

The Board of Regents, State of Iowa, met electronically on Wednesday, February 19, 2003. The following were in attendance:

	<u>February 19</u>
<u>Members of the Board of Regents, State of Iowa</u>	
Dr. Newlin, President	All sessions
Dr. Arbisser	All sessions
Ms. Arnold	Excused
Dr. Becker	All sessions
Mr. Fisher	All sessions
Dr. Kelly	All sessions
Mr. Neil	All sessions
Ms. Nieland	Excused
Dr. Turner	All sessions
 <u>Office of the Board of Regents, State of Iowa</u>	
Executive Director Nichols	All sessions
Director Barak	All sessions
Director Elliott	All sessions
Associate Director Hendrickson	All sessions
Associate Director Racki	All sessions
Assistant Director Doyle	All sessions
Communications Specialist Boose	All sessions
Minutes Secretary Briggie	All sessions
 <u>State University of Iowa</u>	
Interim President Boyd	All sessions
Provost Whitmore	All sessions
Vice President Kelch	All sessions
Vice President True	All sessions
Director Parrott	All sessions
 <u>Iowa State University</u>	
President Geoffroy	All sessions
Provost Allen	All sessions
Vice President Hill	All sessions
Vice President Madden	All sessions
Director Steinke	All sessions
 <u>University of Northern Iowa</u>	
President Koob	All sessions
Provost Podolefsky	All sessions
Vice President Schellhardt	All sessions
 <u>Iowa School for the Deaf</u>	
Superintendent Johnson	All sessions
Director Heuer	All sessions
 <u>Iowa Braille and Sight Saving School</u>	
Superintendent Thurman	All sessions

THE CORRESPONDING DOCKET MEMORANDUM FOR
EACH AGENDA ITEM IS AVAILABLE ON THE
BOARD OF REGENTS WEBSITE AT:

www.state.ia.us/educate/regents

COPIES OF THESE MEMORANDA CAN ALSO BE
OBTAINED FROM THE BOARD OFFICE
BY CALLING 515/281-3934.

GENERAL

The Board of Regents, State of Iowa, held an electronic Board meeting on Wednesday, February 19, 2003, commencing at 12:01 p.m., in accordance with §21.8 of the Iowa Code. The meeting was held via conference call because it was not practical to have the Regents assemble in one location for this brief meeting. Public access was provided at the following locations:

Board of Regents Office, 11260 Aurora Avenue, Urbandale
University of Iowa, Danner Conference Room, 201 Gilmore Hall, Iowa City
Iowa State University, 1750 Beardshear Hall Conference Room, Ames
University of Northern Iowa, Seerley Hall Room 18, Cedar Falls
Iowa School for the Deaf, Superintendent's Office, Administration Bldg., Co. Bluffs
Iowa Braille and Sight Saving School, Superintendent's Area, Main Bldg., Vinton

Following calling of the roll, President Newlin thanked everyone for participating in this meeting.

RESOLUTION FOR THE SALE AND AWARD OF \$6,080,000 UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES SUI 2003.

President Newlin asked that Barry Fick of Springsted, the Board's financial advisor, and Ed Bittle of the Ahlers law firm, the Board's bond counsel, report on the bids received.

Mr. Fick stated that two electronic bids had been received that morning for the refunding of University of Iowa 1993 utility bonds. The refunding was conducted to take advantage of the current low interest rate environment. He said the winning bid was submitted by a group led by U.S. Bancorp Piper Jaffray for a true interest rate of 2.2975 percent. In comparison to the interest rate on the bonds being refunded, he said the net present value savings averaged approximately \$140,000 per year for a total of \$487,374 over the life of the bonds. He stated that the second bid, submitted by a group led by RBC Dain Rauscher, was for a true interest rate of 2.35 percent, and noted that both bids were competitive. He pointed out that the present value of the savings exceeded 7 percent of the refunded debt service. As part of the bond sale process, Moody's rating agency raised the University's overall bond rating to AA2 from AA3.

MOTION: Regent Fisher moved to adopt A RESOLUTION providing for the sale, award, and issuance of \$6,080,000 Utility System Revenue Refunding Bonds (The State University of Iowa), Series S.U.I. 2003, approving and authorizing the agreement of such sale and award and authorizing and approving the execution and delivery of the Eighth Supplemental Indenture, Tax Exemption Certificate, Continuing Disclosure Certificate, Refunding Trust Agreement, and other documents. Regent Neil seconded the motion, and upon the roll being called, the following voted: AYE: Arbisser, Becker, Fisher, Kelly, Neil, Newlin, Turner.
NAY: None.
ABSENT: Arnold, Nieland.

MOTION CARRIED.

Regent Neil asked what Mr. Fick projected the interest rate would have been if the bonds had not been double tax exempt. Mr. Fick responded that the rates would likely have been 0.25 percent to 0.40 percent higher if the bonds had not been double tax exempt.

BOARD MEETINGS SCHEDULE.

MOTION: Regent Fisher moved to approve the Board meetings schedule, as presented. Regent Turner seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

VENDORS WITH A POTENTIAL CONFLICT OF INTEREST.

Executive Director Nichols stated that Iowa State University officials had requested that two vendors with affiliations with the University be added to the University's list of vendors with a potential conflict of interest.

MOTION: Regent Neil moved to approve the following additions to Iowa State University's list of approved vendors with a potential conflict of interest: Boddy Media Group, Inc. (Patricia L.

Boddy) and B & D Market Solutions. Regent Fisher seconded the motion. MOTION CARRIED UNANIMOUSLY.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS, IOWA STATE UNIVERSITY.

Vice President Madden presented two items for which Iowa State University officials requested approval. The first request was for a revised budget for the Indoor Multi-Purpose Use and Training Facility. A budget reduction reflected changes in the steel and structural membrane for the project and a budget increase reflected the addition of an artificial turf surface, which was not part of the original project. He said there would be some cost savings in adding the artificial turf surface as part of this project.

Regent Neil asked for the type of materials being substituted for the metal roofing on the Indoor Multi-Purpose Use and Training Facility. Vice President Madden responded that the material will be from a different manufacturer but would be the same type of roof material. The roof design was modified and reduced in size because the bids came in higher than projected. The original design included a very large beam structure. The re-design included the elimination of some of the large structural membrane and provided a more cost-effective method for constructing the roof.


Regent Neil asked about the deletion of the stone finish for the access road to the Indoor Multi-Purpose Use and Training Facility. Vice President Madden responded that there would be an asphalt drive in place of the stone finish.

Vice President Madden stated that the second project, MacKay Hall—Food Science and Human Nutrition Laboratory Renovation—Phase 3, involved some food nutrition laboratory spaces which are an important part of the University's food research facilities. He noted that the majority of the additional revenues were being provided through private fund-raising.

MOTION: Regent Turner moved to approve the Register of Capital Improvement Business Transactions for Iowa State University. Regent Arbisser seconded the motion. MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT.

The electronic meeting of the Board of Regents, State of Iowa, adjourned at 12:15 p.m. on Wednesday, February 19, 2003.



Gregory S. Nichols
Executive Director