

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

Conference Call Meeting

DATE: July 31, 1987

TIME: 2:30 p.m.

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

REGENTS PARTICIPATING BY TELEPHONE
CONFERENCE CALL: Chairman Lind; Regents Kaze,
Morrison, Kehoe, Hurwitz
McCarthy

PRESENT IN COMMISSIONER'S OFFICE: Commissioner of Higher Education
Carrol Krause
Jack Noble, Deputy
Commissioner for Management
and Fiscal Affairs

REGENTS ABSENT: Redlin

Chairman Lind called the meeting to order at 2:35 p.m. Roll call was taken and it was determined a quorum was present.

Chairman Lind explained two final bond resolutions were before the Board for action. Action on the items could not be deferred until the next regularly scheduled meeting of the Board because of bond market deadlines. Preliminary bond resolutions on these transactions were discussed and approved at the Regents' July 1987 meeting.

At the Chairman's request, Mr. Noble reviewed Item 56-101-R31/7/87, Final Bond Resolution for \$10,560,000 Facilities and Refunding

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Revenue Bonds, Series A 1987, and \$130,000 Stadium Improvement Revenue Bonds, Series B, 1987; University of Montana. He explained the \$10,560,000 Series A facilities and refunding revenue bonds were sold at a net interest rate of 7.689%, and run twenty years, through 2007. Revenues realized from this portion of the transaction will be used by the University for certain facilities renovation, construction, and repair, after costs of defeasing the 1985 issue have been met.

The \$130,000 Series B portion of the item provides funds to complete the football stadium and athletic field at the University of Montana. The Series B bonds are for a shorter term, becoming due in 1996, and were sold at a net interest rate of 6.69%.

Regents questioned whether the amount realized from the Series B Revenue Bonds would be sufficient to complete the stadium, and were told it should complete the University's commitment. The portion of the stadium financed by the University of Montana Foundation is somewhat less certain. The Foundation still has an amount to be met by as yet unsold pledges.

Mr. Noble then reviewed Item 56-102-R31/7/87, Final Bond Resolution for \$3,945,000 Special Purpose Facilities Refunding Revenue Bonds, Taxable Series C, 1987; University of Montana. This is the first taxable series the System has issued, and is in compliance with arbitrage regulations under the new Tax Reform Act of 1986. Part of the funds realized from the issue will be used for special

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purpose auxiliary facilities at the University of Montana. The final maturity date on the taxable Series C bonds is 1991, and the bonds were sold at a net interest rate of 8.80%.

Mr. Noble noted the amount realized by the University through the refunding and special purpose revenue bond issues is not as high as was anticipated due to the present condition of the bond market. The transactions are beneficial to the University however, and Mr. Noble recommended their approval.

On motion of Regent Hurwitz, Item 56-101-R31/7/87 and Item 56-102-R31/7/87 were approved.

The meeting adjourned at 2:40 p.m. The next regularly scheduled meeting of the Board of Regents will be held on September 17-18, 1987, in Helena, Montana.

APPROVED:

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

ATTEST:

Carrol House
Secretary

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