Chairman Morrison called the meeting to order at 8:15 a.m. Roll call was taken and it was determined a quorum was present.

Chairman Morrison stated the purpose of the special call meeting was to take action on final bond resolutions for Montana State University and Northern Montana College.

Jack Noble, Deputy Commissioner for Management and Fiscal Affairs, reviewed the material on the issues sent to the Regents on August 22, 1986. He noted there was some difficulty on both issues, but the final outcomes were very favorable for the institutions.
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On the MSU issue, there were problems obtaining the MBIA insurance, directly attributable to the I27 property tax referendum which will be on the ballot in November. The $34.8 million issue was an enormous success, and the bonds were sold in less than two hours. Because it was over-subscribed, Boettcher was able to negotiate the interest down from the opening price quotes. The coupon rates on the MSU issue ranged from 6.6% on the 1993 bonds, to 7.4% on the 2009 bonds. The net rate will be approximately 7.5%.

On motion of Regent Hurwitz, Item 52-208-R08/26/86, Final Bond Resolution; Facilities Refunding Revenue Bonds, Series A 1986; Montana State University, was approved.

Mr. Noble explained NMC's financing was through private placement at a rate of $7.75%. Basin State Bank in Stanford, Montana provided $100,000 of the issue, and two banks from Havre furnished the remaining $125,000.

On motion of Regent Hurwitz, Item 52-801-R08/26/86, Final Bond Resolution; Northern Montana College Equipment Financing Series C 1986, was approved.

Mr. Noble stated the Tax Reform Act will make bond refunding more difficult, so this might be the System's last issue for quite some time.

Chairman Morrison noted this meeting would constitute Regent Scully's last official act as a member of the Board of Regents, due to his resignation from the Board which will be effective September 2, 1986. On behalf of the entire Board, Chairman
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Morrison wished Regent Scully well as he begins his new career in Washington State. Regent Scully responded serving on the Board had been a "delightful experience", and added he was leaving Montana with mixed emotions -- it was a difficult decision.

The meeting adjourned at 8:20 a.m. The next regularly scheduled meeting of the Board of Regents is September 15-16, 1986, in Helena, Montana.

APPROVED:

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

ATTEST:

Secretary