

The State Board of Regents met electronically on Tuesday, August 11, 1998. The following were in attendance:

	<u>August 11</u>
<u>Members of State Board of Regents</u>	
Mr. Newlin, President	All sessions
Ms. Ahrens	All sessions
Mr. Arenson	All sessions
Mr. Fisher	All sessions
Dr. Kelly	All sessions
Mrs. Kennedy	Excused
Mr. Lande	All sessions
Mrs. Pellett	All sessions
Mrs. Smith	All sessions
<u>Office of the State Board of Regents</u>	
Executive Director Stork	All sessions
Deputy Executive Director Barak	All sessions
Associate Director Racki	All sessions
Assistant Director Lodge	All sessions
Minutes Secretary Briggie	All sessions
<u>State University of Iowa</u>	
Vice President True	All sessions
<u>Iowa State University</u>	
Provost Kozak	All sessions
Vice President Madden	All sessions
Executive Assistant to the President Dobbs	All sessions
Director Bradley	All sessions
<u>University of Northern Iowa</u>	
Assistant Director Saunders	All sessions
<u>Iowa School for the Deaf</u>	
Superintendent Johnson	All sessions
<u>Iowa Braille and Sight Saving School</u>	
Director Woodward	All sessions
<u>Ahler's Law Firm</u>	
Ken Haynie	All sessions
Beth Grob	All sessions
<u>Springsted, Inc.</u>	
Barry Fick	All sessions
Carole Tillotson	All sessions
<u>Legislative Fiscal Bureau</u>	
Sue Lerdal	All sessions

GENERAL

The State Board of Regents held an electronic Board meeting on Tuesday, August 11, 1998, commencing at 1:43 p.m., in accordance with Section 21.8 of the Code of Iowa. The meeting was not held in person because it was not practical to have the Regents assemble in one location for this brief meeting. Each Regent in attendance was at a separate remote location. Public access was provided at the following locations:

Board of Regents Office, Old Historical Building, E. 12th and Grand, Des Moines
University of Iowa, Old Public Library Conference Room, Iowa City
Iowa State University, 117 Beardshear Hall Conference Room, Ames
University of Northern Iowa, Gilchrist Hall Board Room, Cedar Falls
Iowa School for the Deaf, Superintendent's Office, Council Bluffs
Iowa Braille and Sight Saving School, Superintendent's Area, Vinton

The conference operator called the roll and the following members were present:

Owen Newlin
Lisa Ahrens
Jim Arenson
David Fisher
Clarkson Kelly
Roger Lande
Nancy Pellett
Beverly Smith

President Newlin noted that Regent Ellengray Kennedy was not in attendance.

The following business pertaining to general or miscellaneous business was transacted on Tuesday, August 11, 1998.

UNIVERSITY OF IOWA FACILITIES CORPORATION REVENUE BONDS, SERIES 1998. The Board Office recommended that the Board adopt A Resolution Authorizing

and Approving the Execution and Delivery of the Ground Lease, the Lease, the Indenture, the Bond Purchase Agreement, the Tax Exemption Certificate, and the Continuing Disclosure Certificate and Authorizing and Providing for the Issuance of \$22,250,000 Revenue Bonds, Series 1998, and Providing for the Payment Thereof.

At its July 1998 meeting, the Banking Committee received a report on the proposed issuance of approximately \$22.2 million in University of Iowa Facilities Corporation bonds for the construction of the University of Iowa Medical Education and Biomedical Research Facility. The University of Iowa Facilities Corporation, which was established to assist the scientific and educational purposes of the University of Iowa, is issuing the bonds on behalf of the Board of Regents and the State of Iowa.

To meet the requirements for tax-exemption of interest for federal income tax purposes, the sale and terms of the bonds must be approved by the Board of Regents subsequent to approval by the Executive Committee of the Board of Directors of the Corporation. Principal documents to be approved at the time of the sale include a ground lease, facility lease, indenture, bond purchase agreement, tax-exemption certificate, and continuing disclosure certificate. The Board was asked to approve a resolution authorizing and approving the execution and delivery of these documents, and authorizing and providing for the issuance of the bonds and providing for their payment. The lease documents were reviewed by the Attorney General's Office.

The bond sale was scheduled for Tuesday, August 11, 1998. The bid opening occurred at 11:00 a.m. and the Executive Committee of the Board of Directors of the Facilities Corporation approved the sale and terms of the bonds based on the best bid at a meeting at 12:30 p.m.

Vice President True reviewed the action of the Executive Committee of the Board of Directors of the Facilities Corporation which he said had taken place about an hour earlier.

Mr. Haynie stated that four very good bids were received. The bids were within 300ths of one percent of each other which was about as close as the bond counsel and financial advisor could remember ever receiving. The bids were very solid and were slightly better than expected. The winning bid, from a syndicate led by Piper Jaffray, Inc., was for a true interest rate of 5.0189 percent. The second place bid, submitted by Prudential Securities, was for a true interest rate of 5.0213 percent. He said the Executive Committee of the Board of Directors of the Facilities Corporation adopted a resolution substantially in the form it was presented to accept the bid of Piper Jaffray, Inc. He noted that the bond purchase agreement was accepted by the president and treasurer instead of the president and the secretary, subject to approval of the Board of Regents.

Mr. Fick reiterated on how tightly grouped the bids were. The bonds were insured by Ambac Assurance Company. The total underwriting spread was \$6.35/bond which is very low. There was an allowance of up to \$12/bond.

MOTION: Regent Smith moved to adopt A Resolution Authorizing and Approving the Execution and Delivery of the Ground Lease, the Lease, the Indenture, the Bond Purchase Agreement, the Tax Exemption Certificate, and the Continuing Disclosure Certificate and Authorizing and Providing for the Issuance of \$22,250,000 Revenue Bonds, Series 1998, and Providing for the Payment Thereof. Regent Arenson seconded the motion, and upon the roll being called, the following voted:
AYE: Ahrens, Arenson, Fisher, Kelly, Lande, Newlin, Pellett, Smith.
NAY: None.
ABSENT: Kennedy.

MOTION CARRIED.

Mr. Haynie expressed appreciation for the accommodation of a telephonic meeting. He said he believed the bids were in line with everyone's expectations since the July meeting.

Vice President True stated that the issuance of the bonds will permit university officials to finish preparation of the plans and specifications for the building and to go to bid in late September or early October.

President Newlin said it was his understanding that additional private contributions had been received. Vice President True stated that Dean Kelch has done a terrific job of raising interest in the College of Medicine comprehensively, including the capital campaign for this building. He said the university received a major gift of \$1.6 million for the project about a month ago from the Carvers.

BOARD MEETINGS SCHEDULE. The Board Office recommended the Board approve the Board meetings schedule.

September 23-24, 1998	University of Iowa	Iowa City
October 21-22, 1998	University of Northern Iowa	Cedar Falls

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November 18-19, 1998	Iowa State University	Ames
December 3, 1998	West Des Moines Marriott Hotel	West Des Moines
January 20, 1999	Telephonic Conference Call	
February 17-18, 1999	University of Iowa	Iowa City
March 17-18, 1999	Iowa State University	Ames
April 21, 1999	Iowa Braille and Sight Saving School	Vinton
April 22, 1999	University of Northern Iowa	Cedar Falls
May 19-20, 1999	Iowa School for the Deaf	Council Bluffs
June 16-17, 1999	University of Iowa	Iowa City
July 14-15, 1999	Iowa State University	Ames
September 15-16, 1999	University of Northern Iowa	Cedar Falls
October 20-21, 1999	University of Iowa	Iowa City
November 17-18, 1999	Iowa State University	Ames
December 15-16, 1999	(To be determined)	Des Moines
January 19, 2000	Telephonic Conference Call	
February 16-17, 2000	University of Iowa	Iowa City
March 15-16, 2000	University of Northern Iowa	Cedar Falls
April 19-20, 2000	Iowa School for the Deaf	Council Bluffs
May 17, 2000	Iowa Braille and Sight Saving School	Vinton
May 18, 2000	University of Northern Iowa	Cedar Falls
June 21-22, 2000	Iowa State University	Ames
July 19-20, 2000	University of Northern Iowa	Cedar Falls
September 13-14, 2000	University of Iowa	Iowa City
October 18-19, 2000	Iowa State University	Ames
November 15-16, 2000	University of Iowa	Iowa City
December 20-21, 2000	(To be determined)	Des Moines

ACTION: President Newlin stated the Board meetings schedule was approved, by general consent.

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President Newlin then asked Board members and institutional officials if there were additional general or miscellaneous items for discussion. He then thanked everyone for making time in their schedules for this meeting.

ADJOURNMENT.

The electronic meeting of the State Board of Regents adjourned at 1:54 p.m., on Tuesday, August 11, 1998.

Frank J. Stork
Executive Director