

The Board of Trustees of the University of Central Arkansas convened in a teleconference meeting at 2:00 p.m., Tuesday, June 17, 2008 with the following officers and members present:

Chair: Mr. Randy Sims
Vice Chair: Mr. Rush Harding, III
Mrs. Kay Hinkle
Mrs. Patricia Bassett
Dr. Michael Stanton

And with the following absent:

Dr. Harold Chakales
Mr. Scott Roussel

Constituting a quorum of said Board, at which meeting the following business was transacted:

The meeting was called to order by Chair Randy Sims. President Hardin stated that there were two items for the Board's consideration:

ACTION AGENDA

Property Purchase

The University began purchasing property between Donaghey Avenue and Farris Road as part of our overall campus master plan in 1995. In 1996 the University was granted first right of refusal for the property at 360 Farris Road, Conway, Arkansas. As a result of this first right of refusal and the property becoming available, the University is requesting that the President be allowed to negotiate the purchase of 1.37 acres located at 360 Farris Road, Conway, Arkansas. The purchase of this property will allow an opportunity to plan for overflow parking in an effort to eliminate some of the parking strain on campus. The house on the property may be available to use as a rental, which would provide income to the University.

The following resolution was unanimously adopted upon a motion by Michael Stanton and a second by Kay Hinkle:

“BE IT RESOLVED: That the University of Central Arkansas Board of Trustees authorizes the administration to begin negotiations for 1.37 acres located at 360 Farris Road, Conway, Arkansas in accordance with Board Policy No. 407.

BE IT FURTHER RESOLVED: That the administration is authorized to purchase the property at 360 Farris Road, Conway, Arkansas once satisfactory negotiations are made.”

Other (than pension) Postemployment Benefits

Pursuant to Statement 45 issued by the Governmental Accounting Standards Board (GASB), the university must reflect in its financial statement the accrued liabilities generated by its offering retirement benefits to employees/retirees. Currently, the university and all other governmental agencies operate on a pay-as-you-go basis for those benefits offered to its retirees. For 2007-08, the benefits offered to its retirees cost the university approximately \$273,000. GASB 45 will require that the university account for the financial obligation currently being incurred with those offerings. An actuarial firm from Dallas, Texas, Benefit Partners, Inc., was retained by the university along with three other universities, Arkansas State University, Henderson State University and Southern Arkansas University, to calculate that obligation. Using the current retirement offerings, that actuarial calculation yielded a cost of \$1.6 million that would have to be booked in the 2007-08 financial statements. While the obligation is not required to be funded, it is required to be booked as a liability. If the obligation is not funded, this liability could lower the university's bond rating and result in higher interest rates for future bond issues.

The only alternative to booking this liability is to reduce the university's obligation to current employees by reducing the retirement benefits. The administration recommends reducing retirement benefits.

The following resolution was unanimously adopted upon a motion by Michael Stanton and a second by Randy Sims:

“BE IT RESOLVED: That the Board of Trustees approves the following revisions to Board Policy No. 512 and to Board Policy No. 516”:

Series: 500

Policy Number: 512

Policy Name: Early Retirement - Provisions for Teacher Early Retirement - Provisions for Teacher Retirement

Adoption Date: 9/94

Revision Date:

Policy Text:

The early retirement provisions in the Faculty and Staff Handbooks are amended by the addition of the following:

Employees who have thirty (30) or more years of service in the Arkansas Teacher Retirement System, who are at least sixty (60) years of age and who have at least twenty (20) years of service at the University of Central Arkansas will be allowed to retire under the University's early retirement plan by personally paying, until age sixty-two (62), insurance premiums available for regular early retirees. At age sixty-two (62) the University will include the retiree in the University early retirement plan with benefits paid by the University as provided in the Benefits – Eligible Retirement policy. ~~early retirement plan.~~

Series: 500
Policy Number: 516
Policy Name: Benefits - Eligible Retirement
Adoption Date: 5/99
Revision Date: 5/00
Policy Text:

Full-time employees who have completed ten (10) or more years of continuous benefits-eligible employment at UCA or at an Arkansas public higher education institution or state agency and who are age 59.5 or older or full-time employees who have completed twenty-eight (28) ~~cumulative years~~ cumulative years of benefits-eligible employment ~~with at UCA or at an Arkansas public higher education institution or state agency~~ at any age shall be eligible for basic benefits-eligible retirement. Employees who intend to retire are strongly encouraged to provide, at a minimum, a ninety (90) day written notice. For faculty, retirement shall begin, at the earliest, at the end of the semester in which notification is provided. For staff, retirement shall begin, at the earliest, at the end of the notification period. Retirement means termination of all employment with the university.

A year of service is defined as a nine-month full-time faculty assignment, twelve-month full-time faculty assignment or twelve-month full time administrative or staff assignment. Completed years may be achieved using any combination of years of full-time faculty or administrative/staff service. ~~Except for periods of approved leave without pay, partial years of service shall not be considered. Further, for employees qualifying with the twenty-eight cumulative years requirement no less than five of those years must be completed continuously and immediately prior to retirement. Prior employment periods of less than two continuous years shall not be considered. For employees qualifying for retirement benefits the last five years of employment must be completed at UCA.~~

Qualified retirees shall be eligible to continue participation in health, ~~and~~ and dental and life insurance plans ~~which are available to active employees.~~

Retirees may purchase health insurance for themselves and their eligible dependents. The retiree will pay the difference between the university's contribution and the cost of the plan as selected by the retiree. For those employees retiring prior to January 1, 2009, the university's maximum monthly contribution for a single plan is \$283 and the university's maximum monthly contribution for a family plan is \$400. For those employees retiring after December 31, 2008, the retiree will pay the difference between the university's contribution of \$150 a month and the cost of the full premium based on their enrollment status (single, family, etc.). at the same premium rates as those paid by active employees. From age 65 until age 70 the university will contribute toward medicare supplemental coverage for the retiree. At age 70, the retiree pays the entire cost of coverage. At age 65, health insurance coverage for retirees and their dependents will end.

Effective January 1, 2009, retirees, until age 65, may purchase dental insurance for themselves and their eligible dependents by payment of the full premium. at the same premium rates as those paid by active employees. When participants reach age 65 all coverage will end.

~~Retirees, until age 80, may purchase life insurance through the university plan in accordance with the group policy requirements. Effective January 1, 2009, all retirees will assume the payment of the entire life insurance premium.—Future retirees hired before January 1, 1999, will receive \$15,000 in retiree life insurance until age 80. At age 80 all coverage ends. Retirees hired after December 31, 1998, will receive no retiree life insurance coverage. The life insurance plans for current retirees and employees who qualified for retirement as of December 31, 1998, will continue.~~

Retirees shall be eligible for lifetime passes to athletic events, university athletic and theatre facilities and to other university-sponsored events. Retirees shall be eligible for lifetime passes to the library, free retiree parking decals and other miscellaneous benefits which the university may elect to provide.

The Board voted to suspend the rules to consider the following item:

Housing-Bond Issue Refunding

The administration and its financial advisors have completed the annual review of the university's outstanding bond issues. The purpose of this review was to determine if current interest rates would result in a net present value savings of at least three percent, which is the industry standard. Two housing bond issues should be considered for a possible refunding.

The following resolution was adopted upon motion by Mike Stanton with a second by Kay Hinkle. Mr. Harding abstained.

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF CENTRAL ARKANSAS AUTHORIZING PREPARATIONS FOR THE ISSUANCE OF STUDENT HOUSING SYSTEM REVENUE REFUNDING BONDS NOT TO EXCEED \$10,000,000

WHEREAS, the General Assembly of the State of Arkansas at its 1947 Regular Session enacted Act 62 of 1947 (Arkansas Code Annotated '6-62-301 *et seq.*), as amended, (the AAct@) pursuant to which the University of Central Arkansas (AUCA@) is authorized and empowered as a public agency of the State of Arkansas to construct, reconstruct, enlarge or repair buildings, structures, parking facilities or other improvements, which the UCA Board of Trustees (the ABoard@) deems proper, and to issue bonds in order to finance such; and

WHEREAS, the Board recommends the investigation of refunding certain prior student housing system revenue bonds (the ARefunded Bonds@), including exploring financing options, with Jack, Lyon & Jones, P.A., bond counsel, and Crews & Associates, Inc., underwriter for the bond issue, and reimbursement for applicable expenses that may occur prior to the bond closing; and

WHEREAS, the Board recommends that the refunding of the Refunded Bonds is necessary for the efficient operation of the UCA campus and approves plans for such refunding, contingent on achieving a net present value savings of 3%, subject to final review and approval by this Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD THAT:

Section 1. The administration is authorized to commence all necessary preparations for the issuance of Student Housing System Revenue Refunding Bonds (the A2006 Refunding Bonds@) not to exceed \$10,000,000, to be issued in such series, to mature, to bear interest, to contain such other terms and conditions and to be sold to the public, subject to final review and approval by this Board.

Section 2. It is appropriate to issue the bonds if the refunding of the Refunded Bonds will achieve a net present value savings of 3% or more.

ADOPTED AND APPROVED June 17, 2008.

**BOARD OF TRUSTEES OF THE
UNIVERSITY OF CENTRAL ARKANSAS**

By: _____
Randy Sims, Chair

ATTEST:

By: _____
Harold Chakales, Secretary

There being no further business to come before the Board, the meeting was adjourned upon motion by Rush Harding with a second by Kay Hinkle.

Randy Sims, Chair

Harold Chakales, Secretary

