

The State Board of Regents met in electronic session on Thursday, April 26, 1984. Those present were:

Members of the State Board of Regents:

Mr. Brownlee, President
Mrs. Anderson
Mr. Duchen
Dr. Harris
Mrs. Jorgensen
Mr. McDonald
Mrs. Murphy
Mr. Neu.

Office of the State Board of Regents:

Executive Secretary Richey
Director Gross
Associate Director Runner
Ms. Peters, Secretary

State University of Iowa:

Assistant Treasurer Allison

Iowa State University:

Vice President Moore

University of Northern Iowa:

Vice President Conner

Speer Financial, Inc.:

Derek Engelen

Chapman and Cutler:

Richard Cosgrove

GENERAL
ELECTRONIC MEETING

The Iowa State Board of Regents convened in an electronic board meeting on Thursday, April 26, 1984. The meeting was open to the public at the Board of Regents Office and at each of the three universities. The following business was transacted.

SALE OF \$14,770,000 ACADEMIC BUILDING REVENUE BONDS, SERIES S.U.I. 1984. It was recommended that the board:

1. Adopt a "resolution providing for the sale and award of \$14,770,000 Academic Building Revenue Bonds, Series S.U.I. 1984, and approving and authorizing the agreement of such sale and award."
2. Adopt "A Resolution authorizing and providing for the issuance and securing the payment of \$14,770,000 Academic Building Revenue Bonds, Series S.U.I. 1984, for the purpose of defraying costs of buildings and facilities on the campus of the State University of Iowa."

The Board Office explained that the 1983 Legislature in Senate Concurrent Resolution 13 authorized the sale by the Board of Regents of \$63,780,000 in academic building revenue bonds for the period beginning July 1, 1983, and ending June 30, 1985. The first two sales, totaling \$10,000,000 for the University of Iowa and \$8,515,000 for the University of Northern Iowa, occurred at the July 1983 board meeting. At the October meeting a total of \$18,000,000 in bonds were sold for Iowa State University.

The University of Iowa was authorized to issue a total of \$24,770,000 in academic revenue bonds to be distributed as follows:

Law Building--Construction and Equipment	\$24,650,000
Bond Issuance Costs	120,000

In November 1983, the Board of Regents approved the use of \$900,000 in Law Building funds for equipment needed to furnish the Theatre Addition. An amendment to the 1983 bonding resolution (SCR 13) was sought to authorize this use of the bond proceeds.

This sale, originally planned for January 1984, had been deferred pending legislative approval of the amendment to the 1983 bonding resolution to authorize a portion of the funds for the Theatre Addition equipment. This approval was received in House Concurrent Resolution 117 which passed the General Assembly on April 12, 1984, and was subsequently signed by the Governor.

GENERAL
ELECTRONIC MEETING
April 26, 1984

A resolution directing the advertisement of the sale of \$14,770,000 Academic Building Revenue Bonds, Series S.U.I. 1984, was approved by the board in January 1984. The resolution authorized the executive secretary to fix the date for the sale of these bonds.

Details of these bonds from the resolution authorizing and providing for the issuance of said bonds are as follows:

- The bonds shall be dated May 1, 1984, and will be issued as fully registered bonds without coupons in the denomination of \$5,000 and any integral multiple thereof. Bonds shall bear interest with such interest payable semi-annually on January 1 and July 1 of each year commencing January 1, 1985. Bonds will mature in numerical order, with the first principal payment of \$560,000 being made on July 1, 1986; with the succeeding payments being \$600,000 in 1987 and payments of \$850,000 each in the years 1988 through 2003.
- Bonds maturing on or after July 1, 1995, are redeemable by the board from any funds regardless of the source on any interest payment date on or after July 1, 1994, upon terms of par plus premium equal to one-half of one percent of the principal amount of any such bonds called for redemption for each year or fraction thereof between the redemption date and the date of maturity of such bonds, but in any event not to exceed three percent of the principal amount of such bonds.

At 11:00 a.m. on Thursday, April 26, the following persons were present in the Board of Regents Office to receive and open bids for the sale of the bonds: Executive Secretary Richey; Director Gross; Associate Director Runner; Derek Engelen, Speer Financial; Ellen Disher, secretary; and Patricia Peters, secretary.

Mr. Richey stated that the gathering was for the purpose of receiving sealed bids for Academic Building Revenue Bonds, S.U.I. 1984, and opening said bids. Mr. Richey formally requested the filing of all sealed bids. He made a second and third call for sealed bids. Mr. Richey then announced that receipt of sealed bids was closed. He asked Mr. Gross and Mr. Engelen to open and read the sealed bids.

Mr. Engelen announced that two bids were received. He said the bids had been calculated and confirmed. The bids were as follows:

<u>Bidders</u>	<u>Price</u>	<u>Coupon Rates</u>	<u>Net Interest</u>
Merrill Lynch Capital Markets-Minneapolis and Dain Bosworth, Inc. - Minneapolis and E. F. Hutton & Company, Inc.-Kansas City - Jt. Mgrs.	100.0000	1986-1988 9 1/2% 1989-1995 8.00 % 1996 8.20 %	8.2909% \$13,414,883
Paine, Webber, Jackson & Curtis, Inc.-Minneapolis		1997-1998 8 1/4%	
Hawkeye Des Moines Bank & Trust Co.-Des Moines		1999-2003 8.40 %	
AID Securities Corporation - Des Moines			
United Central Bank of Des Moines, N.A.-Des Moines			
Summit Investment Corporation - Minneapolis			

GENERAL
ELECTRONIC MEETING
April 26, 1984

John Nuveen & Co., Inc. - Chicago and	100.0002	1986-1990	9 1/2%	8,3405Z
Dean Witter Reynolds, Inc. - New York and		1991	8 1/2%	\$13,495,030
Securities Corporation of Iowa - Cedar Rapids and		1992-1994	8.00 %	
Shaw, McDermott & Co. - Des Moines and		1995	8.10 %	
Becker & Cownie, Inc. - Des Moines and		1996-2003	8 1/4%	
R. G. Dickinson & Co. - Des Moines and				
Juran & Moody, Inc. - St. Paul and				
Blunt Ellis & Loewi, Inc. - Chicago and				
Norwest Bank Des Moines, N.A. - Des Moines and				
Piper, Jaffray & Hopwood, Inc. - Minneapolis and				
Clayton Brown & Associates, Inc. - Chicago - Joint Managers				
A. G. Edwards & Sons, Inc. - St. Louis				
Chiles Heider & Co., Inc. - Omaha				
Moore, Juran and Company, Inc. - Minneapolis				

Mr. Richey stated that he would recommend that the low bid of Merrill Lynch be accepted by the Board of Regents when it convened electronically at 11:30 a.m. on April 26, 1984.

President Brownlee called the meeting to order at 11:30 a.m., central standard time, on April 26, 1984. The roll being called, there were present S.J. Brownlee, president, in the chair, and the following named board members: Anderson, Duchon, Harris, Jorgensen, McDonald, Murphy, and Neu.

President Brownlee stated that this meeting was for the purpose of receiving and awarding bids for the sale of \$14,770,000 Academic Building Revenue Bonds, Series S.U.I. 1984, of the State Board of Regents of the State of Iowa.

President Brownlee requested that Executive Secretary Richey explain why this meeting was being held electronically. Mr. Richey noted that the Legislature did not approve the resolution permitting this sale until April 12, and there was a required lead time for necessary advertising. Mr. Richey said it was not practical to hold the meeting face to face because of the difficulty in arranging schedules on short notice. It was important to sell bonds as quickly as possible to obtain money for construction and to maximize interest on the cash flow in order to pay debt service obligations without a drawdown of tuition replacement funds.

President Brownlee then requested Derek Engelen, representative of Speer Financial, Inc., Chicago, Illinois, the board's bond consultants, to read the bids. Mr. Engelen said the board had received two bids, as follows: Merrill Lynch Capital Markets-Minneapolis for a net interest rate of 8.2909 percent and John Nuveen & Co., Inc.-Chicago for a net interest rate of 8.3405 percent. A third bid anticipated did not materialize. Because of the great success of Board of Regents bonds, no one else is able to compete with the two firms who did submit bids. Speer Financial recommended acceptance of the low bid of 8.2909 percent from Merrill Lynch. At 83 percent of the bond buyer's index, it is a very good, competitive bid.

GENERAL
ELECTRONIC MEETING
April 26, 1984

MOTION:

This being the time and place fixed by published notice, the board took up for consideration the matter of bids for the purchase of \$14,770,000 Academic Building Revenue Bonds, Series S.U.I 1984, of said board. After all sealed bids had been opened, the results thereof were incorporated in a resolution entitled, "Resolution providing for the sale and award of \$14,770,000 Academic Building Revenue Bonds, Series S.U.I. 1984, and approving and authorizing the agreement of such sale and award." Member Anderson moved that said resolution be adopted, seconded by Member Duchen, and the roll being called the following voted:

AYE: Anderson, Duchen, Harris
Jorgensen, McDonald, Murphy,
Neu, Brownlee

NAY: None

ABSENT: None

Whereupon the president declared said resolution duly adopted and signed his approval thereto.

MOTION:

The board took up for consideration the matter of authorizing and issuing \$14,770,000 Academic Building Revenue Bonds, Series S.U.I. 1984. Whereupon Member Harris introduced and caused to be read a resolution entitled "A Resolution authorizing and providing for the issuance and securing the payment of \$14,770,000 Academic Building Revenue Bonds, Series S.U.I. 1984, for the purpose of defraying costs of buildings and facilities on the campus of the State University of Iowa," and moved that said resolution be adopted. Member Jorgensen seconded the motion and after due consideration by the board the president put the question on the motion and upon the roll being called the following voted:

AYE: Anderson, Duchen, Harris,
Jorgensen, McDonald, Murphy,
Neu, Brownlee

NAY: None

ABSENT: None

Whereupon the president declared the motion duly carried and said resolution adopted.

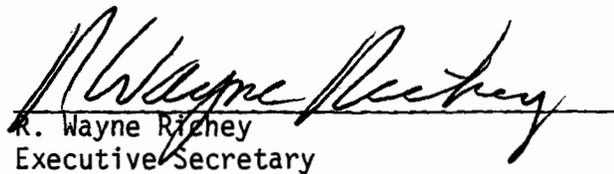
GENERAL
ELECTRONIC MEETING
April 26, 1984

MOTION:

Mr. McDonald moved that all certified checks submitted by bidders, except that of the best bid, be returned. Mrs. Murphy seconded the motion and it passed unanimously.

President Brownlee then asked board members and Board Office staff if there were additional matters to be raised for discussion. There were none.

ADJOURNMENT. The electronic meeting of the State Board of Regents adjourned at 11:44 a.m. on Thursday, April 26, 1984.


R. Wayne Richey
Executive Secretary