

- 2

Clemson University
Clemson, South Carolina

MINUTES

of the meeting of

THE CLEMSON UNIVERSITY

BOARD OF TRUSTEES

Held in the Board Room, Sikes Hall

October 22, 1983

The Board convened at 10 A.M. with the following members present: James M. Waddell, Jr., Chairman, presiding; Billy L. Amick, Louis P. Batson, Jr., James E. Bostic, Jr., John J. Britton, W. G. DesChamps, Jr., Paul W. McAlister, Buck Mickel, James C. Self (by telephone), and Joseph B. McDevitt, Secretary.

Also Present: Melvin E. Barnette, Vice President for Business and Finance.

Official Observer present: Bill M. Reeves, President of IPTAY.

Item 1. Roll Call

Item 2. New Student Housing - Contract "B"

Statement: Bids for New Student Housing - Contract "B" (Expansion of Patrick Noble Calhoun Courts) were publicly opened in Room 300, Sikes Hall at 2:00 P.M., September 27, 1983. The low bid of \$3,221,000.00 with Alternate No. 1 of \$348,000.00 will result in a project cost of \$4,470,000.00 approximately \$640,000.00 more than the amount presently budgeted for this project. After careful analysis of housing needs and all factors involved, the Administration finds it advisable that the construction contract be awarded to the low bidder, Vector Corporation, in the amount of \$3,569,000.00 (base bid plus

22

Alternate No. 1) and that the Administration be authorized to allocate to the project \$373,000.00 from the Housing Improvement Fund plus approximately \$267,000 additional interest to be earned from the investment of bond proceeds.

Recommendation of the Administration: That the Board of Trustees authorize the award of the contract to Vector Corporation in the amount of \$3,569,000.00 and that the Administration be authorized and directed to use additional funds from interest earnings and the Housing Improvement Fund to fully fund the project.

Board Action: Approved

Item 3. Plant Improvement Bonds, Series of 1984--Request for Issuance

Statement: On January 14, 1978 the Board of Trustees adopted a Resolution pursuant to Act 1278 of 1970 providing for the issuance and sale of Plant Improvement Bonds. The said Act requires that the issuance of a series of Plant Improvement Bonds must be authorized by a Board of Trustees resolution expressed to be "supplemental" to the Resolution of January 14, 1978. One prior supplemental resolution was adopted by the Board of Trustees for the issuance of Plant Improvement Bonds, Series of 1978. The Administration now deems it timely and advisable to have issued a second series of plant improvement bonds, the proceeds of which will be applied to the costs of certain plant improvements including:

(a) the renovation and equipping of Godfrey Hall primarily for the use of the Industrial Education Department as well as other uses;

(b) the renovation of the mechanical system of Cooper Library;

(c) the renovation and expansion of the Sewage Treatment Plant at Clemson in order to increase the filtration capacity of said plant;

(d) the construction of new facilities and improvements to existing facilities including all necessary equipment therefor, to be located on the campus of Clemson, and which shall have received the approval of the Trustees and the State Budget and Control Board of South Carolina.

The Vice President for Business and Finance of Clemson University has determined that the sums to be received from the Plant Improvement Fee will be sufficient to provide for the punctual payment of the principal of and interest on all bonds to be outstanding.

Recommendation of the Administration: That the Board of Trustees adopt the Resolution set forth in EXHIBIT A of the Minutes of this meeting which makes formal application to the State Budget and Control Board of South Carolina for the issuance of two million six hundred thousand dollars (\$2,600,000.00) Plant Improvement Bonds, Series of 1984, pursuant to the authorizations of Act No. 1278 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1970, page 2718 as amended, and pursuant to the basic Resolution adopted by the Board of Trustees at its meeting on January 14, 1978.

Board Action: Approved

Item 4. Recovery of Costs Incurred in Issuance of Student and Faculty Housing Refunding Revenue Bonds, Series I

Statement: At the time of issuance of the \$3,100,000 Student and Faculty Housing Refunding Revenue Bonds, Series I, dated December 1, 1982 a court case, State of Washington v. Comr., 77 T.C. 656, was pending to challenge Internal Revenue regulations which prohibited the recovery of the cost of issuing refunding bonds through the investment and/or reinvestment of escrow funds. The litigation has been resolved in favor of the State of Washington so as to permit the issuers of tax exempt bonds to recover the cost of issuance including the underwriter's discount.

The investments in the Escrow Account of the above cited bond issue were originally structured in such a fashion as to permit certain reinvestments whose earnings would permit the recovery of the cost of issuing the Bonds. It is now appropriate that the necessary steps be taken to authorize changes in the investment and/or reinvestment of Escrow Account funds and any other actions necessary to permit the recovery by Clemson of so much of the recoverable costs incurred in connection with the issuance of the above cited bonds as may be obtained.

Recommendation of the Administration: That the Board of Trustees adopt the Resolution set forth in EXHIBIT B of the Minutes of this meeting authorizing and empowering the Vice President for Business and Finance of Clemson University to take such steps as may be required to direct Bankers Trust of South Carolina, the Escrow Holder, to take the necessary action to permit the recovery by Clemson of so much of the recoverable costs incurred in connection with the issuance of Student and Faculty Housing Refunding Revenue Bonds, Series

I, dated December 1, 1982, as may be obtained.

Board Action: Approved

Item 5. Fertilizer Irregularity Fine

Statement: The September 15, 1983 report by the Department of Fertilizer Inspection and Analysis to the Fertilizer Board of Control reported a mislabeling infraction by Darlington Farm Services involving eighteen tons of fertilizer grade 5-10-30. The Department recommended a fine of \$50.

Recommendation of the Administration: That the recommended fine of \$50 be imposed against Darlington Farm Services for the mislabeling infraction.

Board Action: Approved. The Board also directed the Administration to have the penalty structure reviewed by the Fertilizer Inspection and Analysis Department to determine whether penalties currently imposed are commensurate with the gravity of violations of the fertilizer laws.

Item 6. Statutory Roll Call Vote

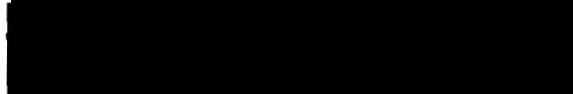
RESOLUTION: RESOLVED that all measures and recommendations made at this, the October 22, 1983 meeting, which according to the By-laws require a roll call vote of nine or more members, be hereby adopted and confirmed, and that the Vice President for Business and Finance be authorized to issue his checks for all expenditures authorized at this meeting.

Board Action: The Resolution was adopted with nine members present voting "Aye."

Item 7. Adjournment

There being no further business the meeting of the Board was adjourned at 10:15 A.M.

Respectfully submitted,


Joseph B. McDevitt
Secretary of the
Board of Trustees