

**AGENDA FOR MEETING OF BOARD OF TRUSTEES
OF
UNIVERSITY OF CENTRAL ARKANSAS
ON
APRIL 2, 2012
AT
1:30 P.M.
McCASTLAIN HALL BALLROOM**

**Mr. Bobby Reynolds –Chair
Mr. Victor Green – Vice Chair
Ms. Kay Hinkle – Secretary
Ms. Elizabeth Farris
Mr. Rush Harding, III
Mr. Brad Lacy
Mr. Scott Roussel**

I. CALL TO ORDER

II. ROLL CALL

III. ACTION AGENDA

A. Food Service Management Agreement - Aramark

B. “Fees - Food Service Contract for 2012-13” - Board Policy No. 633

C. “Room and Board Rates for 2012-13” – Board Policy No. 632

D. Health Insurance Plan

E. Student Government Association Project - Amphitheater

**F. “President’s Residence Advisory Committee” - Board Policy No. 209 -
Appointment of Trustee Representative and Three At-Large Members**

G. “Contract Review Procedures” – Board Policy No. 416

IV. ADJOURNMENT

V. **BREAK – 15 MINUTES**

VI. **BOARD WORKING SESSION ON FY 2013 BUDGET**

TABLE OF CONTENTS

| <u>ACTION AGENDA</u> | <u>PAGE</u> |
|--|--------------------|
| A. Food Service Management Agreement – Aramark | 1 |
| B. “Fees - Food Service Contract for 2012-13” - Board Policy No. 633 | 8 |
| C. “Room and Board Rates for 2012-13” – Board Policy No. 632 | 12 |
| D. Health Insurance Plan | 18 |
| E. Student Government Association Project - Amphitheater | 19 |
| F. “President’s Residence Advisory Committee” - Board Policy No. 209 – Appointment of Trustee Representative and Three At-Large Members | 22 |
| G. “Contract Review Procedures” - Board Policy No. 416 | 25 |

III. ACTION AGENDA

A. Food Service Management Agreement - Aramark

Background: For many years, the University’s food service has been operated by Aramark under and pursuant to a contract between Aramark Educational Services, LLC, a Delaware limited liability company, and the University of Central Arkansas.

The current contract was entered into June 1, 2005, and expires May 30, 2012. The contract is generally amended each spring to provide for new meal plan rates for the next academic year and other necessary changes.

In addition to setting the rates Aramark charges the University for meals served in Christian Cafeteria, the existing agreement also establishes “commissions” Aramark pays to the University based upon retail sales at other venues, such as those at the Student Center Food Court, a Starbucks coffee shop in the library and a Java City coffee venue in the College of Business Building, as well as catering events on campus. The commissions are a percentage of net revenues generated at the various retail outlets.

The University generates revenue under the food service management agreement in two ways - one being the difference between what the University charges for board plans and what the University pays to Aramark for the meals, and the second being the “commissions” paid by Aramark on retail sales at other venues and catering. For the last three fiscal years (2009, 2010 and 2011), the University received the following sums from its food service operations:

| | <u>FY 2009</u> | <u>FY 2010</u> | <u>FY 2011</u> |
|---------------------------------|----------------|----------------|----------------|
| (a) Net Revenue from meal plans | \$1,353,222 | \$1,401,434 | \$1,644,016 |
| (b) Commissions | 551,604 | 511,587 | 487,607 |

Under the existing agreement, Aramark also made various “capital investments” on the University’s campus. Each time a capital investment is made it is then “amortized” straight-line over a period of years. Under the existing agreement, if the food service management agreement is not renewed or extended, the University must pay to Aramark the unamortized principal balance of the investments, plus interest at the prime interest rate plus two percent back to the date of the original investment. A table is attached showing the unamortized principal balance and accrued interest as of June 1, 2012.

2011 Request for Proposals: Because the 2005 food service management agreement was to expire in May, 2012, Requests for Proposals (RFPs) were issued in the latter part of 2011 for food services. The response deadline was January 26, 2012. Based upon an internal

review of the existing agreement and computations related to the accrued interest calculations, the administration determined that the bid documents should be revised, additional questions asked of potential bidders, and the response deadline extended. The new response deadline was February 9, 2012.

Two proposals were received. One was from Aramark and the other was from Sodexo.

A committee of twelve (12) persons from a cross-section of the campus was selected by the Office of Purchasing to evaluate the two food service proposals. The committee had student, staff and faculty representation. The committee was unanimous in its decision that negotiations should be entered into with Aramark.

In addition, the financial aspects of the two proposals were analyzed by three professors from the UCA College of Business (Drs. Tammy Rogers, Mike Casey and Don Bradley) and this group concluded that the Aramark proposal was the better of the two from a financial standpoint.

Proposed New Food Service Management Agreement with Aramark: Based upon the committee's recommendation, the administration then entered into negotiations with representatives of Aramark and has reached an agreement to be presented to the Board of Trustees for consideration. A copy of the proposed agreement will be sent under separate cover.

The major terms of the proposed agreement may be summarized as follows:

- **Exclusivity:** Under the proposed agreement, Aramark would continue to be the exclusive food service provider on campus, and for catering on campus. Exceptions would include meals or catering in College Square, Buffalo Alumni Hall, campus vending, and non-state funded departmental parties, potlucks and private food donations.
- **Effective Date:** The proposed agreement, if approved, would be effective June 1, 2012.
- **Meal Plan Rates; Increases:** Under the proposed agreement, meal plan charges would increase slightly less than one percent for the next academic year (2012-13), and then will be adjusted based upon the rate of inflation for food costs in years 2-10. If inflation is over three percent for food prices, then Aramark may go up by that amount, and if three percent or less, then the parties will negotiate the increase.
- **Amortization of Existing and "New" Capital Investments:** Under the 2005 agreement, Aramark made significant capital investments in food service facilities. These are set forth on the attached chart. Under the proposed agreement, any

remaining balances will be amortized straight-line over ten (10) years - the term of the proposed agreement. This is a change in that some of the existing capital investments would be amortized beyond the ten-year period, and two had periods shorter than ten years under the existing contract. The benefit of the consistency is that the amortization period of the existing investments “matches” the term of the new contract. In addition, for any “new” capital investments (discussed below), such investments will be amortized on the number of years remaining on the contract, so that no capital investments will be amortized beyond the ten-year term.

- New Capital Investments: Under the proposed agreement, Aramark would make additional capital investments in the summer of 2012 in the amount of \$1,575,000 (to the student center food court; the library and Starbucks location; a new food truck and the Burdick Deli), and \$900,000 in the summer of 2013 for the cafeteria and the Bear Village Store. These new investments would total \$2,475,000, but would only be made if the University agreed to have them made.
- Term; Termination: The term of the agreement (Section 22) is for ten (10) years and one month (to get the agreement on a fiscal year basis) commencing June 1, 2012, and expiring June 30, 2022. Either party has the right, however, to terminate the agreement during the term by providing written notice to the other party. Under this provision a party desiring to terminate gives the other party notice of intent to terminate and then the parties negotiate for thirty (30) days in an attempt to resolve any differences. If this period of negotiation is unsuccessful, then the agreement may be terminated on sixty (60) days’ written notice by either party. The termination would then occur at the end of the current semester.
- Repayment of Unamortized Financial Investments in the Event of Early Termination: In the event of the termination of the agreement prior to the ten-year term, the University would have to pay to Aramark the unamortized principal balance of the capital investments. No back interest would be owed, nor would any early termination penalty be owed. Interest would be owed, however, by the University to Aramark in the event the balance was not paid in full within thirty (30) days after early termination.
- Commissions on Retail Sales: Under the 2005 agreement, the University is “guaranteed” commissions from retail sales in the amount of \$425,000. In the proposed agreement, the commission structure on retail sales has been modified slightly, and in addition, provided that a certain number of minimum mandatory meal plans are purchased (an average of 3,800 per year), then “guaranteed commissions” will be paid at a higher level. The proposed commission structure has been analyzed by Dr. Tammy Rogers of the UCA College of Business and her analysis is attached. While it is unclear what the overall effect will be, if any, the University is currently at approximately 4,550 meal plans, and with Bear Hall

coming on line this fall, we should be close to that number. If not, then the “guaranteed” payment would not be made, but the total commissions paid to the University should be comparable to what we have been receiving. (See the chart above for commissions received the last three fiscal years.)

Based upon discussions and negotiations with Aramark, the President recommends to the Board of Trustees the following resolution:

“BE IT RESOLVED: That the proposed Food Service Management Agreement between the University of Central Arkansas and Aramark Educational Services, LLC, as presented to the Board of Trustees is hereby approved and the President of the University of Central Arkansas is hereby authorized to execute the same on behalf of the University.”

Attachment E

Unamortized Balance with ARAMARK as of May 2012

| Description | <u>Unamortized Balance</u> | <u>Accrue but unbilled Interest</u> | <u>Total</u> |
|--|---------------------------------------|--|-----------------------|
| \$3,568,379.19 Christian Cafeteria Renovation | \$2,215,984.17 | \$1,646,834.34 | \$3,862,818.51 |
| \$210,000.00 - \$100k Cart & Grill, Concessions, Cafeteria Restrooms | \$126,000.00 | \$72,119.93 | \$198,119.93 |
| \$800,000.00 Student Center Renovation | \$563,333.33 | \$283,110.42 | \$846,443.75 |
| \$800,000.00 Student Center Renovation | \$573,333.33 | \$266,475.00 | \$839,808.33 |
| \$250,000.00 Starbucks | \$195,833.33 | \$38,153.65 | \$233,986.98 |
| \$118,750.56 (\$125K) Starbucks | \$92,880.25 | \$18,095.59 | \$110,975.84 |
| \$650,000.00 Einsteins/Java City | \$606,666.67 | \$22,086.46 | \$628,753.13 |
| \$80,876.45 – Point of Sale System-Blackboard | \$70,092.92 | \$2,665.55 | \$72,758.47 |
| | \$4,444,124.00 | \$2,349,540.94 | \$6,793,664.94 |

Analysis of Commission Structure and “Guarantee” of Aramark Proposal (by Dr. Tammy Rogers)

Proposed Guarantee Discussion

The proposed guaranteed commission given in the contract sets a floor on the commission that UCA will receive from Aramark as long as two conditions are met: 1) 3800 average meal count (current estimated average meal count 2011-2012 is 3475) 2) all capital investments (new locations) happen as outlined in the proposal. If these two conditions aren't met, UCA will have to bear part of the risk if sales are not as high as forecasted in the proposal. To give an idea of what this could mean for cash flow to UCA, the table on the next page shows the commissions that can be expected over the ten year contract if sales are lower than forecasted.

New Suggested Commission Structure Versus Existing Structure

The new structure actually simplifies the accounting because all of the National Brand food locations will now have the same commission rate. The impact here is mixed because some locations such as Pizza Hut and Chick-Fil-A will generate a slightly smaller revenue but Quizno's and Starbucks will generate more revenue. In the past 2 years, Quizno's and Starbucks have been more popular based on revenue than the other locations. UCA will receive less on cash sales at the cafeteria, but this is a relatively small amount (6-7%) of overall retail sales revenue for Aramark. To give an idea of the impact, if the new commission structure were applied to the sales generated in FY 2011 the commissions received would be about \$12,000 less. For FY 2012 year to date, the commissions received would be about \$4500 less. Overall, with the forecasted increase in sales in specific locations, UCA may fare better with the new commission structure by about \$16,000. This number is based on the forecasted sales in existing locations only with the old commission structure versus the new.

These examples are designed to show the main point which is we can't tell whether the new commission structure will actually significantly impact UCA because it depends on the popularity of the different venues. In general the revenue differences are relatively small compared to the overall food services contract revenues.

Recommendation

Obviously it will be better if UCA can get Aramark to lower the meal count for the guarantee. However, the change in the commission structure from the existing levels (FY 2012) and the guarantee don't significantly impact the decision to go with Aramark as opposed to Sodexo.

Impact of Realized Sales Revenue on UCA Commissions

| | Commissions Received | | | | | | | | | |
|--------------------------------|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| % of Forecasted Sales Realized | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 |
| 100% | 572,707 | 613,354 | 652,340 | 711,872 | 757,381 | 805,875 | 857,553 | 912,629 | 971,330 | 1,033,898 |
| 90%* | 515,436 | 552,019 | 587,106 | 640,685 | 681,643 | 725,288 | 771,798 | 821,366 | 874,197 | 930,508 |
| 85% | 486,801 | 521,351 | 554,489 | 605,091 | 643,774 | 684,994 | 728,920 | 775,735 | 825,631 | 878,813 |
| 80% | 458,166 | 490,683 | 521,872 | 569,498 | 605,905 | 644,700 | 686,042 | 730,103 | 777,064 | 827,118 |
| 75% | 429,530 | 460,016 | 489,255 | 533,904 | 568,036 | 604,406 | 643,165 | 684,472 | 728,498 | 775,424 |
| 70% | 400,895 | 429,348 | 456,638 | 498,310 | 530,167 | 564,113 | 600,287 | 638,840 | 679,931 | 723,729 |

* This commission level is the level that is guaranteed if we average enough meals (3800) and new capital investments happen on schedule. Basically, the "guarantee" sets a floor if we meet the conditions no matter what happens to sales revenues. If we don't meet the meal plan goals set in the contract, then we bear the downside risk of sales being lower than forecasted.

III. ACTION AGENDA

B. “Fees - Food Service Contract for 2012-13” - Board Policy No. 633

Board Policy No. 633 sets forth the meal plan rates to be paid under the University’s food service contract. The policy is amended each year to include the rates to be paid each day for the various meal plan options.

Revisions to Board Policy No. 633 are attached and are for meal plan rates under the various options and commissions on retail sales for academic year 2012-13. The changes made conform with the terms and provisions in the new agreement proposed to be entered into between the University and Aramark Educational Services, LLC.

Therefore, the President recommends to the Board of Trustees the following resolution:

“BE IT RESOLVED: That Board Policy No. 633 is hereby approved, as amended, to be effective for the academic year 2012-13.”

**UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY**

Policy Number: 633

Subject: Fees – Food Service Contract

Date Adopted: 03/94 Revised: Passim (most recent 04/12)

The following rates under the food service contract with ARAMARK, Inc. are approved for the 2011-12 contract year.

| TERM | MEAL PLAN | 2011-12 RATES PER DAY | 2012-13 RATES PER DAY | % INCREASE |
|---------------|-----------------------------|----------------------------------|----------------------------------|-------------------|
| Fall & Spring | Total Access | \$7.34 | \$7.41 | 1.0% |
| | Total Access w/ \$50 DCB | --- | \$7.41 | --- |
| | 15 Meal Plan | \$6.87 | \$6.94 | 1.1% |
| | 10 Meal Plan | \$6.61 | \$6.68 | 1.1% |
| | 220 Block Plan | \$8.14 | \$8.22 | 1.0% |
| | 140 Block Plan | \$6.30 | \$6.36 | 1.0% |
| | Senior Plan 75 Block | \$4.24 | \$4.28 | 1.0% |

| GROUP | MEAL | 2011-12 RATES PER MEAL | 2012-13 RATES PER MEAL | % INCREASE |
|--------------|-------------|-----------------------------------|-----------------------------------|-------------------|
| Casual Meals | Breakfast* | \$6.73 | \$6.87 | 1.0% |
| | Brunch* | \$8.33 | \$8.62 | 1.0% |
| | Lunch* | \$9.05 | \$9.37 | 1.0% |
| | Dinner* | \$9.65 | \$9.99 | 1.0% |

*Faculty/Staff card user discount applies to each of the above amounts.

| | | | | |
|-------------------------------------|-----------|--------|--------|------|
| Special Groups & Summer Camps | Breakfast | \$4.66 | \$4.82 | 3.4% |
|-------------------------------------|-----------|--------|--------|------|

| | | | |
|--------|--------|--------|------|
| Brunch | \$5.67 | \$5.87 | 1.0% |
| Lunch | \$5.67 | \$5.87 | 1.0% |
| Dinner | \$5.67 | \$5.87 | 1.0% |

UCA will receive the commission listed below on the sales.

ROYALTY CHART

| Type of Sales | Commission Percentage |
|-----------------------------------|-----------------------|
| Off-Campus Special Groups-Camps | 15% |
| Cafeteria—Non-Cash | 12% |
| Cafeteria—Cash | 18% |
| Chick-fil-A | 10% |
| Pizza Hut | 10% |
| Quizno's | 7% |
| Java-City | 12% |
| Starbucks | 7% |
| Commuter Meal Plans | 12% |
| Inclining Balance | 12% |
| Declining Balance | 12% |
| Athletic Concessions—Football | 15% |
| Athletic Concessions—Non-Football | 12% |
| Catering | 12% |
| C-Store—Cash and DCB | 14% |
| Sushie | 10% |

| <u>Type of Sales</u> | <u>Amount of Net Receipts</u> | <u>Commission ¹</u> |
|---|-------------------------------|--------------------------------|
| <u>Retail Sales (Cash/Credit/Declining Balance)</u> | | |
| <u>National Brands</u> | <u>\$0 - \$5,000,000</u> | <u>9.0%</u> |
| | <u>\$5,000,001 and above</u> | <u>10.5%</u> |
| <u>Proprietary Brands and Cafeteria Cash/DB</u> | <u>\$0 - \$5,000,000</u> | <u>12.0%</u> |

| <u>Type of Sales</u> | <u>Amount of Net Receipts</u> | <u>Commission</u> ¹ |
|--------------------------|-------------------------------|--------------------------------|
| | \$5,000,001 and above | 13.5% |
| Mobile Food Truck | \$0 - \$5,000,000 | 8.0% |
| | \$5,000,001 and above | 9.5% |
| Market/C-Store | \$0 - \$1,500,000 | 14.0% |
| | \$1,500,001 and above | 15.0% |
| Catering | \$0 - \$950,000 | 12.0% |
| | \$950,001 and above | 13.5% |
| Summer Conferences/Camps | \$0 - \$300,000 | 15.0% |
| | \$300,001 and above | 16.5% |
| <u>Concessions</u> | | |
| UCA Events | \$0 - \$350,000 | 15.0% |
| | \$350,001 and above | 16.5% |
| City Concessions | \$0 - \$350,000 | 5.0% |
| | \$350,001 and above | 7.5% |

¹ Incremental tiered commissions shall be paid on the amount Net Receipts in the applicable tier.

III. ACTION AGENDA

C. “Room and Board Rates for 2012-13” – Board Policy No. 632

Board Policy No. 632 establishes room and board rates. Attached to this write-up is a proposed revision to Board Policy No. 632, which if adopted by the Board, will set the room and board rates for the 2012-13 academic year.

For the 2012-13 academic year, housing is expected to experience an annualized occupancy of approximately 92%. Bear Hall will open this fall and will welcome freshmen students and the EPIC Residential College. The number of new student housing applications submitted for fall 2012 is 236 applications ahead of this time last year and it is expected that housing applications will maintain a consistent demand for 2012-13.

The current room and board charge is \$2,590.00 per semester for a double-occupancy room and the Total Access meal plan (unlimited meals in the cafeteria).

As proposed by the administration, for the next academic year, housing rates would increase by three percent (3.0%) and board rates would remain unchanged from the current academic year.

An increase of three percent (3.0%) is recommended for the housing room rates. Housing increases are primarily related to the need to continue to maintain and upgrade housing facilities. The current deferred maintenance items for University housing are estimated to be in excess of \$17,000,000.

The Department of Housing and Residence Life analyzed room and board rates at other public institutions in Arkansas, and based upon this review the room and board rates proposed for 2012-13 are in the mid-range of other institutions in the state. Attached is a chart showing room and board rates for other institutions and for the University (if the housing rate increase is approved). Estimated revenue generated from the proposed increase for the housing room rates is \$330,000 per year.

The proposed double-occupancy room and board rate for 2012-13 would rise to \$2,635.00, an increase of 3.0% for the room rate and no increase in the board rate. An increase is recommended for a nightly room rate and the rates for camps and conferences. These rates are in the range of other institutions and are competitive. In addition these rates will generate additional revenue to expand services for camps and conferences with a centralized customer service office from 8:00 A.M. until 12:00 midnight when camps or conferences are in session.

The housing rates contained in the proposed Board Policy No. 632 were presented to the Student Government Association on February 20, 2012, and the SGA approved the proposed three percent (3.0%) increase. A copy of the SGA resolution is attached.

Therefore, the President recommends to the Board of Trustees the following resolution:

“BE IT RESOLVED: That the Board of Trustees hereby approves the following revisions to Board Policy No. 632, ‘Fees – Room and Board’.”

**UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY**

Policy Number: 632

Subject: Fees – Room and Board

Date Adopted: 03/94 Revised: Passim (most recent 04/12)

ROOM RATE SCHEDULE

Fall & Spring

Semester Rates

| | 2012-13 | (Current) |
|----------------------------|-------------------------|------------------|
| Double Occupancy Room Rate | \$1,515.00 per semester | (\$1,470.00) |
| Private Room Rate | \$2,260.00 per semester | (\$2,195.00) |
| RA Room | \$1,515.00 per semester | (\$1,470.00) |
| Greek Room Rate Per Member | \$25.00 per semester | (\$25.00) |

Bear Hall

Double Occupancy Room Rate

\$1,615.00 per semester

Private Room Rate

\$2,360.00 per semester

Apartment—Academic Year Double Room Rate:

Bear Village, Torreyson, Erbach

\$1,810.00 per semester

(\$1,775.00)

All other complexes

\$1,710.00 per semester

(\$1,675.00)

Apartment—Academic Year Private Room Rate:

Bear Village, Torreyson, Erbach

\$2,600.00 per semester

(\$2,525.00)

All other complexes

\$2,495.00 per semester

(\$2,420.00)

Nightly Room Charge (outside of semester)

\$12.50 per night

Summer Terms ~~2011~~ 2012

Any Double Room Rate

\$395.00 per summer term

(\$385.00)

Any Private Room Rate

\$545.00 per summer term

(\$530.00)

~~Summer Conferences 2010~~ 2011

Youth Rate (Double)

\$11.75 per person/night

(\$11.50)

Adult Rate (Double)

\$16.50 per person/night

(\$16.00)

Adult Rate (Single)

\$22.50 per person/night

(\$22.00)

UCA Student Groups

\$7.25 per person/night

(\$7.00)

UCA Sponsored Groups (Double)

\$9.75 per person/night

(\$9.50)

**Camp and Conferences
(nightly rate for 2012-13)**

| | | |
|------------------------------------|--------------------------|-----|
| Residence Hall – Double Occupancy | \$12.50 per person/night | |
| Residence Hall – Private Room Rate | \$23.00 per night | --- |
| Apartment – Double Occupancy | \$17.50 per person/night | --- |
| Apartment – Private | \$28.00 per night | |

Rent for Family Housing

| Apartment | 2012-13 | (Current) |
|-----------------------------------|----------------|------------------|
| 2003 Bruce #1 | \$480.00 | (\$465.00) |
| 2003 Bruce #2, #5 | \$460.00 | (\$445.00) |
| 2003 Bruce #3, #4 | \$410.00 | (\$395.00) |
| 2005 Bruce | \$520.00 | (\$510.00) |
| 229 Elizabeth | \$520.00 | (\$510.00) |
| College View | \$525.00 | (\$515.00) |
| Caldwell Street Apartments | | |
| — 1-Bedroom | \$450.00 | (\$435.00) |
| — 2-Bedroom | \$530.00 | (\$515.00) |

BOARD RATE SCHEDULE

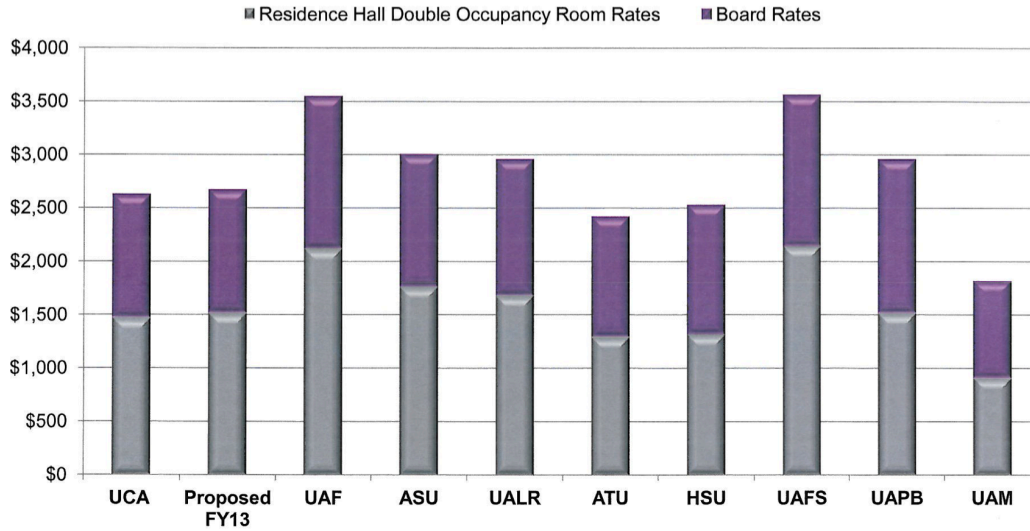
| Fall & Spring | 2012-13 | (Current) |
|-----------------------------------|-------------------------|-------------------------|
| Total Access | \$1,120.00 per semester | \$1,120.00 per semester |
| Total Access with \$50 DCB -NEW | \$1,170.00 per semester | \$1,170.00per semester |
| Any 15-meals per week + \$80 DCB | \$1,160.00 per semester | \$1,160.00 per semester |
| Any 10-meals per week + \$100 DCB | \$1,160.00 per semester | \$1,160.00 per semester |
| Senior Plan 75 Block + \$500 DCB* | \$1,170.00 per semester | \$1,170.00 per semester |
| 220 Block Plan | \$1,210.00 per semester | \$1,210.00 per semester |

| | | |
|----------------------------------|-------------------------|-------------------------|
| 220 Block Plan with \$50 DCB-NEW | \$1,260.00 per semester | \$1,260.00 per semester |
| 140 Block Plan + \$160.00 DCB | \$1,260.00 per semester | \$1,260.00 per semester |
| \$900.00 DCB** | \$900.00 per semester | \$900.00 per semester |
| \$750.00 DCB-NEW | \$750.00 per semester | \$750.00 per semester |
| \$600.00 DCB | \$600.00 per semester | \$600.00 per semester |

*Students must have completed 90 credit hours to be eligible for Senior Plan option.

**Students in the apartments purchasing the \$900.00 DCB will receive a \$50.00 bonus.

Cost Comparison for FY12 – Room & Board Including UCA Proposed FY13



Note: SAU is not included because they do not have a comparable meal plan; the data would not be complete for accurate comparison.

**A RESOLUTION PRESENTED TO THE STUDENT GOVERNMENT ASSOCIATION
OF THE UNIVERSITY OF CENTRAL ARKANSAS**

TITLE OF RESOLUTION: Resolution in Support of Room Rate Increases

SPONSOR: SGA Student Life Committee; Spencer Sims, SGA Executive Vice-President

DATE PRESENTED TO SENATE: February 20, 2012

Whereas, the SGA Student Life Committee held a hearing with Housing representatives as is required by the Student Fee Proposal Process; and,

Whereas, Housing representatives showed evidence of great need for increased housing rates; and,

Whereas, the average percentage increase is 2.78%; and

Whereas, UCA's room rates are very competitive and below most other competing institutions in the state; and

Whereas, there is a need for over 17 million dollars in repairs and renovations to housing facilities; therefore,

Be It Resolved, that the Student Government Association of the University of Central Arkansas accepts and supports the proposed increases in room rates as defined in the Student Fee Proposal Submission submitted to the Student Life Committee on February 14, 2012 and as attached; and

Be It Further Resolved, that the Student Government Association of the University of Central Arkansas requires that future fee proposals for housing rates are to include a listing of all applicable schools in the state and athletic conference with yearly room rates; and

Be It Further Resolved, that the Student Government Association of the University of Central Arkansas requires Housing or the Vice-President of Finance and Administration to present yearly on the progress of required renovation and repairs for all housing facilities.

III. ACTION AGENDA

D. Health Insurance Plan

United Health Care, the University's current health care insurance provider, submitted a 6-month renewal effective July 1, 2012, with a modest increase in premiums and plan design changes to the current coverage. The additional cost for this 6-month renewal is \$94,573, a 2.4% increase. The administration proposes to absorb this cost so that no premium increases will be passed on to University employees. Renewing the current health plan with no plan design changes would have resulted in an increase in premiums of approximately \$299,265 or an overall increase of approximately 7.5%.

The plan design changes will shift more out-of-pocket costs to the higher end users of the health plan. A significant change is that major diagnostics such as CT, PET, MRI, and nuclear medicine procedures will be subject to deductible and co-insurance at a physician's office, at an urgent care center or in an outpatient setting. Under the current plan, these procedures are covered 100% after an office visit co-pay or an urgent care center co-pay.

The Fringe Benefits Committee has reviewed and recommends accepting the renewal.

The plan design changes qualify as a "Qualifying Event" and will allow employees to change their withholdings to the Section 125 Medical Reimbursement Accounts. This will allow all employees to have a Section 125 account to increase their contributions after taking into account the plan design changes.

The University plans to issue a Request for Proposals (RFP) for health insurance for the 2013 calendar year and a proposal for health insurance for 2013 will be presented to the Board in fall, 2012.

Therefore, the President recommends to the Board of Trustees the following resolution:

"BE IT RESOLVED: That the administration is authorized to establish a contract with United Healthcare for the health insurance coverage for the period from July 1, 2012 through December 31, 2012."

III. ACTION AGENDA

E. Student Government Association Project - Amphitheater

Last year, the Board of Trustees approved moving forward with a project developed by the Student Government Association (“SGA”) known as the SGA’s Big Project. It involves the construction of an amphitheater between the Student Center and Old Main.

The initial funds for the project totaled \$300,000. The Board committed \$112,500 from the Board of Trustees Fund, Mr. Harding donated \$112,500, and the other funds came from the SGA and the Department of Housing.

The Board approved a resolution on December 16, 2011, authorizing the construction of the amphitheater in the area between the Student Center and Old Main. The Board also approved a resolution during a special teleconference meeting on February 6, 2012, approving the design of the amphitheater and authorizing the project to be submitted for bids.

The bids were opened on March 8, 2012, at 2:00 P.M. Four companies submitted bids, and the low bid was submitted by Shields and Associates of Little Rock, AR. The low bid was \$460,000, with deductive alternates of \$10,500 and \$17,000.

The \$460,000 low bid is substantially greater than the architect’s estimated construction cost of \$268,000, and the available funds of \$300,000.

The administration has discussed the amphitheater project with representatives of the Student Government Association. The project will be a centerpiece to the University’s campus and in an area where it will be used and enjoyed by students, faculty, staff and many visitors.

Based upon these discussions, and in addition, due to funds remaining in the Board of Trustees’ University Improvement Fund, the administration would propose to the Board of Trustees that the funds needed to accept the low bid (an additional \$192,000) be taken from that fund.

As of this date there is balance of \$522,000 in the University Improvement Fund. By prior action of the Board (on January 23, 2012), a resolution was adopted providing that the fund be capped at \$200,000 beginning July 1, 2012, and that the administration should propose

how the excess should be spent or where it should be transferred. Therefore, if the recommendation is approved, the fund will be as follows:

- \$522,000 - (balance as of 4/2/12)
- (\$200,000) - balance to have in fund as of 7/1/12
- \$322,000 - remaining balance
- (\$200,000) - for SGA Amphitheater Project
- \$122,000 - remaining amount to be re-allocated by Board prior to 7/1/12

Therefore, the President recommends to the Board of Trustees, the following resolution:

“BE IT RESOLVED: That the sum of Two Hundred Thousand Dollars (\$200,000) shall be withdrawn from the Board of Trustees’ University Improvement Fund and transferred to such fund or account as may exist or may be created by the administration to be used along with other funds previously obligated or pledged for the SGA Amphitheater, and that in addition, the administration is authorized to execute and deliver an agreement or contract with Shields and Associates for the construction of such project.”



III. ACTION AGENDA

F. “President’s Residence Advisory Committee” - Board Policy No. 209 - Appointment of Trustee Representative and Three At-Large Members

On February 24, 2012, the Board of Trustees approved a resolution creating a standing committee of the University to be known as the “President’s Residence Advisory Committee.” The resolution also created Board Policy No. 209 (attached).

Under this new Board policy, the President’s Residence Advisory Committee is to be composed of nine (9) persons. Of the nine persons, five (5) come from various campus constituency groups (Faculty Senate, Staff Senate, Student Government Association, UCA Alumni Association and UCA Foundation, Inc.).

The remaining four (4) persons on the committee are to be selected by the Board of Trustees and shall be one (1) member of the UCA Board of Trustees and three (3) other persons to be selected by the Board. No person selected by the Board of Trustees may be an employee of the University of Central Arkansas.

Based upon discussions and recommendations, the Chair of the Board recommends to the Board of Trustees the following resolution containing the appointments to the President’s Residence Advisory Committee:

“BE IT RESOLVED: That _____, a member of the UCA Board of Trustees is hereby appointed as the Board’s representative to the President’s Residence Advisory Committee to serve for the period set forth in Board Policy No. 209;

BE IT FURTHER RESOLVED, that _____, _____ and _____ are hereby appointed by the Board of Trustees to be the three persons selected by the Board of Trustees to serve on the President’s Residence Advisory Committee, with their initial terms to be staggered in drawing by lot as set forth in Board Policy No. 209.”

UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY

Policy Number: 209

Subject: President's Residence Advisory Committee

Date Adopted: 02/2012

Revised: _____

Establishment of Committee: There is hereby established a standing committee of the University of Central Arkansas to be known as the "President's Residence Advisory Committee."

Purpose of the Committee: The purpose of the committee is to (a) review any proposed changes to the President's home and grounds, as more specifically set forth herein, (b) review the estimated costs thereof and the sources and uses of funds to make any such improvements, and (c) make recommendations, as the committee determines are appropriate, to the Board of Trustees. The committee is advisory only and shall not be deemed to be a governing body for any purpose.

Membership of the Committee/Meetings: The committee shall be composed of nine (9) persons as follows:

- One member of the Board of Trustees of the University of Central Arkansas
- One person designated as the representative from the UCA Faculty Senate
- One person designated as the representative from the UCA Staff Senate
- One person designated as the representative from the UCA Student Government Association
- One person designated as the representative from the UCA Alumni Association
- One person designated as the representative from the UCA Foundation, Inc.
- Three persons initially selected by the Board of Trustees of the University of Central Arkansas, none of whom shall be employees of the University. Any vacancy of a member appointed by the UCA Board of Trustees shall be filled by action of the Board of Trustees.

The director of the UCA Physical Plant shall be an ex-officio, non-voting member of the committee.

The member of the UCA Board of Trustees shall serve a one-year term on the committee. All other members shall serve three-year terms, with the initial terms of the members staggered and drawn by lot as described herein.

At the committee's first meeting, the eight members of the committee (other than the UCA trustee) shall draw for terms by lot. The three persons selected by the UCA Board of Trustees shall draw for one, two and three year terms so that one UCA Board appointee will be serving in each of those three terms. The remaining five members shall draw (a) one position for a one-year term; (b) two positions for a two-year term and (c) two positions for a three-year term. Thereafter, all persons appointed to the committee shall serve for a term of three years.

The committee members shall be selected by their respective groups listed above, and the names of the committee members shall be provided to the Chair of the Board of Trustees and the Chief of Staff by January 15 of each year. Members of the committee may be reappointed. The committee shall elect its own chair. The committee shall hold at least one meeting each calendar year. Special meetings may be called by the Chair, or upon request of any two (2) members of the committee. At least two days' notice of any meeting shall be provided to each member.

Charge to and Powers of the Committee; Advisory Recommendations: The committee is charged with full authority to review any and all proposed changes to the President's Home and adjacent grounds, with such authority to include, but not be limited to, review and recommendations concerning any proposed architectural or structural changes to the home (interior or exterior) and grounds. This includes additions, renovations, removal or cutting of trees (except for normal, routine and customary pruning and landscaping, or planting of flowers and shrubs), as well as other areas inside the public areas of the home. This review shall not be deemed to include routine maintenance to the home, or routine planting and landscaping to the grounds.

As part of its work, the committee is to review the proposed costs involved, and shall review the sources of funds to make any such proposed changes.

Action by the Committee/Approval Required by Board of Trustees: No renovations, alterations or change to the public areas of the interior of the home, or any part of the exterior of the home, nor any permanent change to the landscaping of the grounds adjacent to the home shall be made except (a) upon the recommendation of the committee after its review, and (b) a report approved by the full Board of Trustees setting forth the changes and approving the cost involved and the funds to be expended.

Exceptions for Emergencies and Personal Areas: Notwithstanding the foregoing, the personal areas of the home may be painted, carpeted, etc., as the residing family may determine, but not to exceed \$5,000 in the aggregate for any fiscal year from public funds unless reviewed by the committee and approved by the Board of Trustees. In addition, if in the reasonable opinion of the Vice President for Finance and Administration and the Director of the Physical Plant, repairs are needed as a result of any emergency or an act of God, then such repairs may be made, but

notification shall be provided to the Chair of the Committee and the Chair of the Board of Trustees.

III. ACTION AGENDA

G. “Contract Review Procedures” - Board Policy No. 416

Pursuant to Board Policy No. 416, “Contract Review Procedures,” the administration must seek Board approval for (i) Any contract which will require the expenditure by the University of funds (at any time) in excess of \$250,000; or (ii) Any contract with a term exceeding one (1) year, unless the Office of General Counsel certifies, in writing, that the contract may be terminated by the University on the giving of written notice of ninety (90) days or less.

The administration is seeking Board approval for the following contracts:

- LRS Sports and University of Central Arkansas

Therefore, the President recommends to the Board of Trustees the following resolution:

“BE IT RESOLVED: That the Board of Trustees authorizes the administration to enter into a contract with the company listed above.”

UNIVERSITY OF CENTRAL ARKANSAS

REASON FOR REQUIRING BOARD REVIEW AND ACTION:
(Board Policy #416)

Contract with a term of more than one year

SUMMARY

1. Parties: LRS Sports and the University of Central Arkansas
2. Purpose/Background: To provide hardware and software for the UCA football program
3. Goods/Services to be Purchased: Hardware and software
4. Term: A multi-year contract that will be re-negotiated occasionally
5. Public Bid/Purchasing Approval: No bid required.

Form prepared by: Jack Gillean, Chief of Staff

Date: March 21, 2012.