

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

Conference Call Meeting

DATE: August 26, 1986

TIME: 8:15 a.m.

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

REGENTS PARTICIPAT- Chairman Morrison; Regents Lind  
ING BY TELEPHONE Hurwitz, Scully, McCarthy, and  
CONFERENCE CALL: Birkenbuel

PRESENT IN COMMIS- Commissioner of Higher Education  
SIONER'S OFFICE: Carrol Krause  
Deputy Commissioner Jack Noble  
Chief Counsel LeRoy Schramm

REGENTS ABSENT: Redlin

Chairman Morrison called the meet-  
ing to order at 8:15 a.m. Roll call was taken and it  
was determined a quorum was present.

Chairman Morrison stated the pur-  
pose of the special call meeting was to take action on  
final bond resolutions for Montana State University and  
Northern Montana College.

Jack Noble, Deputy Commissioner  
for Management and Fiscal Affairs, reviewed the mater-  
ial on the issues sent to the Regents on August 22,  
1986. He noted there was some difficulty on both  
issues, but the final outcomes were very favorable for  
the institutions.

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On the MSU issue, there were problems obtaining the MBIA insurance, directly attributable to the I27 property tax referendum which will be on the ballot in November. The \$34.8 million issue was an enormous success, and the bonds were sold in less than two hours. Because it was over-subscribed, Boettcher was able to negotiate the interest down from the opening price quotes. The coupon rates on the MSU issue ranged from 6.6% on the 1993 bonds, to 7.4% on the 2009 bonds. The net rate will be approximately 7.5%.

On motion of Regent Hurwitz, Item 52-208-R08/26/86, Final Bond Resolution; Facilities Refunding Revenue Bonds, Series A 1986; Montana State University, was approved.

Mr. Noble explained NMC's financing was through private placement at a rate of \$7.75%. Basin State Bank in Stanford, Montana provided \$100,000 of the issue, and two banks from Havre furnished the remaining \$125,000.

On motion of Regent Hurwitz, Item 52-801-R08/26/86, Final Bond Resolution; Northern Montana College Equipment Financing Series C 1986, was approved.

Mr. Noble stated the Tax Reform Act will make bond refunding more difficult, so this might be the System's last issue for quite some time.

Chairman Morrison noted this meeting would constitute Regent Scully's last official act as a member of the Board of Regents, due to his resignation from the Board which will be effective September 2, 1986. On behalf of the entire Board, Chairman

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Morrison wished Regent Scully well as he begins his new career in Washington State. Regent Scully responded serving on the Board had been a "delightful experience", and added he was leaving Montana with mixed emotions -- it was a difficult decision.

The meeting adjourned at 8:20 a.m. The next regularly scheduled meeting of the Board of Regents is September 15-16, 1986, in Helena, Montana.

APPROVED:

Jeff Morrison, Chairman, Board of Regents  
of Higher Education, Montana University  
System

ATTEST:

Carol Graue  
Secretary