

MINUTES OF THE BOARD OF REGENTS  
OF HIGHER EDUCATION  
MONTANA UNIVERSITY SYSTEM  
SPECIAL CALL MEETING

DATE: April 18, 1986

LOCATION: Gypsum Room  
Yogo Inn  
Lewistown, Montana

REGENTS PRESENT: Morrison, Lind, Hurwitz, McCarthy, Paoli,  
Redlin, Scully

REGENTS ABSENT: None

PRESIDENTS PRESENT: Acting President Habbe, President Carpenter  
Acting President Dayton; President Tietz  
President Merwin; President Treadway

PRESIDENTS ABSENT: None

The Board of Regents met in Executive Session from 8:30 a.m. to 8:40 a.m. to consider Honorary Degrees.

Chairman Morrison called the special call meeting to order at 8:40 a.m. Roll call was taken and it was determined a quorum was present.

Acting President Dayton reviewed Item 51-500-R0486, Staff, Montana College of Mineral Science and Technology. The item requested authorization to appoint Dr. David L. Toppen as Vice President for Academic Affairs

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at Montana Tech. Dr. Toppen will replace Dr. Roy Turley in that position. On motion of Regent Scully, the item was approved.

President Treadway reviewed Item 51-601-R0486, Resolution Concerning the Retirement of John C. Garry, Professor of Business, Western Montana College, an addition to the agenda. The item was inadvertently omitted from the Regents' March agenda. Approval is requested at this time because the next regularly scheduled meeting of the Board will be held after Professor Garry's retirement date. On motion of Regent Scully, the item was approved

Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, reviewed Item 51-501-R0486, Bond Resolution; Montana College of Mineral Science and Technology, and the accompanying cover letter with the schedule of anticipated savings from the refunding. Mr. Noble explained that when the 1984 Series refunding was issued Montana Tech was anticipating an expansion of the student union building with part of the proceeds. Because of declining enrollments and land grant income, that project was deferred pending further review. It has now been determined the construction should be scrapped and the bonds refinanced. Mr. Noble reviewed the Debt Service Savings Report. Due to the decline in interest rates combined with placing \$1.7 million of the 1984 proceeds in the refunding escrow, Tech can save approximately \$4.5 million in interest and principal payments of the life of the 1986 bonds. In addition, Tech will be able to fund all its required revenues and provide a comfortable margin of safety on its bond obligations. The refunding is anticipated to be completed by May 15, 1986.

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Mr. Noble also commented on legislation pending before Congress that will change the System's ability and remove some of the advantages of refunding. That legislation is expected to become effective next September. Between now and September, other unit's bonds will be analyzed to determine if refunding would be cost-effective. If it is determined refinancing would be beneficial, Eastern Montana College and Montana State University may also refinance. Mr. Noble stated he would prepare a cash flow savings letter for the Board's information.

On motion of Regent Scully, Item 51-501-R0486 was approved.

Mr. Noble also reported on the status of the construction of the new swimming pool at Western Montana College. Mr. Steve Bennyhoff has completed an analysis of the 1967 Indenture. It now appears that with a "one year hold" on construction projects at WMC, the safety margin will be adequate on the 1967 Indenture to allow construction of the pool a year from now.

Mr. Noble also reported that work is still proceeding on the analysis of WMC's 1966 Indenture. That appears to still be in difficulty even with the assumption the building and use fees presently on the submission agenda of the Budget Committee are passed at the next meeting. Mr. Noble stated he would be sending a memorandum to the Board on the status of the Western Montana College and Northern Montana College indentures within the next two weeks.

President Tietz discussed briefly his interest in using the Regents' Professorship authorized in Regents' Policy 702.6 as a method of competing nationally

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for outstanding faculty, and as a reward for outstanding faculty, particularly in light of the noncompetitive salaries the System is able to pay. The Board expressed no problems with his proposal.

The meeting adjourned at 8:55 a.m. The next regularly scheduled meeting of the Board will be held on May 15-16, 1986, in Helena, Montana.

APPROVED:

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

Carrol Zhaase  
Secretary