

11-6-1979

1979 - Board of Trustee Meeting Minutes

Board of Trustees, Central Washington University

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Civil Service Employee
Council Chairman
Carol Drinkwater
(for reserve) *Student Employee*

MINUTES
BOARD OF TRUSTEES
CENTRAL WASHINGTON UNIVERSITY
SPECIAL MEETING
NOVEMBER 6, 1979
7:30 P.M.

RECEIVED
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FINANCIAL AID

The special meeting of the Board of Trustees was called to order by Mrs. Linda J. Clifton, Chair, Board of Trustees, in Room 143, Bouillon Hall, on the campus of Central Washington University in Ellensburg, Washington.

ROLL CALL

Present

Board of Trustees

Mrs. Linda J. Clifton, Chairman
Mr. Don F. Broughton
Mr. James S. Hogan

Others

Mr. Courtney S. Jones, Vice President for Business and Financial Affairs

Absent

Mr. Thomas S. Galbraith,
Vice Chairman
Mr. S. Sterling Munro

APPROVAL OF MINUTES

There were no minutes for approval.

REPORTS

No reports were scheduled to be presented.

COMMUNICATIONS

There were no communications.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Reimbursement Requirements for Debt Service on \$10,000,000
State of Washington General Obligation Bonds, Series W-1

Mr. Courtney Jones reviewed the history of the authorizing act which provides for the issuance of \$46,000,000 in State General Obligation Bonds for the purpose of financing projects at the institutions of higher education. The State Finance Committee is now preparing to issue

\$10,000,000 of the bonds. Central will receive .0867794 of the net proceeds of the issue to be refunded at an estimated rate of 5 7/8% interest. The money will be used for the McConnell Hall renovation and for the greenhouse project. Prior to the issuance of the bonds each institution must certify that they expect revenues from tuition fees and other sources to be sufficient to reimburse the General Fund for debt service on the bonds during their life.

The purpose of adoption of Resolution No. 79-5 will be to authorize Mr. Jones as Treasurer of the Board of Trustees to prepare and sign a Certificate on behalf of the University that it is estimated there will be adequate funds available to reimburse the General Fund of the State for its proportionate share of the debt service on the bonds.

Mr. Hogan indicated the members of the board would like to have the resolution read. Resolution No. 79-5 was read by Mr. Jones as follows:

RESOLUTION NO. 79-5

WHEREAS, the Legislature of the State of Washington, by Chapter 253, Laws of 1979, 1st Ex. Sess. (the "Bond Statute") has authorized the State Finance Committee to issue up to \$46,000,000 in State General Obligation Bonds for the purpose of financing projects at the institutions of higher education; and

WHEREAS, the State Finance Committee, upon request of the institutions of higher education of the State, is now preparing to issue \$10,000,000 of the Bonds authorized in the Bond Statute (as Series W-1 of State General Obligation Bonds--the "Bonds"); and

WHEREAS, Central Washington University has requested of the State Finance Committee that it receive .0867794 of the net proceeds of the proposed issue; and

WHEREAS, the Bond Statute requires in Section 9 thereof, as a prerequisite to the issuance of the Bonds, that an officer of this institution certify that funds available to it will be adequate to reimburse the General Fund of the State for its proportionate amount of the debt service on the Bonds; and

WHEREAS, the Secretary of the State Finance Committee has estimated that the net interest cost to be paid on the Bonds at the time of sale thereof will be 5 7/8 percent per annum, which will result in an estimated average annual debt service requirement on the Bonds of \$767,000 over the life of the Bonds;

WHEREAS, the Secretary of the State Finance Committee has estimated that this University's pro rata General Fund reimbursement responsibility, pursuant to Section 7 of the Bond Statute, will be (a) for the first interest payment on May 1, 1980, the sum of \$25,491.45; and (b) for the combined principal and interest requirements in each fiscal year, beginning July 1, 1980, until final maturity of the Bonds, the sum of \$66,565; NOW THEREFORE,

1. The Treasurer of the Board of Trustees is hereby designated as the officer of the University to make a certificate on behalf of the University in the following form:

"Based upon (a) the foregoing estimate of this University's General Fund reimbursement responsibility for initial interest due May 1, 1980, and for the combined principal and interest requirements in each fiscal year beginning July 1, 1980, until final maturity of the Bonds, (b) my estimate of anticipated future tuition income and other income to be received by this University and required by law to be deposited in this University's Capital Projects Account, (c) reasonable projections of student enrollments of this University through the final maturity of the Bonds, and (d) other factors,

I estimate that an adequate balance will be maintained in this University's Capital Projects Account to enable the Board of Trustees of this University to meet the requirements of Section 7 of the Bond Statute in each year until final maturity of the Bonds, which requirements are as follows:

"On or before June 30th of each year the state finance committee shall determine the relative shares of the principal and interest payments determined pursuant to Section 6 of this act, exclusive of deposit interest credit, attributable to each of the institutions of higher education in proportion to the principal amount of bonds issued under this chapter for purposes of funding projects for each institution. On each date on which any interest or principal and interest payment is due, the Board of Regents or the Board of Trustees of each institution of higher education shall cause the amount so computed to be paid out of the appropriate building account or capital projects account to the State Treasurer for deposit into the general fund of the state treasury."

ADOPTED THIS 6th day of November, 1979.

Mr. Jones indicated that a resolution will be presented to the board probably at their next meeting to authorize the signing of a certificate for the remainder of the bonds which will be issued later.

MOTION NO. 5258: Mr. Hogan moved, seconded by Mr. Broughton, to adopt Resolution No. 79-5 as read by Mr. Jones. The motion carried.

NEXT MEETING

The next meeting of the Board of Trustees will be at 9:00 a.m. on December 1, 1979.

ADJOURNMENT

The meeting was adjourned at 8:00 p.m.