

Board of Trustees  
February 9, 2017  
Reynolds 210  
4:00 p.m.

The Board of Trustees met on Thursday, February 9, 2017 at 4:00 p.m. in Reynolds 210. The following were in attendance: Trey Berry, Steve Keith, Edgar Lee, Therral Story, David Nelson, Lawrence Bearden (via phone), Josh Kee, Donna Allen, David Lanoue; Shawana Reed, and Roger Giles, Guest included Katherine Berry, Robert Nash, Jeanie Bismarck, Deana Taylor (Staff Senate President), Jim Fowler (Rose Law Firm) and Jason Holtclaw (Stephens, Inc) and Mike McNeil (Magnolia Reporter).

[00:01:11.08] Steve Keith: We will call the meeting to order. Appreciate everybody coming. I know it is late in the day and you are tired. We appreciate those from Little Rock coming down. Mike, good to see you here. We do have an agenda. The first item on the agenda is an academic program. We will ask, Dr. Lanoue, David, to come forward and present that.

[00:01:36.13] David Lanoue: Good afternoon. We have one item academic program to present to you today for your approval. It is a five year accelerated BS/MS degree in Computer Science. The basic rationale behind it is that we think it will be a strong marketing tool to bring students in knowing that they can complete both the bachelors and the master's degree in five years that would usually take five and half to six years for them to complete. We are thinking it will be a good way to help transition some of our bachelor's students into the MCIS master's program. Right now, we have a wealth of very strong international student's in the program. We would like to bring students from Arkansas into the program as well. We think this will help to do it. We have approval from the academic affairs committee, we have approval from the graduate studies committee and I am here to answer any questions you may have.

[00:02:36.12] Steve Keith: Good program. Any questions? I ask for a motion to approve this course offering.

[00:02:45.00] Edgar Lee: So moved.

[00:02:45.01] David Nelson: Second.

[00:02:46.05] Steve Keith: All those in favor?

[00:02:47.12] David Nelson: "I"

[00:02:47.12] Edgar Lee: "I"

[00:02:47.12] Therral Story: "I"

[00:02:47.12] Lawrence Bearden: "I"

[00:02:48.13] Steve Keith: Motion approved.

[00:02:53.18] Steve Keith: Dr. Allen, would you like to talk about our enrollment?

[00:03:02.27] Donna Allen: Thank you for giving me the opportunity to share a few good things on our enrollment. I know you probably read the paper. We are quite excited - our spring enrollment - we are up 148 student from where we were the same time last year. You remember, we have a great spring last year so we are really excited about that. If you look at it, we are actually up in undergraduate, six percent, and we are down a little bit in graduate program. There were a lot of issues with the world as you know and that did affect us some. We are hoping to recoup from that right away. If you look specifically at where we are up and down, our freshman, as you know, we had a really good freshman group come in this fall. We were up in the fall. If you look at our sophomores, we talked in the fall about how we retained a lot of our freshman. So, our sophomore group, you can see has grown quite a bit because we retained many more and we had a larger class too. Then if you look at our seniors, we have had years of increased enrollment and we are working harder and they are going farther toward graduation. We are excited about that. Also, this fall to this spring, retention class, we kept 88 percent that are back with us in the spring... That is a really good thing and we are hoping to increase. Last year we increased our fall to fall freshman class from 62 to 66 percent. We are hoping to increase next year's more and equally as well. Our housing numbers, we had an outstanding fall, and we also have 88 percent that we had in fall back in spring. Also, I was going to share a few things - on our food service, you know we are expanding and we need to expand because we can hardly keep up with our numbers. You can see our fall, we did really well compared to the last fall and we have grown quite a bit. Also, looking at next fall, our freshman applications, we keep up with this weekly. This week we are up 332 from where we were last year at this same time. We have been running pretty much in that neck and neck every week, in that number. If you remember, we were up a lot last fall the same way. We are thinking that is a good indicator. Transfers are a little up overall. We up in our numbers that are accepted for admission - they are up 224. We are able to convert more of those than just applications because they are further along in the

process. Our tours were up 80 students - not including any big groups that come in and we do have bus loads that come in. There are just individual tours. Do you have any questions or comments for me? Just a brief overview but this are really positive and things are looking really good for this spring and for next fall. Thank you.

[00:06:47.24] Steve Keith: The President's Home Resolution was read and is attached.

[00:08:55.20] David Nelson: Not a question, but a comment. When we approved the \$750,000 that was to build a house. In the last sentence in the last paragraph, says "within the approved budget." Are we assuming that the approved budget for purchasing a house is the same as building the house?

[00:09:13.19] Trey Berry: I think the parameters are still there - I think I hope is that it would be less to purchase a home in Magnolia.

[00:09:55.16] Steve Keith: Edgar do you have any questions?

[00:09:55.16] Edgar Lee: I don't have any questions,

[00:09:55.16] Steve Keith: Do we have a motion to approve this resolution?

[00:09:58.21] Therral Story: I make a motion

[00:10:01.10] Edgar Lee: Second.

[00:10:01.11] Steve Keith: All those is favor say "I."

[00:10:04.12] David Nelson: "I"

[00:10:04.29] Lawrence Bearden: "I"

[00:10:04.29] Edgar Lee: "I"

[00:10:04.29] Therral Story: "I"

[00:10:06.18] Steve Keith: Thank you Lawrence. Motion approved. Approval of Bond Sale Resolution.

[00:10:14.10] Shawana Reed: If you recall back on October 13, 2016, we passed a resolution to pass a sale of bonds. Today we have representatives that will go over the parameters and also the bond purchase agreement for you to review and approve.

[00:10:31.28] Jim Fowler: Good afternoon, I am Jim Fowler, Rose Law Firm and Bond Council. I think you have copies and I am going to pass out another set of copies of the resolution. Mr. Chairman, members of the Board, in this resolution you are authorizing Eight million in auxiliary revenue bonds to construct the new residence facility and of an existing facility and other auxiliary projects. The resolution, in section I, defines the terms of the bonds within parameters, which I will explain in a minute, and also states it's security with your other review bonds. The other sections in here refer to supplemental and indenture in the bond purchase disclosure agreement and continuing disclosure agreement and preliminary official statement that you are authorizing the officers of the board and the officers of the University to finalize and execute. Now, as I mentioned and refer to section I, this is a parameters resolution in that the bonds have not been sold yet and so the final terms have not been defined until they actually go to market. What section I does, it defines the parameters in which those bonds will be sold. Jason Holtzclaw, with Stephens, your underwriter, can explain where the market is and those parameters to you. This will allow you to go ahead and authorize the bonds going to market - the plan is next week and then not have to come back and have another meeting. As long as the final sale of bonds meet these parameters and your officers approve the final document. Any question on the resolution? Today, you will be asked to pass this resolution and execute the bonds purchase agreement. That will actually fill in some of the terms when that is done. Shawana has asked that we go ahead and bring all of the documents for signatures, even though have haven't been completed, to save some of you from having to come back. If not, we are happy to come back and execute the documents afterword's but, otherwise we are happy to hold the signature pages, distribute the documents as the final numbers come in, complete them and receive the approval from your officers and go forward. Any questions on the resolution? Jason would you like to describe

[00:13:22.12] Steve Keith: Jason, would you like to describe the...

[00:13:24.17] Jason Holtzclaw: Sure, as you know in the parameters...Again my name is Jason

Holtzclaw with Stephen's, what the parameters state is what you authorized back in the fall when you said the interest rate not to exceed 4.5 percent and the amount of bonds not to exceed eight million dollars. I will tell you, that based on market conditions today, the interest rate is projected to be somewhere around 4.15 to 4.20 is what we are looking at for a thirty year financing. That equates to about \$460,000 a year annually in terms of a debt service payment that you will be adding on to your current debt load, if you will. It is pretty straight forward - by authorizing this resolution today, what you are doing is allowing us to move forward and as long as we meet the parameters we will be able to move forward with your authorization.

[00:14:12.06] Steve Keith: This is what we authorized in November of last year.

[00:14:14.01] Jason Holtzclaw: Yes sir that is correct.

[00:14:18.27] Trey Berry: It is for the construction of the two, one story new residence halls.

[00:14:22.08] Shawana Reed: I would also like to add, this is the project that the projected debt service would have been covered by both revenues of the (inaudible).

[00:14:37.24] Steve Keith: Any questions?

[00:14:49.17] David Nelson: I have a motion to approve the resolution authorizing the bonds.

[00:14:52.17] Therral Story: Second

[00:14:53.21] Steve Keith: We have a motion and second. All those in favor say "I"

[00:14:57.14] Edgar Lee: "I"

[00:14:57.19] Lawrence Bearden: "I"

[00:14:57.19] David Nelson: "I"

[00:14:57.19] Therral Story: "I"

[00:15:00.20] Steve Keith: Thank you. Motion approved.

[00:15:03.18] Lawrence Bearden: Let me break in (Mr. Lawrence left the meeting via phone)

[00:15:30.17] Steve Keith: At this time, we are going to ask for Josh Kee to come forward and give us the update on the Capital Campaign.

[00:15:33.25] Josh Kee: Thank you so much Mr. Keith and the Board. It is an honor to share with you briefly some progress that we made in our fundraising efforts. First, I would like to start showing you a snapshot of our calendar year 2016. We closed the calendar year with 4.5 million raised. 2.8 roughly coming in cash gifts, \$981,000 being collected in pledges, \$625,000 being deferred gifts - that is people that have included us in the estate during this year and that is documented, and \$150,000 grant from the ANCRC for the Ozmer House. All of that totaling up equaling to a 4.5 million dollar year for 2016. Also, I will share with you, we have had growth in our Alumni giving percentages and in our faculty/staff giving percentage. You will see in 2016, we ended with a 5.49 percent alumni giving percentage versus a 4.5 percentage in 2015. As well as our faculty and staff here at SAU have responded with their giving percentage increasing to a 44.5-44.6 percent versus a 32.7 percent.

[00:17:06.26] David Nelson: Are those reflecting the dollars giving increase or the number of people?

[00:17:12.11] Josh Kee: This is the number of people. We are looking at a database of almost 30,000 alum. Finally, I wanted to share with you as far as the amount raised and the numbers. We started 2017 off in great fashion with \$814,000 being raised. This is pledges, cash received, in kind gifts, versus a January 2016 of \$80,000. We have started 2017 off in a great fashion.

Next, I wanted to briefly share with you an update on our comprehensive campaign; deemed the "Love and Loyalty Campaign." As you know, we kicked this off with your vote in August in going into our first ever comprehensive campaign. Right now, we are in our leadership and planning phase of our campaign. I wanted to share with you- we have recruited five national co-chairs for the campaign; Mr. Louis Blanchard; Mike Dumas, who lives in Houston. Texas; Dr. Larry Embree of Shreveport; Ron LeMay of Kansas City; and Mrs. Jan Story of here in Magnolia. Those are our national campaign co-chairs of the Love and Loyalty Campaign. Finally, I will share with you, we launched our faculty/staff campaign this past Thursday, February 2. Our goal is to reach 100 percent participation. Our hope is our faculty/staff will get behind this effort. That just shows to

our external constituents, the viability and hope is important for this campaign in the future and their consideration in being part of the effort as well. Any questions?

[00:19:20.03] Trey Berry: I will say that last year, we set a goal of two million dollars for the year and 4.5 million is not a bad way to end with that goal. A lot of movement and I want to praise our admission staff and the whole campus on recruitment. It is just amazing to watch them work as you saw from Dr. Allen's report that is bearing fruit as well and continuing too. It has been wonderful.

[00:19:55.02] Steve Keith: Do we have any further business? If not, I will ask for a motion to adjourn.

[00:21:58.02] Therral Story: I make a motion to adjourn.

[00:21:59.13] Steve Keith: We are adjourned. Thank you for coming.

The meeting adjourned at 4:16 p.m.

---

David Nelson, Secretary  
Board of Trustees

---

Steve Keith, Chair  
Board of Trustees

La'Tricia Davis – Recorder of record.

