called the meeting to order at 8:03 a.m. Roll call was taken and it was determined a quorum was present.

Deputy Commissioner Noble explained that Item 49-101-R1185, Final Bond Resolution; University of Montana, was sent to the Board on Friday, November 15, 1985 by Dorsey & Whitney of Minneapolis. The memorandum to the Board from William Johnstone, Bond Counsel, dated November 17, 1985 (on file) contains the detailed explanation of the issuance. In summary, Mr. Noble explained that the item authorizes the issuance of \$10,055,085.36 of Revenue Bonds, Series 1985A, and \$1,038,558.53 of Stadium Revenue Bonds, Series 1985B for the University of Montana. The bonds were sold on October 15, 1985

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at an interest rate of approximately 9.4%. The interest cost-savings realized as a result of the refundings is \$127,817.68. The bond close is scheduled on November 20, 1985 in Helena.

Mr. Noble responded to questions of Regent Paoli concerning costs involved in the sale set out in Mr. Johnstone's memorandum. In response to questions of Regent Paoli, Mr. Noble also explained the timing of the presentation of preliminary bond resolutions and final bond resolutions to the Board. The Board granted authorization for sale of the bonds in its preliminary authorization. The item before the Board for action includes the final amount sold and the interest rate, and authorizes the closing of the issue. Regent Paoli asked if the \$127,000-plus cost savings was the amount projected to be realized. Mr. Noble responded it had been hoped the amount would be greater. The issue had to be sized back and the new money portion dropped out, and consequently UM was not able to take as much advantage of the short-term interest rate as had been anticipated.

Regent McCarthy asked if enough funds were realized through the issuance for the stadium project. Mr. Noble responded the amount pledged by the University of Montana would be met. The University of Montana Foundation has not made a final decision on its issue for the Foundation's portion of the stadium project.

On motion of Regent Hurwitz, Item 49-101-R1185 was approved.

The meeting adjourned at 8:08 a.m. The next regularly scheduled meeting of the Board of Regents will be held on December 12-13, 1985, in Helena, Montana.