

University of Central Missouri
Board of Governors
Plenary Session
October 17, 2014

The University of Central Missouri (UCM) Board of Governors convened in Plenary Session on Friday, October 17, 2014, at 8:30 a.m. in Elliott Student Union 237B on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Board President Marvin E. Wright. Other Board members in attendance included Gus Wetzel II, Weldon Brady, Walter Hicklin, Mary Long, Mary Dandurand, John Collier, and Elizabeth Wood. Also present was University President Charles Ambrose; Vice President for Law, Strategy and Policy Mike Racy; and Assistant Secretary to the Board Monica Huffman.

Call to Order – Agenda Item No. 1

Mr. Wright called the meeting to order and determined a quorum was present to conduct business.

Remarks from the Board President – Agenda Item No. 2

Mr. Wright reviewed some of the recent activities that Board members attended or participated in on UCM's campus. Included was Senator Claire McCaskill's listening session held on October 8 related to sexual assault on college campuses. UCM's staff was well prepared to answer questions and shared information about the University's efforts and initiatives to address this matter, particularly with regard to Title IX. Mr. Wright also shared that Board members attended the Servant Leadership Lecture Series' Ike Skelton Lecture presented by USAF Colonel and NASA Astronaut Michael S. Hopkins on October 9, and noted what an outstanding presentation it was. Lastly, Mr. Wright serves as Chair of the MOHELA Board, which met on UCM's campus in late September. The MOHELA Board is very supportive of UCM's THRIVE program and had the opportunity to learn more about it during their meeting. The Board was appreciative of UCM's hospitality.

Remarks from the University President- Agenda Item No. 3

President Ambrose noted that it's Homecoming weekend and there is a great amount of excitement and activity on campus. He introduced four alumni who returned to campus for the weekend's activities and celebration – Major General Richard Mustion; Brigadier General Arnold Gordon Bray; Brigadier General Troy Kok; and Brigadier General C. David Turner who was also being recognized as a Distinguished Alumni during the weekend activities. Each of the Generals spoke briefly about their experience as students at UCM; their important connection to the University; and their past or current roles in the U.S. Armed Services.

President Ambrose also made remarks about the Foundation Board meeting being held today and about the outstanding presentation made by USAF Colonel and NASA Astronaut Michael S. Hopkins last week. He then asked Jeff Murphy to provide a snapshot of *UCM in the News* (Attachment 1).

Other events included as part of President Ambrose's remarks were the Career Fair that had participation of 182 employers and the Black Alumni Association's reunion that was intentionally planned for the weekend prior to Homecoming to allow all 300+ attendees to fully engage in activities centered on our current students. President Ambrose noted that the Black Alumni Association is generating outstanding scholarship opportunities for our students.

Approval of the Minutes – Agenda Item No. 4

Dr. Long moved that the Board of Governors approve the minutes of the September 18, 2014, Work Session and September 19, 2014, Plenary Session. The motion was seconded by Mr. Collier and carried unanimously.

Written Governance Groups Reports – Agenda Item No. 5

Mr. Wright expressed appreciation to the Governance Groups' leadership for the written reports that were included under Tab 8 of the meeting materials (Attachment 2).

Legislative Update – Agenda Item No. 6

President Ambrose provided a legislative update that included Governor Nixon's plan to establish bonds for STEM-related maintenance and repairs. This would include a proposed appropriation to UCM of \$12.2 million, which would be used for the renovation of W.C. Morris. President Ambrose said that UCM's original request for W.C. Morris, the University's top priority for maintenance and repairs, was \$35 million. Dr. Jason Drummond will continue to seek other sources of funding to assist in this effort. The Governor hopes to have this legislation approved the first week of the next Legislative Session.

At the federal level, President Ambrose gave an account of Senator Claire McCaskill's listening session that was held on UCM's campus on October 8 related to sexual assaults on college campuses and related legislation she is working to get passed. President Ambrose expressed appreciation for our knowledgeable staff that is well prepared to answer questions and to assist our students each and every day. Senator McCaskill was complimentary of several UCM initiatives including our partnership with Whiteman Air Force Base and a shared 24-hour hotline; our Maxient Program; policy work; and overall allocation of resources to address this issue. President Ambrose provided an overview of Senator McCaskill's legislation that would require a person to serve in a distinct Title IX Officer position; reporting made to the Office of Civil Right; and fines for institution found to be in non-compliance.

Senator McCaskill was very direct about institutions using outside sources to help resolve Title IX issues and stressed that they are ultimately responsible for getting things in order and will be held accountable. Although additional resources may be required for the Title IX Program, President Ambrose stated there is a strong commitment from the campus to ensure students' safety and success.

Mr. Wright attended the listening session and affirmed that Senator McCaskill seemed pleased with what the University is doing for its students.

The Crossing – South at Holden Facility Update – Agenda Item No. 7

President Ambrose commended Sodexo for its work to Fitzgerald Dining Hall and shared the Board of Governors had the opportunity to experience healthy food offerings during a dinner with student leadership and the University's Distinguished Alumni the previous evening. He noted that construction of The Crossing – South at Holden is on schedule. Mr. Merrigan added that installation of the facility's exterior walls should be completed by the first week of January. A simulated wall with brick and concrete samples is located at the construction site and available for viewing. The interior finishes will begin in January.

Learning to a Greater Degree Student Contract for Completion – Agenda Item No. 8

President Ambrose informed the Board of an October 30 “kick-off” event for the Strategic Resource Allocation Model (SRAM) and explained the function of the three SRAM teams.

UCM – Lee’s Summit – Agenda Item No. 9

President Ambrose said the Board received a brief report the previous afternoon related to a lease agreement between UCM and the R-7 Lee’s Summit School District. He is hopeful that an agreement will be ready for presentation to the Board at its November meeting for approval.

President Ambrose also shared that UCM has entered into a Memorandum of Understanding with MOTIVUS, a learning management system, that will be used to help track MIC student progress and internships. UCM is a development partner, and therefore, there is no cost to the University or commitment if it’s determined the system does not meet our needs.

Before moving to the next agenda item, President Ambrose welcomed students in attendance from the Governance and Finance in Higher Education class.

Board Committee on Student Engagement & University Advancement

Ms. Dandurand, Chair of the Board Committee on Student Engagement & University Advancement, reported that the Committee met the previous afternoon. She distributed handouts related to Student Experience & Engagement Services; the Office of Accessibility Services and ADA/504 Coordinator; and Homecoming (Attachment 3).

Room Rates – The Crossing South at Holden – Agenda Item No. 10

Dr. Shari Bax said students are excited about the construction of a new residential facility and are beginning to make inquiries concerning the occupancy rates so that a decision can be made regarding their housing for Fall 2015. She referred the Board to Tab 9 of the meeting materials (Attachment 4) that listed the monthly rates per bed for residency in The Crossing – 4 bedroom unit (\$550); 2 bedroom unit (\$650); and 4 bedroom Garden unit (\$700). All units include utilities. Mr. Wright asked if this rate structure is in compliance for payment of the bonds. Mr. Merrigan answered yes, stating that The Crossing rentals will generate approximately \$2 million in revenue and \$1.5 million will be subsidized by Housing. Ms. Dandurand said she would like to see a comparison of how these rates compare to those of the current residence halls. Dr. Bax said she could only provide the current rates, as the next year’s rates for these halls will not be established until Spring 2015.

Ms. Dandurand moved that the Board of Governors approve the proposed rates for The Crossing – South at Holden apartments for the 2015-2016 fiscal year at the monthly per bed rate of \$550 for a 4 bedroom unit; \$650 for a 2 bedroom unit; and \$700 for a 4 bedroom Garden unit. The motion was seconded by Mr. Hicklin and carried unanimously.

Dr. Bax reviewed community service initiatives and results that were part of the Homecoming Week activities. This included a Blood Drive, Day of Service, Bone Marrow Registry, and Donation Creation.

Board Committee on Academic Affairs

Dr. Gus Wetzel, Chair of the Board Committee on Academic Affairs, reported the Committee met the previous afternoon. He asked Provost Curtis to present the next agenda item.

Charter Schools Update – Agenda Item No. 11

Provost Curtis invited Dr. Vici Hughes to provide an update on UCM-sponsored Charter Schools. Dr. Hughes extended congratulations to Provost Curtis on her recent appointment made by Governor Nixon to the Missouri Charter School State Commission. Dr. Hughes then referred the Board to Tab 10 of the meeting materials that contained a briefing paper that outlined much of the information that was included in her report (Attachment 5). Following Dr. Hughes report, President Ambrose stated that Dr. Hughes is viewed as a knowledgeable resource by the Charter Schools community. He also noted that Provost Curtis will play a critical role as a member of the Missouri Charter School State Commission in how and what we do to help strengthen schools throughout the state. Provost Curtis noted that there is ongoing dialogue with the Kansas City Missouri School District about how public schools and charter schools can work together to support one another. Dr. Wetzel asked if funding provided by the State for students enrolled in charter schools is the same as that provided for students enrolled in public schools. Dr. Hughes answered that it is the same.

Campus Technology Update – Agenda Item No. 12

Dr. Jim Graham referred the Board to Tab 11 of the meeting materials and provided an overview of the Campus Technology Report that was contained within (Attachment 6).

Board Committee on Finance & Administration

Mr. Weldon Brady, Chair of the Board Committee on Finance & Administration, reported that the Committee met the previous afternoon. He asked Mr. Merrigan to present the following agenda items.

UCM – CY 2015 Health Insurance Plan – Agenda Item No. 13

Mr. Merrigan said that a detailed presentation was made the previous afternoon to the Board of Governors during its Work Session. Attending yesterday's meeting and today's Plenary Session to help present the CY 2015 Health Insurance Plan was Mr. Rick Dixon, Director of Human Resources and Mr. Bob Charlesworth of Charlesworth & Associates. A brief presentation was made of the information provided at the previous day's Work Session (Attachment 7). The premium rate increase for employee health insurance with Blue KC for CY 2015 is 10.24%. During the October 16 Work Session, discussion was also held about the continuation of the Health Savings Account (HAS) option to interested employees and the continued funding of a \$600 one-time contribution to each employee's HAS account if they select or continue this option.

Lastly, the Board discussed whether to bid the CY 2016 health insurance or to wait an additional year to do so in CY 2017. The Board was in favor of waiting until CY 2017 to bid the insurance, however asked that a mid-year report on the status of UCM's health insurance be provided to the Board each year.

President Ambrose said that with the rising cost of health insurance, UCM will be required to continue seeking the best care possible for its employees at the lowest cost, and may also require that increased preventative efforts be made by all. There will be more concentrated efforts to encourage employees to participate in the *Healthier You* screening. The University will continue to do what it can to keep health insurance cost as low and as affordable as it can.

Mr. Brady moved that the Board of Governors (1) accept Blue KC's renewal offer for Calendar Year 2015, which is a 10.24% premium rate increase; (2) authorize the University to continue funding a \$600 one-time contribution to each employee's HAS account if they select or continue the HAS option; and (3) authorize the University to bid the Calendar Year 2017 health insurance plan even though the University has three one-year renewal options remaining with its Blue Cross contract. The motion was seconded by Mr. Hicklin and carried unanimously.

Accountability Management System – Agenda Item No. 14

Dr. Mike Grelle presented this item and reviewed the background information contained in a briefing paper under Tab 13 of the meeting materials (Attachment 8) that request Board approval to purchase an Accountability Management System (AMS). The system will allow the University to more efficiently and effectively prepare for regional and professional accreditations as well as track, document, and plan activities related to student learning.

Mr. Brady moved that the Board of Governors authorize the University to enter into an agreement with Tk20 in the amount of \$525,000 for the purpose of providing campus access to this Accountability Management System. The motion was seconded by Mr. Hicklin and carried unanimously.

Training Aircraft Sale and Purchase – Agenda Item No. 15

Dr. Roger Best expressed appreciation to Mr. Merrigan and Ms. Susan Brockhaus for the assistance they provided in preparing a Financial ProForma for UCM Aviation. Dr. Best reviewed the background information contained in a briefing paper under Tab 14 of the meeting materials (Attachment 9). Dr. Long asked where Aviation students are being placed following graduation and what the average starting salary is. Dr. Best responded that many graduates go to work for regional airports, but unfortunately do not make much money at these locations. He will obtain more factual information and provide a more detailed report to the Board at a later date.

Ms. Dandurand asked for clarification associated with flight hours and revenue to pay for the current lease. Dr. Best explained that, as would be expected in a traditional academic setting, and given Missouri's Midwestern climate, demand for flight hours is highly cyclical. Terms of the lease limit aircraft to 40 hours per month without additional payment. For approximately half the year, the leased aircraft flew less than 40 hours (although payment was based on 40 hours), and for the remaining half, flight hours exceeded 40 hours per month, requiring additional payments to the lessor. This makes it cost advantageous to purchase aircraft instead of leasing

Although there is some capital-related risk in owning aircraft, if it's determined that aircraft are no longer needed, the University can sell them. With a lease, the University must retain them in its fleet until the lease expires. Dr. Wetzel asked if UCM is responsible for the maintenance of the leased aircraft; Dr. Best stated that we are responsible for 100% of the maintenance.

Mr. Brady asked how funding will be solicited. Dr. Best stated there are specific guidelines for doing so and this will be important to do once the aircraft are identified, thus the reason a request was being made to delegate approval authority to the Board Committee on Finance and Administration. Financiers have been identified and the Procurement Office will be responsible for issuing a Request for Proposals.

Mr. Wright noted that the ProForma reflects 2.5% interest per annum; however, the briefing paper includes a request for 3.5%. Dr. Best stated that the 3.5% reflected in the briefing paper is a "not to exceed" rate and was included in the recommendation to avoid additional delays that could result should the rate exceed the 2.5% listed in the ProForma.

Mr. Collier moved that the Board of Governors authorize (1) the purchase of two used Cessna 172S planes and two additional Beech-58 Baron aircraft pursuant to the established financial limitations made at the meeting, with residual financing provided by an external agency in order to provide a net cost savings to the University and to serve the needs of UCM Aviation students; (2) delegation of authority to the Board of Governors Finance and Administration Committee to approve financing as identified and recommended through UCM's solicitation and evaluation process and subject to terms not exceeding seven years and 3.5% interest per annum. The motion was seconded by Mr. Hicklin and carried unanimously.

Internet Bandwidth Purchase – MOREnet – Agenda Item No. 16

Dr. Jim Graham presented information contained in a briefing paper under Tab 15 of the meeting materials related to the proposed acquisition of Internet services from the Missouri Research and Education Network (MOREnet) (Attachment 10). Mr. Brady asked for clarification of the use of the term "leveraged" as stated under the funding source of the briefing paper. Dr. Graham explained that the statement that "The Office of Technology [OT] budget will be leveraged to procure . . ." simply means that if OT requires assistance, the Finance Division will provide financial assistance to help cover the costs.

Mr. Collier moved that the Board of Governors approve the MOREnet offering for a five-year UCM commitment and a three-year Summit Center commitment for increased Internet services and bandwidth at a total five-year cost of \$785,898. The motion was seconded by Dr. Wetzel and carried unanimously.

Approval for Repairs to Flood-Damaged Building Interiors – Agenda Item No. 17

Mr. Brady noted that a briefing paper was included under Tab 16 (Attachment 11) of the meeting materials related to repairs of flood-damaged building interiors and that this item is for informational purposes only. Mr. Merrigan added that an item related to roof repairs will be brought to the Board at its first meeting in 2015.

External Audit Report – Agenda Item No. 18

It was noted that the Finance and Administration Committee of the Whole met the preceding afternoon to receive the audit report prepared by RubinBrown (Attachment 12). The Board accepted and approved RubinBrown's audit report during the Committee of the Whole meeting held on October 16, 2014. Ms. Toni Kreke and her staff were commended for their assistance with the audit.

Quarterly Investment Report – Agenda Item No. 19

Mr. Merrigan reviewed the Quarterly Investment Report included under Tab 17 of the meeting materials (Attachment 13).

Quarterly Statement of Revenues & Expenses – Agenda Item No. 20

Mr. Merrigan reviewed the Quarterly Statement of Revenues & Expenses included under Tab 18 of the meeting materials (Attachment 14) and included tuition results for Fall Semester 2014 (see Attachment 14).

Board Business

Special Honors & Awards – Agenda Item No. 21

President Ambrose presented background information on two individuals recommended to receive the Distinguished Service Award – Mr. Fred Manuele and Dr. Joseph Ryan (Attachment 15). *Dr. Wetzel moved that the Board of Governors approve the award and presentation of the Distinguished Service Award to Mr. Fred Manuele and to Dr. Joseph Ryan at future Commencement(s). The motion was seconded by Mr. John Collier and carried unanimously.*

Adjournment – Agenda Item No. 22

There being no further business to discuss, *Mr. Collier moved that the meeting adjourn. The motion was seconded by Ms. Dandurand and carried unanimously.* The meeting concluded at 11:00 a.m.

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Attachments Listing**

<u>Attachment 1</u>	<u>Attachment Description</u>
1	PPT - UCM In the News
2	Governance Groups Written Reports
3	Student Experience & Engagement Division Info
4	Briefing Paper – FY 16 Apartment Rates – The Crossing
5	Briefing Paper – Charter Schools Update
6	Campus Technology Report
7	UCM – Calendar Year 2015 Health Insurance Plan
8	Briefing Paper – Accountability Management System
9	Briefing Paper – Training Aircraft Sale and Purchase
10	Briefing Paper – Internet Bandwidth Purchase
11	Briefing Paper – Approval for Repairs to Flood-Damaged Building Interiors
12	Rubin Brown Audit
13	Quarterly Investment Report
14	Quarterly Statement of Revenues & Expenditures
15	Recommendation for Distinguished Service Awards