

The Board of Trustees of the University of Central Arkansas convened in a called teleconference meeting at 3:30 p.m., Thursday, December 18, 2008, with the following officers and members present:

Chair:	Mr. Rush Harding, III
Vice Chair:	Dr. Harold Chakales
Secretary:	Mr. Scott Roussel
	Mrs. Patricia Bassett
	Mrs. Kay Hinkle
	Mr. Randy Sims
	Dr. Mike Stanton

ACTION AGENDA

PRESIDENTIAL SEARCH COMMITTEE

Scott Roussel made the following motion:

I move that the following people be selected by the Board of Trustees to serve on the Presidential Search Committee:

Ronnie Williams – VP/Deans
Drew Williams – SGA
Carter Walker – Staff
Milburn Adams – Community
Robin Nix – Foundation
Anne Wallace Crighton – Alumni
Kurt Boniecki – Faculty

The motion was seconded by Randy Sims and unanimously adopted.

Harold Chakales made a motion to elect Scott Roussel to serve as the Board's liaison on the committee. Patricia Bassett seconded the motion. Chairman Harding asked that a roll call vote be taken. The vote was as follows:

Harold Chakales – yes
Patricia Bassett – yes
Kay Hinkle – yes
Randy Sims – yes

Rush Harding, Mike Stanton and Scott Roussel abstained from voting. The motion passed.

OTHER (THAN PENSION) POSTEMPLOYMENT BENEFITS (OPEB)

At the teleconference held by the Board on June 17, 2008, the Board modified Board Policy Nos. 512 and 516. These changes were initiated as the result of Governmental Accounting Standards Board (GASB) Statement 45. Those changes, unless revised by the Board, will take effect on January 1, 2009, and will result in reducing the retirement benefits paid to current and future retirees. Without those changes UCA would have needed to book an annual OPEB expense of approximately \$1.6 million for those retirement benefits based upon a \$10.5 million accrued liability. With those changes the total accrued liability was reduced to \$2.6 million and the annual OPEB expense was reduced to \$386,013.

Subsequent to the Board's action in June, which deleted the UCA contribution toward supplemental health insurance coverage, dental insurance coverage and life insurance coverage, the Faculty Senate and the Staff Senate expressed concern about the changes and the Fringe Benefits Committee met about this issue. On July 17, the Fringe Benefits Committee adopted a resolution recommending to the President and the Board that payments toward supplemental health care benefits (a portion of the benefits reduced by the Board's vote in June) be reinstated as a one-time, lump-sum payment to retirees currently receiving the supplemental health care payment of \$73.00 per month. The cost to the university to reinstate this benefit to the 66 current retirees over the age of 65 is approximately \$136,000. The Board approved this lump-sum payment to those retirees over age 65 at its meeting July 25, 2008, and that payment will be processed in January 2009.

The Fringe Benefits Committee has met with staff several times over the past four months, reviewed information regarding the reinstatement of dental and life insurance coverage for retirees, as well as the \$73 supplemental payment to those retirees not yet age 65, and made the following recommendations:

That the \$73 monthly payment toward supplemental health insurance coverage from age 65 to age 70 be reinstated for those current retirees as of June 30, 2008, who are less than age 65 and those in phased retirement as of June 30, 2008.

That the monthly UCA contribution on dental coverage for current retirees and those UCA employees who retire on or before December 31, 2009, be set at the lesser of \$25.48 or the current year's monthly premium for single coverage. The amount of \$25.48 reflects the 2009 monthly UCA dental contribution for single coverage.

That for current retirees and those in phased retirement as of December 31, 2008, participating in the university's life insurance plan, the UCA contribution be set at \$10.00 per month.

In late 1998 a retirement option was given to those employees who in that year were 55 years old and had 15 years of service. The option required the employee to choose between life insurance coverage at retirement of one-times salary to be paid by UCA until age 70 or life insurance coverage at retirement of \$15,000 to be paid for by UCA until age 80. Since 1998 those

employees who chose the one-times salary option for life insurance coverage at retirement have paid more for life insurance coverage while an active employee than those who chose the \$15,000 option. For those retirees and active employees who made the choice in 1998 to have one-times salary as life insurance paid by UCA until age 70, administration recommends reinstating that retiree benefit.

The restoration of the recommended changes will increase the accrued liability to \$3,032,988 and the annual OPEB expense to \$410,908, resulting in an increase of \$24,895 in the annual OPEB expense. The cash flow will be impacted by a maximum of \$56,429.76 in 2011, reducing to \$100 in 2036, the last year of these benefits.

The following resolution was unanimously adopted upon motion by Mike Stanton with a second by Randy Sims:

“BE IT RESOLVED: That the Board of Trustees approves the reinstatement of the \$73 payment for supplemental health insurance coverage from age 65 to age 70 to retirement eligible employees who retired on or before June 30, 2008 who as of January 1, 2009 would be less than age 65 and for those in phased retirement as of June 30, 2008;

BE IT FURTHER RESOLVED: That the Board of Trustees approves for UCA employees who retire on or before December 31, 2009, the UCA monthly contribution on their dental insurance coverage be set at the lesser of \$25.48 or the current monthly premium for single coverage;

BE IT FURTHER RESOLVED: That the Board of Trustees approves for current retirees as of December 31, 2008, and those in phased retirement as of December 31, 2008, who chose the \$15,000 life insurance option in 1998, and who are participating in the university’s life insurance plan, the UCA contribution on their life insurance be set at \$10.00 per month;

BE IT FURTHER RESOLVED: That the Board of Trustees approves for current retirees and those current employees who chose the one-times salary life insurance option in 1998 and who are participating in the university’s life insurance plan, the UCA contribution will be the cost of that one-times salary life insurance coverage until age 70; this coverage, however, does reduce to 65% upon the retiree turning age 65 and always did reduce even as an active employee.

BE IT FURTHER RESOLVED: That the Board of Trustees approves the following revisions to board policy number 516:”

Series: 500
Policy Number: 516
Policy Name: Benefits - Eligible Retirement
Adoption Date: 5/99
Revision Date: 5/00, 6/08
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) or more cumulative years of benefits-eligible employment 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. 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, dental and life insurance plans.

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 age 65, health insurance coverage for retirees and their dependents will end.

Effective January 1, 2009, current retirees and those retirement eligible employees who retire on or before December 31, 2009, may purchase dental insurance until age 65, by paying the difference between the university's contribution of the lesser of \$25.48 per month or the current year's monthly premium for single coverage, and the cost of the full premium based on their enrollment status (single, family, etc.); retirement eligible employees who retire after December 31, 2009, retirees, until age 65, may purchase dental insurance for themselves and their eligible dependents by payment of the full premium. At age 65, dental insurance coverage for retirees and their dependents will end.

Effective January 1, 2009, for those current retirees and those active employees who chose in 1998 the one-times salary as retirement life insurance coverage until age 70, the university contribution will be the cost of the continuation of that life insurance coverage until age 70. Effective January 1, 2009, for those current retirees as of December 31, 2008, and those in phased retirement as of December 31, 2008, who in 1998 chose the \$15,000 life insurance coverage until age 80 option may continue that coverage until age 80 by paying the difference between the university's contribution of \$10.00 per month and the cost of the full premium for the coverage.

Retirement eligible employees who retire after December 31, 2008, may, until age 80, purchase life insurance through the university plan in accordance with the group policy requirements by assuming the payment of the entire life insurance premium.

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.

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.

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

**The University of Central
Arkansas Board of Trustees**

Randy Sims, Chair

Harold Chakales, Secretary

