

**MINUTES
MIDWESTERN STATE UNIVERSITY
BOARD OF REGENTS**

April 7, 2010

The Board of Regents, Midwestern State University, met in special session in the J. S. Bridwell Board Room, Hardin Administration Building, Wichita Falls, Texas, at 10:00 a.m., Wednesday, April 7, 2010. Board members in attendance at the university were Dr. Carol Gunn, Chair; Mr. Kenny Bryant, Mr. Charles Engelman; Mr. Sam Sanchez; Ms. Jane Spears; and Student Regent Lenny Benton. Board members attending the meeting via teleconference connection were Mr. Mike Bernhardt and Mr. Shawn Hessing.

Administrative staff members present at the university included Dr. Jesse W. Rogers, President; Mr. Juan Sandoval, Vice President for Administration and Finance; and Dr. Howard Farrell, Vice President for University Advancement and Student Affairs. Other university personnel attending the meeting were Mr. David Spencer, Internal Auditor; Mr. Roger Lee, University Counsel; Ms. Janus Buss, Director of Public Information and Marketing; Ms. Cindy Ashlock, Executive Assistant to the President; and Ms. Debbie Barrow, Director of Board and Government Relations. Representing the news media were Mr. Spencer Blake, KAUZ-TV, and Ms. Eryn Shryock, KFDX-TV. Participating in the meeting via teleconference connection were Mr. Paul Braden, Bond Counsel with Fulbright & Jaworski L.L.P.; Mr. Dwight Burns, Executive Director of the Texas Public Finance Authority; and Mr. Tim Peterson of First Southwest Company.

Chair Gunn called the meeting to order at 10:05 a.m. and Ms. Buss introduced the visitors. Dr. Gunn welcomed Mr. Bernhardt, Mr. Bryant, and Mr. Sanchez to service on the board and indicated they would be more appropriately introduced and welcomed at the regular meeting of the board in May.

Public Comment

Dr. Gunn stated that in accordance with the Board of Regents By-Laws, MSU Policy 2.22, members of the public are invited to address the Midwestern State University Board of Regents through written and oral testimony. She noted that no one signed up to speak during this time.

Resolution Authorizing the Sale of Bonds

10-92. Dr. Gunn noted that the one action item for the meeting was the approval of a resolution authorizing the sale of bonds for the Ligon Coliseum Project – Phase II. She stated that the Texas Public Finance Authority would meet later in the morning to approve a similar resolution and the sale of bonds. The following resolution was recommended for approval:

Authorizing the sale of the Texas Public Finance Authority Midwestern State University Revenue Financing System Revenue Bonds, Series 2010, in the aggregate principal amount not to exceed \$6,700,000; authorizing actions by the Texas Public Finance Authority, Midwestern State University, and representatives thereof in connection with the sale and delivery of said bonds;

authorizing the execution of a paying agent/registrars agreement; and resolving other matters related thereto.

Mr. Engelman moved approval of the resolution as presented. Ms. Spears seconded the motion.

Mr. Sandoval noted that the board previously approved the Ligon Coliseum Project – Phase II and authorized the administration to pursue funding through the sale of \$6.7 million in bonds for a period not to exceed 25 years. Mr. Braden reported that the final bids were received that morning as shown in Attachment 1. Mr. Peterson reported that there were six qualified bidders and the winning bidder was BOSC, Inc. He stated that the true interest cost was 4.512133%, which was in line with what had been projected earlier in the week. He noted that each bidder was required to bid a premium to help offset a portion of the cost of issuance. He added that BOSC, Inc. elected to purchase bond insurance. The final maturity of the bond is in 2035 and the annual debt service will be in the range of \$450,000 per year. He commented that a small issuer contribution would be required at the closing for the cost of issuance and that all other costs would be paid by the bidder or are embedded in the transaction.

Mr. Engelman asked Mr. Sandoval to review the university's current debt service. Mr. Sandoval reported that the university has bonds for housing facilities, the Dillard Building, the Clark Student Center, the Wellness Center, and other projects. He noted that this information is included in the university's annual financial report. Ms. Barrow indicated that a copy of the debt service would be provided (see Attachment 2). Mr. Engelman commented that while he supported this bond sale, he wanted the administration and board to keep a close watch on the university's bonded indebtedness.

Mr. Engelman asked if the university could buy back the bonds in the future. Mr. Braden responded that the bonds have a call option beginning in 2020 in the event the university would like to refinance the debt after that time. Mr. Sandoval indicated that the administration had discussed accelerating the payment schedule in the future.

Mr. Benton asked if this project was something that needed to be pursued at this time, given the fact that the university has been asked to return \$2 million to the state of Texas. Dr. Rogers responded that it was important to finish the Ligon Project at this time and noted that the bond payments would be paid by the Intercollegiate Athletics Fee. Additionally, funds received from the bond sale must be used for this project.

There being no further discussion, the motion was approved.

Adjournment

There being no further business, the meeting adjourned at 10:26 a.m. The next regularly scheduled meetings of the Board of Regents will be held May 13 and 14, 2010.

I, Carol Carlson Gunn, the fully appointed and qualified Chair of the Midwestern State University Board of Regents hereby certify that the above and foregoing is a true and correct copy of the minutes of the Midwestern State University Board of Regents meeting April 7, 2010.

ORIGINAL MINUTES SIGNED

Carol Carlson Gunn, Chair

ATTACHMENTS:

1. MSU Revenue Financing System Revenue Bonds, Series 2010, Final Numbers
2. MSU Schedule of Debt Service Requirements (as of 9/1/09)